

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24903
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

[Redacted] (Petitioner) protested the Notice of Deficiency Determination issued to [Redacted], dated August 30, 2011, asserting income tax, penalty, and interest in the total amount of \$1,689 for taxable year 2006. Petitioner disagreed with the Tax Discovery Bureau’s (Bureau) determination that he was required to file an Idaho individual income tax return for 2006. The Tax Commission, having reviewed the file, hereby issues its decision.

BACKGROUND

The Bureau received information that Petitioner may have had a requirement to file Idaho individual income tax returns for taxable years 2006 and 2009. The Bureau searched the Tax Commission’s records and found Petitioner did not file Idaho individual income tax returns for those years. The Bureau sent Petitioner a couple of letters asking him about his requirement to file Idaho individual income tax returns. Petitioner did not respond. The Bureau obtained information from the [Redacted] and determined Petitioner was required to file income tax returns for taxable years 2006 and 2009. The Bureau prepared returns for Petitioner and sent him separate Notices of Deficiency Determination for each year.

Petitioner protested the Bureau’s determination stating that he never worked in Idaho in 2006 or 2009. Petitioner stated his employer in 2006, [Redacted], moved he and his family to [Redacted] and he continued to live in [Redacted] through 2009. Petitioner provided a statement from his employer in 2009[Redacted], verifying that Petitioner neither lived nor worked in Idaho

in 2009. The Bureau reviewed the information from [Redacted] and after speaking directly with the chief managing officer, the Bureau cancelled the Notice of Deficiency Determination for taxable year 2009. However, Petitioner did not provide the same information for taxable year 2006, and since Petitioner's employers in 2006 filed W-2 wage and tax statements with the Tax Commission, the Bureau was unwilling to change its position regarding taxable year 2006. Petitioner stated he would get a statement from [Redacted] about his employment with them, but the Bureau never received that statement.

The Bureau referred the matter for administrative review, and the Tax Commission sent Petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. Petitioner did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 states that part-year resident individuals are required to file a return of income if they have income from all sources while a resident of Idaho, and income from Idaho sources while a non-resident of Idaho in excess of \$2,500. It appears from the information available Petitioner's Idaho income exceeded that amount in taxable year 2006.

Petitioner contested his requirement to file a 2006 Idaho individual income tax return. Petitioner stated he did not work in Idaho in 2006. Petitioner stated he would have his employer provide a statement about his work and why his wages were reported part to Idaho and part to [Redacted]. The employer's statement was never received.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App.

1986). Petitioner's employer reported Petitioner's 2006 wages partly to Idaho, and partly to [Redacted]. The Bureau contacted [Redacted] and asked about the two W-2s [Redacted] issued for Petitioner. [Redacted] stated that it separates employee income by state, and that Petitioner moved to [Redacted] in 2006. [Redacted] statement implies Petitioner and/or his family was still living in Idaho in 2006, for at least a portion of the year. Furthermore, in addition to Petitioner's employment with [Redacted], Petitioner was employed by [Redacted] in 2006[Redacted] also reported Petitioner's wages to Idaho, thereby supporting the position Petitioner was a part-year resident of Idaho in 2006.

Petitioner failed to provide anything to show when he left Idaho in 2006. Petitioner did not meet his burden of proof. The Tax Commission reviewed the return the Bureau prepared for Petitioner for taxable year 2006, and found it to be a reasonable representation of Petitioner's Idaho taxable income based upon the information available.

CONCLUSION

Petitioner received wages in 2006 that were reported to the Idaho Department of Labor and to the Tax Commission. Those wages were in excess of the filing requirement threshold for part-year resident individuals; therefore, from all practical appearances, Petitioner was required to file a 2006 Idaho individual income tax return. Petitioner did not provide anything to show his wages were reported incorrectly, or when he and his family left Idaho. Therefore, the Tax Commission upholds the Bureau's determination.

The Bureau added interest and penalty to Petitioner's tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated August 30, 2011, and directed to [Redacted] is AFFIRMED.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$1,122	\$281	\$359	\$1,762

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

An explanation of the Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2013.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2013, 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.
