

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25242
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

The Idaho State Tax Commission’s (Commission) Tax Discovery Bureau (TDB) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioners) proposing additional income tax, penalty, and interest for taxable years 2008 and 2009, in the total amount of \$25,225. The petitioners filed a timely petition for redetermination (petition). The petitioners were informed of their appeal rights. The petitioners 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.

In August 2011, the TDB initiated contact with the petitioners, notifying them that the Commission had not received their Idaho individual income tax returns for taxable years 2008 and 2009. In September 2011, and again in December 2011, the TDB issued letters to the petitioners requesting that the petitioners file their Idaho 2008 and 2009 income tax returns. Attached to the December correspondence sent to the petitioners was a preliminary calculation of the petitioners’ Idaho income tax liability, which was based upon information available to the TDB.

Since the petitioners did not file the requested Idaho income tax returns, in 2012, the TDB issued the NODD. See Table 1 (Exhibit A) below for the calculation of the petitioners’ Idaho income tax.

The TDB used income and withholding information it obtained from other governmental agencies and from a determination the TDB made with respect to the husband's 100 percent owned S corporation named [Redacted] See the Commission's published decision in Docket No. 25243 for additional detail relating to the petitioners' income from [Redacted] The TDB used a married filing joint status with two personal exemptions when calculating the petitioners' Idaho taxable income. Interest was asserted in accordance with Idaho Code section 63-3045(c)(1). Penalty was asserted in accordance with Idaho Code section 63-3046(c)(1), for failure to file an Idaho income tax return.

The petitioners filed a petition for redetermination in which they stated "I don't agree with the Notice of Deficiency Determination. I have not filed 2008-2009 taxes as of yet. The(sic) are ready to be sent, but waiting on a form from the [Redacted]. When it arrives, I will send 2008-2009 tax form."

The petitioners were informed of their appeal rights. As of the date of this decision, the petitioners have not filed their Idaho income tax returns for taxable years 2008 and 2009, or provided any information to show that the TDB's calculations are in error. It is the petitioners' 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 petitioners have not met this burden of proof, the Commission upholds the TDB's determination relating to taxable years 2008 and 2009.

THEREFORE, the NODD dated February 8, 2012, and directed to the petitioners is hereby AFFIRMED by this decision.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
2008	\$8,882	\$2,221	\$1,854	\$12,957
2009	9,654	2,414	1,533	<u>13,601</u>
			Total Due	<u>\$26,558</u>

Interest is calculated through April 30, 2014, and will continue to accrue at the rate set forth in Idaho Code section 63-3045.

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 _____ 2014.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2014, 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.

TABLE 1		2008	2009
Wages:			
[Redacted]	W-2	\$18,658	\$18,248
[Redacted]	ID DOL	10,800	8,100
Interest Income:			
[Redacted]	1099-INT	26	
[Redacted] Schedule E:			
[Redacted]	Audit	113,925	127,647
Standard Deduction		-7,000	-7,300
Personal Exemptions		-10,900	-11,400
Idaho Taxable Income		<u>\$125,509</u>	<u>\$135,295</u>
Idaho Income Tax		\$9,147	\$9,886
Permanent Building Fund Tax		10	10
Withholding		-275	-242
Idaho Income Tax per NODD		<u>\$8,882</u>	<u>\$9,654</u>