

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 26139
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On July 17, 2013, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 2005, 2006, and 2010 in the total amount of \$1,725.

The taxpayer failed to file his 2005, 2006, and 2010 Idaho individual income tax returns. Because Commission records showed the taxpayer met the state income tax filing requirements and had not filed his Idaho return for the aforementioned years, the Bureau attempted to contact him for clarification. The taxpayer did not respond.

The Bureau requested, and received, a transcript of the taxpayer's [Redacted] income records from the [Redacted]. The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

Idaho Code § 63-3045 (1)(a) states:

**Notice of redetermination or deficiency -- Interest.** (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by first class mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent him an NODD. On September 11, 2013, the taxpayer protested the determination. The taxpayer had two objections to the NODD. One, he stated a return was filed electronically for each of the years in question, and two, the determination did not calculate the withholding correctly.

The Bureau sent the taxpayer a letter acknowledging his appeal and allowing him an extension of time, until November 18, 2013, to file returns or submit copies of the electronically submitted returns. Two subsequent extensions of time were also granted by the Bureau. When returns were not received, the file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayer did not respond to a letter from the tax policy specialist that outlined his appeal rights, and he did not request a hearing. To date, no returns have been received. The time has come for the Commission to decide this matter.

The information obtained from the [Redacted] along with Commission records, show the taxpayer had income in excess of the filing requirement. The Commission issued an NODD to the taxpayer on July 17, 2013, based on the income information obtained from the [Redacted] and that found in Commission records.

The Bureau was able to identify withholding in the amount of \$1,033 and \$521, respectively, for taxable years 2006 and 2010. Based on Commission records, it appears the taxpayer was in the habit of having Idaho income tax withheld by his employers. Therefore, the Commission, based on a formula averaging withholding, has allowed withholding in the amount of \$571 for taxable year 2005. The withholding was allowed to offset a portion of the Idaho income tax due. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated July 17, 2013, and directed to [Redacted], is hereby MODIFIED, APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 40	\$10	\$17	\$ 67
2006	233	58	82	373
2010	267	67	32	<u>366</u>
			TOTAL DUE	<u>\$806</u>

Interest is computed through July 14, 2014.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer'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.  
  
\_\_\_\_\_