

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24094
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On April 12, 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 2006 through 2008 in the total amount of \$3,682.

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 2006 through 2008 Idaho individual income tax 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] 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 an NODD. The NODD was based on information obtained from [Redacted] those records retained by the Commission.

The taxpayer protested the Bureau's determination of his income. In his protest letter, the taxpayer stated that because of his large business losses during the years of the NODD, it was his understanding that he would not be required to file income tax returns. However, upon learning he was required to file returns, the taxpayer stated he would prepare the appropriate returns and just needed more time in which to complete them. The taxpayer also stated he believed that once completed, the returns would show that he did not owe any tax.

The Bureau acknowledged the appeal and allowed the taxpayer additional time in which to complete the Idaho individual income tax returns. When the taxpayer did not deliver the returns to the Bureau 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 policy specialist but no response has been received and, to date, no returns have been received.

The Idaho resident individual income tax returns the Bureau prepared on behalf of the taxpayer were based on income information gleaned from the taxpayer's federal income records and the records retained by the Commission. For taxable years 2006 and 2007, the Bureau used a filing status of Married, filing separate with one personal exemption and an adjusted gross income of \$33,180 and \$20,888, respectively, based on the taxpayer's [Redacted] transcript. The

Bureau could not locate any withholding for either year to offset the amount of Idaho income tax due. For taxable year 2008, the Bureau used the same filing status and exemptions, but calculated the amount of Idaho income tax due based on 1099s issued to the taxpayer. 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 taxpayer to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer failed to file his 2006 through 2008 Idaho individual income tax returns. Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Absent information to the contrary, the Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for those years.

THEREFORE, the NODD dated April 12, 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>
2006	\$1,616	\$404	\$447	\$2,467
2007	675	169	139	983
2008	237	59	34	<u>330</u>
			TOTAL DUE	<u>\$3,780</u>

Interest is calculated through May 30, 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.