

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

| | | |
|---------------------------------|---|------------------|
| In the Matter of the Protest of |) | |
| |) | DOCKET NO. 24745 |
| [Redacted], |) | |
| |) | |
| Petitioner. |) | DECISION |
| _____ |) | |

On June 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 2006, 2007, and 2009 in the total amount of \$891.

The taxpayer timely appealed the NODD but did not request a hearing and has not provided the Commission with any additional information for its consideration. Therefore, the Commission issues its decision based on the information presently in the file.

The taxpayer failed to file an Idaho individual income tax return for taxable years 2006, 2007, and 2009. Because Commission records showed the taxpayer met the state income tax filing requirements and had not filed her Idaho income tax returns for the previously mentioned years, the Bureau attempted to contact her for clarification. The taxpayer did not respond.

The Bureau requested and received a transcript of the taxpayer's [Redacted] 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:

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 income tax returns on behalf of the taxpayer and sent her an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Commission.

The taxpayer protested the NODD contending that the liabilities for taxable years 2006 and 2007 are incorrect because the income in question was earned in another state. Idaho Code § 63-3002 states that a resident's income, regardless of source, is taxable. Since the taxpayer has failed to establish that she was anything other than a resident, the Commission finds that she should be taxed as a resident of Idaho.

Idaho Code § 63-3029 provides 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 she filed in the other state. However, the taxpayer did not provide this. The Bureau, in an effort to be fair and equitable, contacted the other state through an exchange of information agreement and requested copies of any returns filed by the taxpayer for taxable years 2006 and 2007. The other state responded stating that they searched their records and could not find any personal income tax returns for the taxpayer for the years in question. It is impossible for the Commission to determine the amount, if any, of any such credit and therefore no such credit is allowable.

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

IT IS ORDERED that the taxpayer pay the following tax, penalty, and interest (calculated to August 13, 2012):

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|--------------|
| 2006 | \$114 | \$ 29 | \$32 | \$175 |
| 2007 | 92 | 23 | 20 | 135 |
| 2009 | 447 | 112 | 45 | <u>604</u> |
| | | | TOTAL DUE | <u>\$914</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

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.
