

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24093
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On April 13, 2011, 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 2000 and 2003 in the total amount of \$5,234.

The taxpayer filed a timely appeal. He 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 taxpayer was an Idaho resident who appeared to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why his 2000 and 2003 Idaho returns had not been filed, but he did not respond to the inquiries.

The Bureau requested and received a transcript of the taxpayer's [Redacted] records from the Internal Revenue Service (IRS). 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 an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Commission.

The taxpayer protested the Bureau's determination. The protest letter received by the Bureau stated that "We ([Redacted]) would like to request that we be allowed to file our income tax returns for 2000 and 2003. We feel that we possibly do not owe as much as is stated in your letter of April 13, 2011."

The Bureau sent the taxpayer a letter acknowledging the protest and allowing an extension of time, until July 15, 2011, in which to submit returns. A second inquiry concerning the missing returns was sent by the Bureau on July 15, 2011. The taxpayer was given until August 15, 2011, to submit returns.

When the taxpayer did not deliver the returns to the Commission after the allowed time, his file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter advising him of his appeal rights. A follow up letter was also sent by the tax policy specialist with no response.

The Bureau computed the taxpayer's Idaho income tax responsibility using the same filing status of Married, filing separate with one exemption as shown in [Redacted]. No withholding was identified by the Bureau. However, because the Commission could identify consistent withholdings for the taxpayer in other tax years, from the same employer, a formula was used to estimate a withholding amount for taxable year 2000 (\$861) and for taxable year

2003 (\$1,597). These amounts were allowed to offset the amount of 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.

The taxpayer failed to file his 2000 and 2003 Idaho individual income tax returns. Absent information to the contrary, the Commission accepts, with the adjustment for the withholding allowance, the Bureau's calculation of Idaho income tax, penalty, and interest for those years.

THEREFORE, the NODD dated April 13, 2011, and directed to [Redacted], is hereby MODIFIED, and as MODIFIED, is 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>
2000	\$486	\$122	\$318	\$926
2003	36	10	17	<u>63</u>
			TOTAL DUE	<u>\$989</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.
