

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 25418
Petitioner.)
DECISION
_____)

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated July 9, 2012, issued to [Redacted] and [Redacted] by the Tax Discovery Bureau of the Idaho State Tax Commission. The Notice of Deficiency Determination proposed income tax, penalty, and interest for taxable year 2007, in the total amount of \$2,080. Petitioner did not dispute that she and the deceased were required to file income tax returns; Petitioner stated she needed additional time to gather her documentation so she could prepare and file their own return. 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 and the deceased received W-2 wages and 1099 income for taxable year 2007. The Bureau researched the Tax Commission’s records further and found Petitioner and the deceased had not filed Idaho individual income tax returns for 2007. The Bureau sent Petitioner and the deceased a letter asking about their requirement to file a 2007 Idaho income tax return. Petitioner did not respond. The Bureau obtained additional information from the [Redacted] and determined Petitioner and the deceased were required to file a 2007 Idaho income tax return. The Bureau prepared a return for Petitioner and the deceased and sent them a Notice of Deficiency Determination.

Petitioner protested the Bureau's determination stating she needed additional time to gather their documentation, and to take care of some medical issues. The Bureau allowed Petitioner more time than she requested; nevertheless, no return or additional information was received. The Bureau sent a follow-up letter to Petitioner, but again received no response. Therefore, 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. The information gathered by the Bureau clearly shows Petitioner and the [Redacted] received wages and 1099 income in 2007, that exceeded the income threshold for filing income tax returns. Therefore, Petitioner and the [Redacted] were required to file a 2007 Idaho individual income tax return.

Petitioner did not deny she and the [Redacted] had a requirement to file a 2007 Idaho income tax return. Petitioner stated she would gather her documentation, which implied she would file their own income tax return.

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 did not meet her burden.

The information the Bureau used in preparing Petitioner's and the [Redacted] 2007 income tax return included income consisting of wages and 1099 income. The Bureau used a filing status of married filing joint, allowed two personal exemptions, and used the standard deduction for married filing joint individuals. The Bureau also included Petitioner's and the [Redacted] withholdings from information available to the Tax Commission. The return the Bureau prepared is correct based upon the information used and available. If a taxpayer is unable to provide adequate proof of any material fact upon which a return of income depends, that taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931). Therefore, the Tax Commission finds the return the Bureau prepared an accurate representation of Petitioner's and the [Redacted] 2007 Idaho taxable income.

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

CONCLUSION

Petitioner's and the [Redacted] income for 2007, exceeded the filing requirement for filing an Idaho individual income tax return. Petitioner and the [Redacted] were required to file a 2007 Idaho income tax return. Petitioner failed to show the income tax return prepared by the Bureau was incorrect or in error. Therefore, the Tax Commission hereby upholds the Notice of Deficiency Determination.

THEREFORE, the Notice of Deficiency Determination dated July 9, 2012, and directed to [Redacted] and [Redacted] is AFFIRMED.

IT IS ORDERED that Petitioner and the [Redacted] pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$1,415	\$354	\$336	\$2,105

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 _____ 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.
