

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25062
[Redacted],)	
)	
Petitioners.)	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] (taxpayers) proposing income tax, penalty, and interest for taxable years 2003, 2007, and 2009 in the total amount of \$8,181.

The taxpayers filed a timely appeal. They 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 2003, 2007, and 2009 Idaho returns had not been filed, but they did not respond to the inquiries.

The Bureau requested and received a transcript of the taxpayers' [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 taxpayers and sent them an NODD. The NODD was based on information obtained from [Redacted] and records retained by the Commission.

On January 26, 2012, the Commission received a timely protest to the Bureau's determination. The taxpayers stated in their protest letter that they had previously submitted an Idaho income tax return for taxable year 2003 and paid the tax due in full. For taxable years 2007 and 2009, the taxpayers did not give a specific reason why the NODD was incorrect.

The Bureau acknowledged the protest on January 30, 2012, and gave the taxpayers a due date of February 29, 2012, in which to have the 2007 and 2009 returns completed and to provide a copy of their 2003 return along with proof of payment. When no further information or correspondence was received from the taxpayers, the file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter sent by the tax policy specialist advising them of their appeal rights.

For taxable year 2003, the Idaho tax due shown on the NODD was determined using the same filing status, Married, filing joint, and adjusted gross income, \$41,001 as shown in IRS records. No Idaho withholding could be identified. For taxable years 2007 and 2009, the returns prepared by the Bureau were based on records available to the Commission and 1099-misc income reported to [Redacted] in the taxpayers' social security number. Withholding in the total amount of \$1,928 and \$1,492 for taxable years 2007 and 2009, respectively, was allowed to offset a portion of the Idaho income tax due for those years. 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.

A Notice of Deficiency Determination 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.

Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable years 2003, 2007, and 2009.

THEREFORE, the NODD dated November 28, 2011, is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED 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>
2003	\$1,475	\$369	\$716	\$2,560
2007	3,148	787	732	4,667
2009	852	213	101	<u>1,166</u>
			TOTAL DUE	<u>\$8,393</u>

Interest is calculated through January 30, 2013.

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.
