

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 24045
)
)
Petitioner.) DECISION
)
_____)

On March 14, 2011, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 2005 and 2008 in the total amount of \$8,537.

On May 13, 2011, the taxpayer submitted a timely appeal. The taxpayer did not request a hearing. The Commission, having reviewed the file, hereby issues its decision.

The (Bureau) obtained information that the taxpayer appeared to have a filing requirement for taxable years 2005 and 2008. The Bureau reviewed the Commission’s records and found that the taxpayer did not file Idaho individual income tax returns for taxable years 2005 and 2008. The Bureau sent the taxpayer a letter asking about his requirement to file Idaho income tax returns. The taxpayer did not respond. The Bureau obtained additional information from [Redacted] and determined the taxpayer was required to file Idaho income tax returns. The Bureau prepared returns for the taxpayer and sent him an NODD. The taxpayer protested the deficiency notice. In his appeal letter, the taxpayer stated the income calculation shown on the NODD was incorrect because it was missing allowable deductions. The taxpayer also stated that actual returns would be submitted forthwith. The Bureau acknowledged the appeal and gave the taxpayer a due date of June 17, 2011, in which to submit returns.

On June 23, 2011, the Bureau received the taxpayer's 2005 Idaho individual income tax return, and on September 9, 2011, the Bureau received the taxpayer's 2008 Idaho individual income tax return. The Bureau reviewed the taxpayer's returns and determined they were unacceptable. The Bureau provided the taxpayer with the reasons the returns were unacceptable and explained what was necessary to make the returns valid and complete. No response was received. Consequently, the Bureau referred the matter for administrative review.

The taxpayer did not respond to a letter from the tax policy specialist wherein he was advised of his rights regarding his appeal. Therefore, the Commission decided the matter based upon the information available.

The Commission compared the taxpayer's returns with the information it obtained from [Redacted] and from its own records. The Commission found that the taxpayer did not include all his income on the 2008 return he submitted, and the 2005 return he submitted was not consistent with the federal return he filed in regard to dependent exemptions and filing status.

For taxable year 2005, the taxpayer filed a federal return with a filing status of single, with one exemption. The return he submitted to the Bureau showed a Head of Household filing status with five dependent exemptions. For taxable year 2008, the taxpayer did not include nonemployee compensation from [Redacted] in the amount of \$925 and patronage dividends from [Redacted] in the amount of \$376. All this income should have been included on the taxpayer's 2008 income tax return. The Commission used the same filing status and dependent exemptions for taxable year 2005 as shown in [Redacted]. For taxable year 2008, the taxpayer did not submit a [Redacted] return, so the Bureau also used a filing status of single, with one exemption.

While the taxpayer did submit Idaho individual income tax returns for taxable years 2005 and 2008, they were not acceptable. The NODD prepared by the Bureau more accurately reflects the taxpayer's taxable income. Interest and penalty were added pursuant to Idaho Code §§ 63-3045 and 63-3046. The Commission reviewed those additions and found them proper and in accordance with Idaho Code.

THEREFORE, the NODD dated March 14, 2011, and directed to [Redacted] is hereby AFFIRMED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 159	\$ 40	\$ 54	\$ 253
2008	6,136	1,543	879	<u>8,558</u>
			TOTAL DUE	<u>\$8,811</u>

Interest is calculated through June 8, 2012.

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

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

DATED this _____ day of _____ 2012.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2012, 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.
