

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 24127
)
)
Petitioner.) DECISION
)
_____)

On April 18, 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 2009 in the total amount of \$8,762.

The taxpayer protested the determination and subsequently submitted Idaho Individual income tax returns for taxable years 2008 and 2009. The returns were accepted as filed and the NODD was cancelled for those years. Taxable years 2008 and 2009 will not be addressed further in this decision. No information was submitted for taxable years 2006 and 2007. The Commission, having reviewed the file, hereby issues its decision regarding taxable years 2006 and 2007.

The taxpayer failed to file his 2006 and 2007 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 2006 and 2007, 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 [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 taxpayer submitted a timely appeal which stated the NODD was incorrect because it did not include his proper personal and itemized deductions. The Bureau sent a letter to the taxpayer on June 21, 2011, acknowledging the appeal and giving the taxpayer a due date of July 21, 2011, for completion of actual returns. A subsequent extension of time until September 12, 2011, was also granted by the Bureau. When returns were not received, the file was transferred to the Legal/Tax Policy Division for administrative review.

The tax policy specialist sent the taxpayer a letter giving him the option of two methods for having the NODD redetermined. The taxpayer did not respond. The Commission, believing the taxpayer has had more than an adequate amount of time to prepare and submit his income tax returns, decided this matter based on the information available.

The information obtained from the Internal Revenue Service (IRS) along with Commission records show the petitioner had income in excess of the filing requirement. The Commission issued an NODD to the taxpayer on April 18, 2011, based on the income information obtained from the IRS and that found in Commission records.

The Idaho individual income tax return the Bureau prepared on behalf of the taxpayer was based on income information gleaned from the taxpayer's federal income records and the records retained by the Commission. The taxpayer's withholding of \$2,167 and \$1,723 for taxable years 2006 and 2007 respectively, was allowed to offset a portion of the Idaho income tax due. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

A Notice of Deficiency Determination 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 2006 and 2007.

THEREFORE, the Notice of Deficiency Determination dated April 18, 2011 and directed to [Redacted], is hereby MODIFIED and as MODIFIED, is 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>
2006	\$1,274	\$319	\$348	\$1,941
2007	1,441	360	293	<u>2,094</u>
			TOTAL DUE	<u>\$4,035</u>

Interest is computed through May 2, 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.
