

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of )  
 )  
[Redacted], ) DOCKET NO. 25945  
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 )  
Petitioner. ) DECISION  
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\_\_\_\_\_ )

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated March 21, 2013, asserting income tax, penalty, and interest for taxable years 2002 through 2010, in the total amount of \$109,646. Petitioner disagreed with the Tax Discovery Bureau’s determination of his Idaho taxable income for each of the years. The Tax Commission, having reviewed the file, hereby issues its decision.

**BACKGROUND**

As part of the review of the Tax Commission’s records, the Tax Discovery Bureau (Bureau) found that Petitioner stopped filing Idaho individual income tax returns after filing his 2001 income tax return. The Bureau reviewed other information available to the Tax Commission and found Petitioner likely had a requirement to file Idaho income tax returns for taxable years 2002 through 2010. The Bureau sent Petitioner a letter asking about his requirement to file Idaho individual income tax returns. When Petitioner failed to respond, the Bureau obtained additional information from the [Redacted] and determined Petitioner was required to file Idaho income tax returns. The Bureau sent Petitioner a second letter with a preliminary determination of his Idaho tax liability. Petitioner responded that he would file his returns, but he needed additional time to get all the information gathered and the returns prepared. The Bureau allowed Petitioner additional time but after a few months with no returns

from Petitioner, the Bureau prepared income tax returns for Petitioner and sent him a Notice of Deficiency Determination.

In the meantime, Petitioner filed his 2009 and 2010 Idaho individual income tax returns, and about a month later, Petitioner filed income tax returns for taxable years 2002 and 2007. Petitioner then protested the Bureau's determination, stating he had filed four income tax returns in the past two months that clearly showed the returns the Bureau prepared were not even close to his actual Idaho taxable income. Petitioner stated he was committed to finishing his past due income tax returns and would get them to the Tax Commission as soon as possible.

The Bureau reviewed the income tax returns Petitioner filed and cancelled the part of the Notice of Deficiency Determination that related to Petitioner's 2002, 2007, 2009, and 2010 income tax returns. The Bureau also allowed Petitioner additional time to complete and submit his 2003 through 2006, and 2008 returns, but after more than six months without any returns, the Bureau decided the matter should be referred for administrative review. After the Bureau referred the matter, the Tax Commission received Petitioner's income tax return for taxable year 2008.

The Tax Commission reviewed the matter and sent Petitioner a letter discussing the methods available for redetermining a protested Notice of Deficiency Determination. Petitioner responded, stating his 2003 and 2005 income tax returns were completed and would be in the mail soon. Petitioner restated his determination to complete the remaining returns and get them submitted. Petitioner stated it should take no longer than 60 days to complete and file his 2004 and 2006 income tax returns.

The Tax Commission allowed Petitioner the additional time and as promised, Petitioner submitted the two remaining income tax returns.

## CONCLUSION

The Tax Commission reviewed Petitioner's income tax returns and found the returns represented Petitioner's taxable income better than the returns prepared by the Bureau. Therefore, the Tax Commission accepts Petitioner's income tax returns in lieu of the returns the Bureau prepared.

Petitioner's income tax returns for taxable years 2006, 2007, and 2008 resulted in refunds to the taxpayer. However, Idaho Code section 63-3072 states that a claim for credit or refund must be made within three years of the due date of the return. Petitioner's 2006 return had a due date of April 15, 2007. The Tax Commission received Petitioner's 2006 return March 4, 2014. Petitioner's 2007 return had a due date of April 15, 2008. Petitioner's 2007 return was received April 15, 2013. Petitioner's 2008 return had a due date of April 15, 2009. Petitioner's 2008 return was received September 15, 2013. Each of these returns was received well after the three year statutory period for filing a claim. Therefore, the Tax Commission denies Petitioner's claim for credit or refund for taxable years 2006, 2007, and 2008.

The Bureau added penalty and interest to Petitioner's Idaho tax liability. The Tax Commission reviewed those additions and found them applicable to the tax due amounts as determined on Petitioner's income tax returns. *See* Idaho Code sections 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated March 21, 2013, and directed to [Redacted] is **AFFIRMED AS MODIFIED** by this decision.

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

<u>YEAR</u>	<u>TAX</u>	<u>REFUND</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$1,621		\$405	\$883	\$2,909
2003	1,202		300	588	2,090
2004	1,772		443	834	3,049
2005	1,387		347	546	2,280
2006		0			0
2007		0			0
2008		0			0
2009		(828)			(828)
2010		(1,547)			(1,547)
				TOTAL DUE	\$7,953
				AMOUNT PAID	(4,210)
				BALANCE DUE	<u>\$3,743</u>

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.  
  
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