

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23910
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

[Redacted] (taxpayers) protested the Notice of Deficiency Determination dated March 25, 2011, issued by the Revenue Operation Division of the Idaho State Tax Commission denying a request for refund in the total amount of \$569. The taxpayers believe their refund should be allowed due to their circumstances and all they do for the state of Idaho. The Tax Commission having reviewed the file hereby issues its decision.

BACKGROUND

The taxpayers filed a 2006 individual income tax return requesting a refund of their excess withholdings. The Tax Commission received the taxpayers’ 2006 return on December 27, 2010. During processing, the taxpayers’ return was identified as a return that had a potential error. The Taxpayer Accounting Section (Taxpayer Accounting) reviewed the taxpayers’ return and found the taxpayers’ claim for refund was past the statute of limitations for issuing or crediting a refund. Taxpayer Accounting sent the taxpayers a correction letter stating their refund was denied because their claim for refund was past the statute of limitations.

The taxpayers protested Taxpayer Accounting’s correction stating that [Redacted] was a “one man show” and he gets behind on the paperwork. The taxpayers also stated that since they collect sales tax for Idaho, they are assets of the state and hope to be treated as hard working taxpayers rather than as numbers. The taxpayers stated they recently were victims of fraud wherein the account set aside for paying taxes was emptied and, as a result, they owe interest on

some late sales tax filings. The taxpayers asked that some of their refund be applied to the sales tax and interest they owe.

Taxpayer Accounting reviewed the taxpayers' protest, sent the taxpayers a Notice of Deficiency Determination, and referred the matter for administrative review.

The Tax Commission sent the taxpayers a letter explaining the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayers did not respond, so the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3072(c) states that a claim for credit or refund of amounts withheld must be made within three (3) years of the due date of the income tax return required to be filed, without regard to extensions, for the taxable year with respect to which the tax was withheld or paid. The taxpayers' 2006 return had a due date of April 16, 2007. The Tax Commission did not receive the taxpayers' 2006 income tax return until December 27, 2010, well after the three-year statutory period for filing a claim.

The Tax Commission recognizes that the taxpayers benefit the state by collecting and remitting sales tax. The Tax Commission is also empathetic to the taxpayers' situation of having to do everything to have a successful business. However, the statute makes no exception in these regards to the requirement that a claim for refund of excess withholdings be made within three years of the due date of the return.

CONCLUSION

The Idaho statute is clear when it states a claim for refund or credit must be filed within three years from the due date of the return. Whether or not the taxpayers' circumstances caused a delay in the filing of their 2006 Idaho income tax return, the Idaho Code has no provision for

those circumstances. Therefore, the Tax Commission must uphold the denial of the taxpayers' request for credit or refund.

THEREFORE, the Notice of Deficiency Determination dated March 25, 2011, and directed to [Redacted] is hereby AFFIRMED.

Since the Notice of Deficiency Determination denied a request for refund, no ORDER and DEMAND for payment is needed or necessary.

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.
