

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 38927
)
)
Petitioners.) DECISION
)
_____)

On August 28, 2013, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (taxpayers) proposing income taxes, penalty, and interest for taxable years 2006, 2008, and 2010 in the total amount of \$8,581.

When the Bureau could not find any record of the taxpayers' 2006, 2008, and 2010 Idaho individual income tax returns, the taxpayers were sent a letter advising them of the missing returns and asking for an explanation. The taxpayers did not respond.

The Bureau requested, and received, income information from the [Redacted] in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. Those records indicated that the taxpayers' income for the years in question exceeded the filing requirements of Idaho Code § 63-3030. Because the taxpayers did not file their state income tax returns, the Bureau prepared provisional returns and issued an NODD. The NODD was based on information obtained from the [Redacted] and records retained by the Commission. The filing status of married filing joint was used to determine the taxpayers' Idaho income tax responsibility. The Bureau determined the amount of Idaho income tax due based on W-2 and 1099 information. Withholding was allowed to offset the amount of Idaho income tax due.

On October 30, 2013, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers stated in their appeal letter that they are attempting to obtain information from

former employers to establish the correct income and withholding. The taxpayers sent a follow-up letter on November 29, 2013, and stated that they are having difficulty obtaining the necessary information and requesting an extension. The extension was granted by the Bureau through January, 2014, but no information was provided. A letter was sent to the taxpayers requesting they provide documentation or withdraw their protest. The taxpayers responded with a request for more time, as they had finally contacted a former employer that is out of business. The taxpayers did not provide any additional information and the matter was sent for administrative review.

The Commission reviewed the matter and sent the taxpayers a letter that discussed the methods available for redetermining a protested NODD. The taxpayers did not respond. The Commission, having reviewed the file, hereby issues its decision.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Since the taxpayers failed to meet their burden, the Commission finds the adjusted gross income amount for taxable years 2006, 2008, and 2010, prepared by the Bureau, is a reasonable representation of the taxpayers' Idaho adjusted gross income based upon the information available.

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 2006, 2008, and 2010. Therefore, the Commission upholds the Bureau's determination of the taxpayers' Idaho taxable income.

The Bureau added interest and penalty to the taxpayers' Idaho tax. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated August 28, 2013, and directed to [Redacted] and [Redacted], is hereby APPROVED and MADE FINAL.

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|----------------|
| 2006 | \$3,828 | \$957 | \$1,423 | \$6,208 |
| 2008 | 862 | 216 | 202 | 1,280 |
| 2010 | 974 | 244 | 142 | <u>1,360</u> |
| | | | TOTAL DUE | <u>\$8,848</u> |

Interest is calculated through January 30, 2015.

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

An explanation of the taxpayers' 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.
