

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25207
[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 years 2003 through 2009 in the total amount of \$11,835. The petitioner filed a timely protest and petition for redetermination (petition). The petitioner was informed of her appeal rights. The petitioner did not request an informal hearing, or provide any additional information subsequent to the issuance of the Commission’s hearing rights letter. The Commission, having reviewed the file, hereby issues its decision.

Based upon information available to the Commission, the TDB determined that the petitioner had an Idaho filing requirement for taxable years 2003 through 2009. The TDB initiated contact with the petitioner in late 2011, requesting that she file an Idaho income tax return for taxable years 2003 through 2009.

Since the petitioner did not file an Idaho income tax return for taxable years 2003 through 2009, the TDB issued a Notice of Deficiency Determination (NODD) on February 9, 2012. The calculation of the petitioner’s Idaho taxable income was based mainly upon information that the TDB had acquired from another taxing agency as shown in Exhibit A, attached to and made part of this decision.

In the TDB's calculation of the petitioner's Idaho taxable income, the TDB treated the petitioner as single, allowing one personal exemption deduction and the standard deduction amount for a single taxpayer.

In addition to the information that the TDB obtained from the other taxing agency, the TDB estimated that in 2008 the petitioner generated taxable income from her business, [Redacted] The TDB calculated the unreported income by using the total of the 1099-MISC income for 2009 in the amount of \$35,801, and then reduced that amount by the 1099-MISC reported in 2008 of \$2,485, to arrive at an estimated underreported income amount for 2008 of \$33,316.

The petitioner does not dispute that she has an Idaho filing requirement for taxable years 2003 through 2009; however, she does dispute the TDB's calculation of her Idaho taxable income, since TDB's calculations do not reflect her married status, nor does it allow any of her business expenses. The petitioner indicated in correspondence with the TDB that she is working on getting her accountant to complete the requested returns; however, as of the date of this decision, the petitioner has not filed the requested Idaho returns. The TDB made several attempts to secure the requested returns from the petitioner but was unsuccessful in its attempts.

In addition to the amount of Idaho income tax sought by the TDB as shown in Exhibit A, the TDB is seeking interest and penalty. The interest asserted in the NODD was asserted in accordance with section 63-3045(6), Idaho Code. Penalty asserted in the NODD was asserted for failure to file an Idaho income tax return in accordance with section 63-3046(c), Idaho Code. The TDB did not allow for section 63-3024A, Idaho Code credit for food (commonly referred to as the grocery credit).

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 Comm'n, 110 Idaho 572, 574 (Ct. App. 1986). Since the petitioner has not met this burden of proof, the Commission upholds the TDB's determination except that the Commission will allow the petitioner a grocery credit based upon a single personal exemption. The grocery credit allowed is shown on Exhibit A.

THEREFORE, the NODD dated February 09, 2012, and directed to the petitioner is hereby AFFIRMED AS MODIFIED by this decision.

IT IS ORDERED that the petitioner pay the following amount of tax, penalty, and interest:

Year	Tax	Penalty	Interest	Total
2003	\$ 56	\$ 14	\$ 28	\$ 98
2004	615	154	272	1,041
2005	344	86	132	562
2006	1,427	357	456	2,240
2007	1,196	299	299	1,794
2008	2,471	618	459	3,548
2009	1,941	485	263	2,689
			Total Due	<u>\$11,972</u>

Interest is calculated through August 31, 2013, and will continue to accrue at the rate set forth in section 63-3045, 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.

EXHIBIT A

Idaho Taxable Income:	Source	2003	2004	2005	2006	2007	2008	2009
[Redacted]	W-2	\$16,110	\$18,422	\$19,734	\$2,643	\$0	\$0	\$0
[Redacted]	W-2	2,050						
[Redacted]	W-2		608					
[Redacted]	W-2			500				
[Redacted]	W-2				18,705			
[Redacted]	W-2				7,788	28,675	7,585	
[Redacted]	W-2						3,895	3,097
[Redacted]	1099-MISC			5,000	5,975	5,270		
[Redacted]	1099-MISC				550	750	2,485	4,590
[Redacted]	1099-MISC					1,150		16,558
[Redacted]	1099-MISC							14,653
[Redacted]	1099-INT						20	
[Redacted]		-4,750	-4,850	-5,000	-5,150	-5,350	-5,450	-5,700
[Redacted]		-3,050	-3,100	-3,200	-3,300	-3,400	-3,500	-3,650
[Redacted]		10,360	11,080	17,034	27,211	27,095	5,035	29,548
[Redacted]								
[Redacted]	Estimate						33,316	
[Redacted]		<u>\$10,360</u>	<u>\$11,080</u>	<u>\$17,034</u>	<u>\$27,211</u>	<u>\$27,095</u>	<u>\$38,351</u>	<u>\$29,548</u>

		2003	2004	2005	2006	2007	2008	2009
[Redacted]		\$579	\$625	\$1,061	\$1,898	\$1,801	\$2,691	\$1,971
[Redacted]	W-2	-513	0	-707	-461	-595	-200	0
[Redacted]		10	10	10	10	10	10	10
[Redacted]		0	0	0	0	0	0	0
[Redacted]		76	635	364	1,447	1,216	2,501	1,981
[Redacted]		-20	-20	-20	-20	-20	-30	-40
[Redacted]		<u>\$56</u>	<u>\$615</u>	<u>\$344</u>	<u>\$1,427</u>	<u>\$1,196</u>	<u>\$2,471</u>	<u>\$1,941</u>