

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 24531
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

[Redacted] (taxpayer) protests the Notice of Deficiency Determination (NODD) issued by the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) dated March 11, 2011, asserting additional liabilities for Idaho income tax, penalty, and interest in the total amounts of \$2,110 for taxable year 2006 and \$2,066 for taxable year 2007.

The taxpayer failed to file an Idaho income tax return for taxable year 2006 and taxable year 2007. The Bureau contacted the taxpayer to try to get him to file the returns. This did not result in the taxpayer filing the requested returns. Therefore, the Bureau obtained information from the [Redacted] regarding the taxpayer's income and asserted the liabilities shown in the NODDs mentioned above.

The taxpayer contends that the liability for taxable years 2006 and 2007 are incorrect since most of the income in question was earned in Utah. The taxpayer failed to provide information sufficient to determine whether he was a resident of Utah for the years in question. Idaho Code § 63-3022 states that a resident is taxed on all income regardless of source. Since the taxpayer has failed to establish that he was other than a resident, the Commission finds that he should be taxed as a resident of Idaho.

Idaho Code § 63-3029 provided for a credit for taxes paid another state. That section also provides that "[t]o substantiate the credit allowed under this section, the state tax commission may require a copy of any receipt showing payment of income taxes to another state or a copy of any

return or returns filed with such other state or territory, or both.” The Bureau requested that the taxpayer provide a copy of the income tax returns he filed in Utah. The taxpayer did not provide these. However, in an effort to be fair and equitable to the taxpayer if he did in fact pay taxes on income earned in Utah, the Commission requested copies of the returns from Utah through an exchange agreement between the states.

The state of Utah responded to the Commission’s request. They provided a copy of the taxpayer’s 2006 Utah return, on which the taxpayer claimed to be a nonresident of Utah, and a letter stating that the taxpayer did not file a return with Utah for taxable year 2007. Therefore, for taxable year 2006, the Commission has modified the NODD to allow the taxpayer a credit for taxes paid to the state of Utah and an allowance for Idaho withholding shown on the W-2s that accompanied the Utah return. No adjustment was made to the NODD regarding taxable year 2007.

THEREFORE, the NODD dated March 11, 2011, and directed to [Redacted], is hereby MODIFIED, and as MODIFIED, is AFFIRMED and MADE FINAL.

IT IS ORDERED that the taxpayer pays the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$ 362	\$ 91	\$101	\$ 554
2007	1,461	365	305	<u>2,131</u>
			TOTAL DUE	<u>\$2,685</u>

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

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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.

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