

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25980
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

BACKGROUND

On February 14, 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 years 2008 and 2010 in the total amount of \$6,635. On April 4, 2013, the Petitioner filed a timely protest. On October 1, 2013, the file was transferred to the Legal/Tax Policy Division for resolution. On January 6, 2014, the Commission sent the Petitioner a letter that explained the methods available for redetermining an NODD. The letter was returned “unable to deliver”. We did an address search and sent the letter to the Petitioner’s new address. No response has been received from the Petitioner. The Commission makes this decision based on the information available and in the file.

ISSUES

There are three issues stated in the protest letter:

1. Whether the Idaho individual income tax liability as calculated by the TDB is correct.
2. Whether the personal exemptions used by the TDB in the tax calculations are correct.
3. Whether the marital status allowed by the TDB in the tax calculations is correct.

DISCUSSION

The Petitioner did not submit Idaho individual income tax returns for taxable years 2008 and 2010. The TDB sent the Petitioner a letter, dated November 16, 2012, notifying him of the missing returns.

LAW

Idaho Code § 63-3030. Persons required to make returns of income. (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

(1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.

Internal Revenue Code § 6012 requires that for the taxable year an individual that has gross income of greater than the sum of the exemption amount, plus the basic standard deduction applicable to such an individual, has to file a [Redacted] return.

When no response was received to the initial letter, the TDB obtained information from the [Redacted]. The Bureau requested and received a transcript of the Petitioner's [Redacted] income records from the [Redacted]. The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. The information showed that the Petitioner had gross income sufficient to require filing a [Redacted] income tax return and, therefore, as an Idaho resident he was required to file an Idaho income tax return as well. The Petitioner was sent a letter on May 4, 2013, warning of a deficiency assessment.

CONCLUSION

First issue - The TDB calculated the Idaho individual income tax returns for taxable years 2008 and 2010 using the information that was available.

Second issue – Since the Petitioner did not file either a [Redacted] or state tax return, the Commission has no evidence that his filing status should be anything other than single.

Third issue - Since the Petitioner did not file tax returns for the years mentioned, the TDB used the best information that was available. The latest individual income tax return filed was as a single person with one exemption.

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 his position, the Petitioner did not meet his 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.

The Penalties were assessed under Idaho Code § 63-3046:

(c) (1) In the event the return required by this chapter is not filed on or before the due date (including extensions) of the return, there may be collected a penalty of five percent (5%) of the tax due on such returns for each month elapsing after the due date (including extensions) of such returns until the return is filed.

(g) Total penalties imposed under subsections (a), (c) and (d) of this section and under section 63-3033, Idaho Code, shall not exceed twenty-five percent (25%) of the tax due on the return.

THEREFORE, the NODD dated February 14, 2013, and directed to [Redacted] is hereby AFFIRMED.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
12/31/08	\$3,156	\$789	\$669	\$4,614
12/31/10	1,612	403	184	<u>2,199</u>
			TOTAL	<u>\$6,814</u>

Interest is calculated through May 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 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.
