

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 26189
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On April 17, 2013, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 2003 through 2011, in the total amount of \$99,396.

The taxpayer protested the determination, but has not requested an informal conference, and to date, has not provided any additional documentation for the Commission’s consideration. The Commission, having reviewed the file, hereby issues its decision regarding the aforementioned tax years.

When the Bureau could not find any record of the taxpayer’s 2003 through 2011 Idaho individual income tax returns, the taxpayer was sent a letter advising him of the missing returns and asking him for an explanation. The taxpayer did not respond.

[Redacted]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.

[Redacted] The Bureau sent the taxpayer a letter to acknowledge his protest. He was allowed additional time, until July 26, 2013, to submit returns. Numerous additional requests were made by the Bureau for the missing income tax returns, but when they did not arrive as promised, the file was transferred to the Legal/Tax Policy Division of the Commission for administrative review.

The taxpayer was sent a letter advising him of his appeal rights. The taxpayer responded, again asking for additional time in which to get returns prepared and submitted. The taxpayer was allowed several more months in which to file his returns, but to date, no returns have been submitted. The Commission, believing the taxpayer has had more than an adequate amount of time to prepare and submit his income tax returns, decided this matter based on the information available.

The Commission's information shows the taxpayer had an active withholding account under the name of [Redacted]uring the periods in question. Payroll tax reports submitted by the taxpayer were used to estimate the income and resulting tax due. The Bureau multiplied the reported payroll by four, and then allowed a credit for the payroll expenses reported to determine the estimated amount of Idaho taxable income for the taxpayer.

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). It is the taxpayer's responsibility, and the burden rests upon them to disclose their receipts and claim their proper deductions. United States v. Ballard, 535 F.2d 400 (1976). The Commission recognizes that the taxpayer may have had business expenses to offset the income; yet, if the taxpayer is unable to provide adequate proof of any material fact upon which a deduction

depends, no deduction is allowed and the petitioner must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931).

The taxpayer has provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable years 2003 through 2011. The taxpayer made estimated payments of \$750, \$3,250, and \$500 for taxable years 2005, 2006, and 2007, respectively, which 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 April 17, 2013, and directed to [Redacted] is hereby MODIFIED, and AS SO MODIFIED, is APPROVED, AFFIRMED, and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$ 7,033	\$1,758	\$3,883	\$ 12,674
2004	15,051	3,763	7,401	26,215
2005	16,343	4,086	7,052	27,481
2006	7,382	1,846	2,724	11,952
2007	8,747	2,187	2,618	13,552
2008	5,987	1,497	1,406	8,890
2009	836	209	152	1,197
2010	198	50	27	275
2011	393	98	35	<u>526</u>
			TOTAL DUE	<u>\$102,762</u>

Interest is calculated through December 22, 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.