

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 25776
[Redacted],)
)
)
Petitioner.) DECISION
)
_____)

BACKGROUND

On January 11, 2013, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (Petitioner) proposing income tax, penalty, and interest for taxable year 2010, in the total amount of \$2,867. On March 11, 2013, the Petitioner filed a timely protest. On June 26, 2013, the file was transferred to the Legal/Tax Policy Division for resolution. On July 25, 2013, the Commission sent the Petitioner a letter that explained the methods available for redetermining an NODD.

ISSUES

Whether the income tax liability calculated by the TDB to issue the NODD was correct.

DISCUSSION

The Petitioner’s Idaho individual income tax return for taxable year 2010, did not report income from a business in which the Petitioner was a partner. The TDB used information from the Secretary of State’s business registration to determine that the Petitioner was a fifty percent (50%) partner in [Redacted]. The partnership filed Idaho sales tax returns for the 2010 year, showing gross sales of \$55,490. The TDB also obtained a copy of a vehicle loan application in which the Petitioner claimed income of \$3,500 per month during 2010. Based on the dates in that loan application and the business registration, the TDB included 11 months of income at that level, in

addition to the income already reported on her individual income tax return. The TDB acknowledged that there were likely expenses related to generating that income, but if the partnership does not file a return, there is no way for the Commission to know what those expenses are. The Petitioner did not respond to a request for information. No Idaho partnership income tax returns have been filed for taxable year 2010.

On June 5, 2012, the Commission sent the taxpayer a letter that explained the methods available for redetermining an NODD. The Petitioner did not respond.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Having presented no information in support of her position, the Petitioner did not meet her burden of proving error on the part of the deficiency determination. Absent information to the contrary, the Commission accepts the TDB's calculation of Idaho income tax, penalty, and interest for those years.

THEREFORE, the NODD dated January 11, 2013, and directed to [Redacted] is hereby AFFIRMED.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$2,549	\$127	\$265	\$2,941

Interest is calculated through February 15, 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 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.
