

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25077
[Redacted])	
Petitioner.)	
)	DECISION
_____)	

The Idaho State Tax Commission’s (Commission) Tax Discovery Bureau (TDB) issued a Notice of Deficiency Determination to [Redacted](petitioner) proposing additional income tax, penalty, and interest for taxable year 2006 in the total amount of \$1,197. The petitioner filed a timely petition for redetermination (petition). The petitioner was informed of her appeal rights. The Commission, having reviewed the file, hereby issues its decision.

In April 2007, the petitioner filed her Idaho Income Tax Return for taxable year 2006.

On August 29, 2010, the TDB sent the petitioner a “billing letter” notifying the petitioner that her 2006 Idaho income tax return was adjusted to reflect additional wages of \$10,000, and taxable pensions in the amount of \$2,145, pursuant to information the Commission received from the [Redacted] As a result of these adjustments, the TDB asserted that the petitioner owed an additional tax of \$945, a \$47 section 63-3046(a), Idaho Code, negligence penalty, and \$194 in interest, pursuant to section 63-3045(c), Idaho Code, for a total amount due of \$1,186.¹

The billing letter was subsequently followed up with the issuance of the Notice of Deficiency Determination (NODD) on October 13, 2010. The petitioner filed a timely petition and provided the Commission with an Idaho Power of Attorney listing her current husband as her representative.

¹ References to Idaho income statutes refer to those Idaho statutes in place for taxable year 2006, unless otherwise stated.

In the petition, the petitioner argued that

The Commission is attempting to collect an assumed tax debt from me four years after the dated tax return. Since 2006 I have filed and received returns from the Idaho State Tax Commission with no mention as to the above assumed liability.

. . . if the tax commission finds that I should be held liable for this debt then all interest and penalties should be excluded for the lack of notification on the part of the commission.

In a letter dated December 7, 2010, the TDB provided the petitioner with the following information:

In response to the basis to collect the tax, penalty and interest is, when you received the letter from the [Redacted] around April of 2008 the second page outlines if you are responsible for filing a State tax return that you are required to let your state know within 60 days of the notification of your adjustment. If that had have been done there would have been no penalty and a lot less interest. Interest is mandated by law and cannot be reduced. However if you pay the tax and interest in full and send in a written request for the penalty to be forgiven I will pass it onto my supervisor for her consideration.

Idaho's tax return starts with the [Redacted] therefore we have to match. The [Redacted] has your adjusted gross income for 2006 at \$52,565.00 and your adjusted gross income on your Idaho return is \$40,406.00. I can also see you paid the [Redacted] in full on a payment plan.

The taxable wages for that year from [Redacted] should have been reported at \$50,406.00 and you reported on your return \$10,000.00 less, this could have been a typing error as your returns were electronically filed this year. The interest income was from [Redacted] in the amount of \$14.00. The retirement income was from [Redacted] in the amount of \$2,145.00. I have included a print off of all the missed income for your records.

I have also included the protest letter and a withdrawal form. If you have any questions I can answer for you please call me I would be happy to help.

Unsuccessful in its subsequent attempts to convince the petitioner that she owes the amount of additional tax, penalty, and interest, the TDB submitted the petition into the Commission's administrative informal appeals process.

In September 2012, the petitioner was informed of her appeal rights and has not responded.

As previously mentioned, the NODD was issued on October 13, 2010, outside of the normal three-year statutes of limitations contained within section 63-3068(a), Idaho Code, which states “[e]xcept as otherwise provided in this section, a notice of deficiency . . . for the tax imposed in the chapter shall be issued within three (3) years from either the due date of the return, without regard to extensions, or from the date the return was filed, whichever is later.” One of the exceptions to section 63-3068(a), Idaho Code, is found within that statute’s subsection (f) which states:

(f) When Idaho taxable income or tax credits for any taxable year have been adjusted as a result of a final federal determination, the period of limitation for issuing a notice of deficiency shall be reopened and shall not expire until the later of one (1) year from the date of delivery of the final federal determination to the state tax commission by the taxpayer, three (3) years from the due date of the return, without regard to extensions, or three (3) years from the date the return was filed. For purposes of this subsection the term “final federal determination” shall mean the final resolution of all issues which were adjusted by the internal revenue service. When the final federal determination is submitted, the taxpayer shall also submit copies of all schedules and written explanations provided by the internal revenue service. Upon the expiration of the period of limitations as provided in subsections (a) and (m) of this section, only those specific items of income, deductions, gains, losses, or credits which were adjusted in the final federal determination shall be subject to adjustment for purposes of recomputing Idaho income, deductions, gains, losses, credits, and the effect of such adjustments on Idaho allocations and apportionments.

(Emphasis added.) Since the petitioner did not provide the Commission with the final [Redacted] determination, the statute of limitations on the [Redacted] adjustments did not begin to run; thus, the NODD issued by the TDB in 2010 was issued as allowed by subsection (f).

As such, as of the date of this decision, the petitioner has not provided any information that would resolve this case in the petitioner’s favor for the taxable year. It is the petitioner’s burden of proving error on the part of the deficiency determination. Albertson’s, Inc. v. State Dept. of

Revenue, 106 Idaho 810, 814, (1984); Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574 (Ct. App. 1986). Since the petitioner has not met this burden of proof showing that the NODD prepared by the TDB is incorrect, the Commission upholds the TDB's determination.

THEREFORE, the NODD dated October 13, 2010, and directed to petitioner, is AFFIRMED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
2006	\$945	\$47	\$298	\$1,290

Interest is calculated through July 15, 2013, and will continue to accrue at the rate set forth in section 63-3045(6)(c), Idaho Code.

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.
