

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23907
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On January 14, 2011, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 2006 through 2008 in the total amount of \$4,982.

The taxpayers filed a timely appeal. They did not request a hearing. The Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Commission records showed the taxpayers were Idaho residents who appeared to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayers for an explanation of why their 2006 through 2008 Idaho returns had not been filed, but they did not respond to the inquiries.

The Bureau requested and received [Redacted] income records from [Redacted]. The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

Idaho Code § 63-3045(1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall

be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayers and sent them an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Commission.

The taxpayers protested the Bureau's determination. The taxpayers stated in their protest letter, received March 18, 2011, that they were awaiting documentation [Redacted] and, upon receipt of said information, they would be filing actual returns which should alter the amount of tax due determined by the Commission.

The protest was acknowledged, and an April 25, 2011, due date was given to the taxpayers for completion of the returns. A subsequent request for returns was made by the Bureau, but to date, no returns have been received.

When the taxpayers' did not deliver the returns to the Commission after the allowed time, their file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter advising them of their appeal rights.

The Bureau computed the taxpayers' Idaho income tax responsibility using the same filing status of married, filing joint, with five exemptions as shown in IRS records. Withholding in the amount of \$570, \$910, and \$1,469 for taxable years 2006 through 2008, respectively, was identified and allowed to offset a portion of the Idaho income tax due. The interest and penalty added by the Bureau pursuant to Idaho Code §§ 63-3045 and 63-3046 was reviewed and found to be proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayers to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers failed to file their 2006 through 2008 Idaho individual income tax returns. Absent information to the contrary, the Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for those years.

THEREFORE, the Notice of Deficiency Determination dated January 14, 2011, and directed to [Redacted], is AFFIRMED.

IT IS ORDERED that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$2,837	\$709	\$737	\$4,283
2007	455	114	86	655
2008	109	27	14	<u>150</u>
			TOTAL DUE	<u>\$5,088</u>

Interest is calculated through December 30, 2011.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayers' right to appeal this decision is enclosed.

DATED this _____ day of _____ 2011.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2011, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.
