

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24734
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On November 28, 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 2005 and 2006 in the total amount of \$1,634.

The taxpayer protested the determination. He did not request a hearing or submit additional information. The Commission, having reviewed the file, hereby issues its decision based on information contained in the file.

Information available to the Commission indicated the taxpayer was an Idaho resident who met the individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why his 2005 and 2006 Idaho individual income tax returns had not been filed, but he did not respond to the inquiries.

The taxpayer's [Redacted] income records were made available to the Commission pursuant to Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. The Bureau determined the taxpayer's income required him to file Idaho individual income tax returns for all of the years at issue.

Idaho Code § 63-3045(1)(a) states:

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.

Because the Commission's files did not include the taxpayer's Idaho individual income tax returns for the aforementioned years, the Bureau prepared the returns on the taxpayer's behalf and issued an NODD. The NODD was based on the information received from [Redacted] and those records retained by the Commission.

The taxpayer appealed the determination 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. A follow-up letter was also sent with no response.

In the protest letter sent by the taxpayer, he stated the NODD was incorrect because he was not given credit for any withholding in taxable year 2005. The taxpayer also requested the assessed penalty and interest be removed for both years.

Withholding in the amount of \$426 was identified for taxable year 2006 which reduced that year's tax due amount. Withholding information for taxable year 2005 could not be identified. The taxpayer had Idaho income tax withheld from his paychecks in years prior to taxable year 2005 and subsequent to taxable year 2005. Therefore, it would seem reasonable that the taxpayer did have an amount withheld for taxable year 2005. Because the taxpayer was employed by the same company in 2005 and 2006 and earned very similar wages, \$21,161 and \$21,183 respectively, the Commission determined that the same amount of withholding, \$426, would be a reasonable amount of withholding for 2005.

Interest and penalty were added pursuant to Idaho Code §§ 63-3045 and 63-3046. The Commission reviewed those additions and found them proper and in accordance with Idaho Code.

THEREFORE, the NODD dated November 28, 2011, and directed to [Redacted] is hereby MODIFIED, and as modified, is APPROVED and MADE FINAL.

IT IS ORDERED and 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>
2005	\$323	\$81	\$117	\$521
2006	300	75	90	<u>465</u>
			TOTAL DUE	<u>\$986</u>

Interest is calculated through December 31, 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.
