

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 25446
[Redacted],)
)
)
) Petitioners.) DECISION
)
_____)

[Redacted] and [Redacted] (Petitioners) protested the Notice of Deficiency Determination dated May 31, 2012, issued by the Tax Discovery Bureau of the Idaho State Tax Commission proposing income tax, penalty, and interest for taxable years 2007 through 2010, in the total amount of \$5,813. Petitioners did not dispute that they were required to file Idaho income tax returns; they were just laying low because of identity theft. 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 Petitioners received W-2 wages and 1099 income for taxable years 2007 through 2010. The Bureau researched the Tax Commission’s records further and found Petitioners had not filed Idaho individual income tax returns for those years. The Bureau sent Petitioners a letter asking them about their requirement to file Idaho income tax returns. Petitioners did not respond. The Bureau determined Petitioners were required to file Idaho income tax returns for taxable years 2007 through 2010, so the Bureau prepared returns for Petitioners and sent them a Notice of Deficiency Determination.

Petitioners protested the Bureau’s determination. Petitioners stated they had not forgotten about their back taxes; they just chose to be inactive due to identity theft. Petitioners also stated that since they did not receive any stimulus checks they did not feel they owed tax on

something they did not receive. Petitioners stated they would be consulting a CPA or tax attorney.

The Bureau acknowledged Petitioners' protest and asked them to file their income tax returns by September 4, 2012. When Petitioners failed to meet that deadline the Bureau sent them a follow-up letter, again asking for their income tax returns. Petitioners did not respond so the Bureau referred the matter for administrative review.

The Tax Commission reviewed the case and sent Petitioners a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. Petitioners requested a hearing, but when the scheduled time for the hearing came, Petitioners cancelled due to family medical issues. The Tax Commission told Petitioners all that was needed was their income tax returns. Petitioners stated they should have them done in a couple of months. The Tax Commission allowed Petitioners the additional time; however, three months later Petitioners contacted the Tax Commission and stated they would accept the Tax Commission's findings because it was too expensive to have someone prepare returns for them. The Tax Commission attempted to contact Petitioners to discuss the matter further, but never received a response back from Petitioners. 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. The information gathered by the Bureau clearly shows Petitioners received wages and 1099 income in each of the years that exceeded the income threshold for filing income tax returns. Therefore, Petitioners were required to file Idaho individual income tax returns.

Petitioners did not deny they were required to file Idaho income tax returns for the years in question. Petitioners just wanted to file their own income tax returns. However, due to the cost of preparation, Petitioners decided not to have their returns prepared.

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). Petitioners did not provide anything to show the returns the Bureau prepared were incorrect. In fact, Petitioners stated they would accept the returns the Bureau prepared.

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

The Bureau added interest and penalty to Petitioners' 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

Petitioners' income for 2007 through 2010 exceeded the filing requirements for filing Idaho individual income tax returns. Petitioners were required to file Idaho income tax returns. Petitioners acquiesce to the income tax returns prepared. Therefore, the Tax Commission upholds the Notice of Deficiency Determination.

THEREFORE, the Notice of Deficiency Determination dated May 31, 2012, and directed to [Redacted] and [Redacted] is hereby AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$ 901	\$225	\$211	\$1,337
2008	758	190	129	1,077
2009	279	70	34	383
2010	2,343	586	172	<u>3,101</u>
			TOTAL DUE	<u>\$5,898</u>

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

An explanation of the Petitioners' 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.
