

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24693
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On October 13, 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 2004 through 2008 in the total amount of \$15,578.

The taxpayer failed to file his 2004 through 2008 Idaho individual income tax returns. Because Commission records showed the taxpayer met the state income tax filing requirements and had not filed his Idaho return for the aforementioned years, 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 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. On December 14, 2011, the taxpayer protested the determination disputing the absence of credit for withholding for taxable years 2004 and 2005 and the inclusion in income of the amounts shown on Form 1099-C for taxable years 2007 and 2008.

The Bureau sent the taxpayer a letter acknowledging his appeal and allowing him an extension of time, until January 31, 2012, to submit returns. When returns were not received, the 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 he did not request a hearing. To date, no returns have been received. The time has come for the Commission to decide this matter.

The information obtained from the [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 October 13, 2011, based on the income information obtained from [Redacted] and that found in Commission records.

Subsequent to the issuance of the NODD, the Bureau was able to identify withholding for the taxpayer for taxable years 2004 and 2005 in the amounts of \$1,192 and \$1,243, respectively. For taxable year 2005, the amount of withholding was sufficient to cover the tax due; therefore, the Bureau cancelled the NODD for taxable year 2005. For taxable year 2004, the additional withholding was added to the previously identified amount and 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.

THEREFORE, the NODD dated October 13, 2011, and directed to [Redacted], is hereby MODIFIED, APPROVED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER 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>
2004	\$ 780	\$195	\$353	\$ 1,358
2006	2,739	685	802	4,226
2007	3,757	939	838	5,534
2008	1,030	259	164	<u>1,453</u>
			TOTAL DUE	\$12,571

Interest is computed through October 29, 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.
