

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 24220
[Redacted],)
)
)
Petitioner.) DECISION
)
_____)

[Redacted] (petitioner) protested the Notice of Deficiency Determination dated May 16, 2011, asserting income tax, penalty, and interest for taxable years 2005 through 2008 in the total amount of \$6,873. Petitioner disagreed with the Tax Discovery Bureau’s determination of her Idaho taxable income for each of the years. The Tax Commission, having reviewed the file, hereby issues its decision.

BACKGROUND

The Tax Discovery Bureau (Bureau) received information from the Idaho Department of Labor that showed petitioner received wages while working in Idaho during 2005 through 2008. The Bureau reviewed the Tax Commission’s records and found that petitioner did not file Idaho individual income tax returns for the taxable years 2005 through 2008. The Bureau sent petitioner letters asking about her requirement to file Idaho individual income tax returns. Petitioner did not respond. The Bureau obtained additional information [Redacted] and determined petitioner was required to file Idaho income tax returns. The Bureau prepared income tax returns for petitioner and sent her a Notice of Deficiency Determination.

Petitioner protested the Bureau’s determination and followed up her protest with a completed 2008 Idaho income tax return. Petitioner stated she hired an accounting firm and her 2005 through 2007 returns would be submitted within two weeks. The Bureau accepted petitioner’s 2008 return and cancelled it from the Notice of Deficiency Determination. The

Bureau allowed petitioner the additional two weeks to provide the other returns, but no returns were provided. The Bureau contacted petitioner's representatives, but they failed to return the auditor's calls. Therefore, after several more weeks had passed, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent petitioner's representatives a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The Tax Commission did not receive a response, so the Tax Commission sent a follow-up letter to Petitioner. Three weeks later, petitioner submitted income tax returns for the taxable years 2005 through 2007.

CONCLUSION

The Tax Commission reviewed petitioner's returns and found them to be a better representation of petitioner's Idaho taxable income than the returns prepared by the Bureau. Therefore, the Tax Commission accepts petitioner's returns, subject to the normal review process of the Tax Commission, in lieu of the returns prepared by the Bureau.

The Bureau added interest and penalty to petitioner's Idaho tax liability. The Tax Commission reviewed those additions and found them appropriate to the income tax returns petitioner provided. *See* Idaho Code sections 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated May 16, 2011, and directed to [Redacted] is **AFFIRMED AS MODIFIED** by this decision.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$658	\$165	\$223	\$1,046
2006	193	48	53	294
2007	321	80	66	<u>467</u>
			TOTAL DUE	<u>\$1,807</u>

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

An explanation of petitioner'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.