

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
 [Redacted],) DOCKET NO. 25200
)
)
 Petitioner.) DECISION
)
 _____)

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated February 22, 2012, issued by the Tax Discovery Bureau of the Idaho State Tax Commission proposing income tax, penalty, and interest for taxable years 2004 through 2006, and 2009 in the total amount of \$4,349. Petitioner did not dispute that he was required to file Idaho income tax returns; he disagreed with the filing status and the number of exemptions allowed. The Tax Commission reviewed the matter and hereby issues its decision.

BACKGROUND

In a review of the information the Tax Commission receives from various sources, the Tax Discovery Bureau (Bureau) found that Petitioner did not file an Idaho individual income tax return for taxable year 2009. The Bureau researched the Tax Commission’s records further and found Petitioner had not filed individual income tax returns as far back as taxable year 2004. The Bureau sent Petitioner a letter asking him about his requirement to file Idaho income tax returns. Petitioner did not respond. The Bureau obtained additional information from the [Redacted] and determined Petitioner was required to file Idaho income tax returns for taxable years 2004 through 2006, and 2009.

The Bureau prepared returns for Petitioner and sent him a Notice of Deficiency Determination. Petitioner protested the Bureau’s determination. Petitioner stated the filing status used by the Bureau was incorrect and he was entitled to more exemption deductions.

Petitioner asked that he be given more time to prepare and submit his income tax returns. The Bureau allowed Petitioner additional time; however, even after several extensions, no returns were received. Consequently, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the case and sent Petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. Petitioner failed to respond, so the Tax Commission sent a follow-up letter to Petitioner. Petitioner still did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. In general, if an individual is required to file a federal income tax return, an Idaho income tax return is required as well. From the information available, Petitioner received wages and 1099 income in each of the years that exceeded the income threshold for filing income tax returns. Therefore, if Petitioner was an Idaho resident or domiciled in Idaho during the taxable years 2004 through 2006, and 2009, Petitioner was required to file Idaho individual income tax returns.

Petitioner did not deny he was required to file Idaho income tax returns for the years in question. Petitioner also did not seem to contest the income the Bureau asserted he received in each of the years. Petitioner only disagreed with his filing status and the number of dependent exemptions.

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 claimed his filing status was incorrect and he was entitled to additional exemptions. However, Petitioner provided nothing to substantiate his claims. If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and that taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931). The Tax Commission cannot simply allow exemptions, or change a filing status, without some basis or evidence of the exemptions or that Petitioner was something other than single. Petitioner did not meet his burden of proof.

The Bureau prepared returns for Petitioner based upon the best information available. The Tax Commission reviewed the returns the Bureau prepared and found that the returns correctly represent Petitioner's Idaho taxable income based upon the information available. Therefore, the Tax Commission upholds the Bureau's determination of Petitioner's Idaho income tax liability.

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

CONCLUSION

Petitioner's income for 2004 through 2006, and 2009 exceeded the filing requirements for filing Idaho individual income tax returns. Petitioner was required to file Idaho income tax returns. Petitioner failed to document or to provide a basis for any additional exemption deductions or a different filing status. Therefore, the Tax Commission upholds the Notice of Deficiency Determination.

THEREFORE, the Notice of Deficiency Determination dated February 22, 2012, and directed to [Redacted] is hereby 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>
2004	\$1,686	\$422	\$763	\$2,871
2005	293	73	115	481
2006	174	44	57	275
2009	630	158	92	880
			TOTAL DUE	<u>\$4,507</u>

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.
