

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24046
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On March 18, 2011, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued two Notices of Deficiency Determination (NODDs) to [Redacted] (taxpayer) proposing income tax, penalty and interest for taxable years 1999 through 2008 in the total amount of \$19,931.

The taxpayer protested the NODDs and subsequently submitted copies of W-2 statements showing previously unidentified withholding for taxable years 2003 through 2005. The withholding amounts were in excess of the tax due for taxable years 2004 and 2005, and the NODD was cancelled for those two years. For taxable year 2003, the NODD was modified by the Bureau to give the taxpayer credit for the withholding. Tax years 2004 and 2005 will not be addressed further in this decision. No information was submitted for taxable 1999 through 2002 or for taxable years 2006 through 2008. The Commission, having reviewed the file, hereby issues its decision regarding taxable years 1999 through 2003 and taxable years 2006 through 2008.

The taxpayer failed to file his 1999 through 2003 and 2006 through 2008 Idaho individual income tax returns. Because Commission records showed the taxpayer met the state income tax filing requirements and had not filed his Idaho returns for the aforementioned years, the Bureau attempted to contact him for clarification. The taxpayer did not respond.

The Bureau requested and received a transcript of the taxpayer's [Redacted] income records from the [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 taxpayer and sent him two NODDs. The taxpayer appealed the NODDs. In his appeal letter, received May 16, 2011, the taxpayer stated his reason for not filing income tax returns was very personal and, although not relevant to the state, extremely important to him. The taxpayer also stated he takes full responsibility for the problems his failure to file has caused. On May 25, 2011, the Bureau acknowledged the protest and gave the taxpayer a due date of June 27, 2011, to submit returns. A second request for returns was made on July 7, 2011. When returns were not received, the file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayer did not respond to a letter from the Tax Policy Specialist that outlined his appeal rights. To date, the Commission has not received Idaho individual income tax returns for taxable years 1999 through 2003 or 2006 through 2008 or any additional information from the taxpayer. The time has come for the Commission to decide this matter.

The information obtained from [Redacted] along with Commission records showed the taxpayer had income in excess of the filing requirement. The Commission issued two NODDs to the taxpayer on March 18, 2011, based on the income information obtained from [Redacted] and that found in Commission records.

The Idaho individual income tax returns the Bureau prepared on behalf of the taxpayer were based on income information gleaned from the taxpayer's [Redacted] income records and the records retained by the Commission. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

An NODD issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984). The taxpayer has provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable years 1999 through 2003 and taxable years 2006 through 2008.

THEREFORE, the NODDs dated March 18, 2011, and directed to [Redacted], are MODIFIED and as so MODIFIED, are AFFIRMED.

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>
1999	\$ 666	\$167	\$ 487	\$ 1,320
2000	635	159	414	1,208
2001	1,949	487	1,121	3,557
2002	1,466	367	749	2,582
2003	902	226	413	1,541
2006	823	206	227	1,256
2007	1,384	346	284	2,014
2008	1,036	259	195	1,490
			TOTAL DUE	<u>\$14,968</u>

Interest is computed through May 18, 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.
