

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24869
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On September 14, 2011, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 2005 through 2007 in the total amount of \$7,607.

On November 2, 2011, the Commission received the taxpayers' timely protest. The taxpayers did not request a hearing. The Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Commission records show the taxpayers were Idaho residents who appear to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayers for an explanation of why their 2005 through 2007 Idaho returns had not been filed, but they did not respond.

The Bureau requested and received a transcript of the taxpayers' [Redacted] income records from [Redacted]. The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

The Bureau prepared the missing Idaho returns on behalf of the taxpayers and sent them an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Commission.

The taxpayers protested the Bureau's determination. In their protest letter, the taxpayers listed several reasons why they believed the NODD was in error. They stated that they have not lived in Idaho since April 2006 and were therefore no longer residents, they should have four allowed exemptions, and they were not sure the amount of income shown was correct. The taxpayers also stated that they had contacted the IRS for copies of their transcripts for taxable years 2005 through 2007 so they would then have all the needed information. The taxpayers requested additional time to get all information from the IRS and stated they would forward that information as soon as possible.

On November 3, 2011, the Bureau sent a letter to the taxpayers acknowledging the protest and informing the taxpayers that the NODD was based on income information received from the IRS and from federal returns filed by the taxpayers. A date of December 9, 2011, was given to the taxpayers for completion of their 2005 through 2007 Idaho individual income tax returns.

On December 27, 2011, an additional extension of time, until January 27, 2012, was granted to the taxpayers, but to date, no returns have been received.

When the taxpayers did not deliver the returns to the Commission after the allowed time, their file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter advising them of their appeal rights.

The individual income tax returns the Bureau prepared on behalf of the taxpayers were based on income information gleaned from the taxpayers' [Redacted] income records and those records retained by the Commission. For taxable years 2005 and 2006, the resident returns prepared by the Bureau used the adjusted gross income shown on the federal returns submitted by the taxpayers, a filing status of Married, Filing Joint, and four personal exemptions. The taxpayers' withholding of \$449 and \$554, respectively, was allowed to offset a portion of the

Idaho income tax due. For taxable year 2007, the part-year resident return prepared by the Bureau showed only Idaho sourced income, a filing status of Married, Filing Joint, and four personal exemptions. No Idaho withholding could be identified. The interest and penalty added by the Bureau pursuant to Idaho Code §§ 63-3045 and 63-3046 was reviewed and found to be proper and in accordance with Idaho Code.

An NODD issued by the Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers failed to file their 2005 through 2007 Idaho individual income tax returns. Absent information to the contrary, the Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for taxable years 2005 through 2007.

THEREFORE, the NODD dated September 14, 2011, and directed to [Redacted], is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$1,815	\$454	\$640	\$2,909
2006	1,444	361	419	2,224
2007	1,802	451	396	<u>2,649</u>
			TOTAL DUE	<u>\$7,782</u>

Interest is calculated through October 1, 2012.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayers' 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.
