

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 24674
)
)
Petitioner.) DECISION
)
_____)

On June 29, 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 through 2005 and taxable years 2007 and 2008 in the total amount of \$11,236.

The taxpayer protested the determination and subsequently submitted Idaho Individual income tax returns for taxable years 2000, 2001, 2007, and 2008. The Bureau reviewed the returns, accepted the 2007 and 2008 returns, and cancelled the NODD for those years. Taxable years 2007 and 2008 will not be addressed further in this decision. The returns submitted for taxable years 2000 and 2001 were not signed by the taxpayer, did not have W-2s attached, and did not include a copy of the taxpayer’s federal return. No information was submitted for taxable years 2002 through 2005. The Commission, having reviewed the file, hereby issues its decision regarding taxable years 2000 through 2005.

The taxpayer failed to file his 2000 through 2005 Idaho individual income tax returns. Because Commission records show the taxpayer met the state income tax filing requirements and had not filed his Idaho income tax returns for taxable years 2000 through 2005, the Bureau attempted to contact him for clarification. The taxpayer did not respond.

The Bureau requested and received a transcript of the taxpayer's federal 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 appealed the NODD, and his file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayer did not respond to a letter from the Tax Policy Specialist that outlined his appeal rights, and to date, complete copies of individual income tax returns for taxable years 2000 through 2005 have not been received. The time has come for the Commission to decide this matter.

The information obtained from [Redacted] along with Commission records show the taxpayer had income in excess of the filing requirement. The Commission issued an NODD to the taxpayer on June 29, 2011, based on the income information obtained from [Redacted] and that found in Commission records.

The Idaho individual income tax returns the Bureau prepared on behalf of the taxpayer were based on income information gleaned from the taxpayer's [Redacted] income records and the records retained by the Commission. The taxpayer's withholding, some identified by the

Bureau and some provided by the taxpayer, was allowed to offset a portion of the Idaho income tax due for taxable years 2005 through 2008. For taxable years 2000 and 2001, the amount of withholding shown on the incomplete returns submitted by the taxpayer was allowed because the Commission could identify consistent withholdings for the taxpayer in other tax years and from the same employer. For taxable years 2002 through 2004, a formula was used to estimate a withholding amount; \$596 for taxable year 2002, \$553 for taxable year 2003, and \$535 for taxable year 2004. 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 were reviewed and found to be proper and in accordance with Idaho Code.

THEREFORE, the NODD dated June 29, 2011, and directed to [Redacted], is hereby MODIFIED and, as modified, is APPROVED 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>
2000	\$426	\$107	\$280	\$ 813
2001	476	119	277	872
2002	757	189	391	1,337
2003	832	208	386	1,426
2004	702	176	283	1,161
2005	694	174	238	<u>1,106</u>
			TOTAL DUE	<u>\$6,715</u>

Interest is computed through July 9, 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.