

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 38936
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On July 14, 2011, 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 tax, penalty, and interest for taxable years 2000 through 2004, and taxable year 2008, in the total amount of \$25,757.

On September 13, 2011, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not request a hearing. The Commission, having reviewed the file, hereby issues its decision.

The Bureau received information that the taxpayers may be required to file Idaho individual income tax returns. The Bureau researched the Commission’s records and found that the taxpayers had not filed Idaho income tax returns for the aforementioned years. The Bureau sent the taxpayers a letter asking about their requirement to file Idaho individual income tax returns. The taxpayers did not respond.

The Bureau obtained additional information from the [Redacted], researched records available to the Commission, and determined the taxpayers did have a filing requirement for taxable years 2000 through 2004, and taxable year 2008. The Bureau prepared individual income tax returns for the taxpayers and sent them an NODD. The taxpayers responded, stating that they did not live or work in Idaho in taxable year 2000 and did not move to Idaho until sometime in August, 2001. Based on this response and information obtained from additional research, the

Bureau determined that the NODD should be cancelled for taxable years 2000 and 2001. The Bureau informed the taxpayers of the modification to the NODD and again requested Idaho individual income tax returns for taxable years 2002 through 2004, and taxable year 2008. The Bureau contacted the taxpayers numerous times requesting status updates on the filing of the returns and several extensions of time were granted. However, to date, no returns have been submitted. The Commission, believing the taxpayers have had more than an adequate amount of time in which to prepare returns, hereby issues its decision based upon the information presently contained in the file.

The Bureau requested, and received, a transcript of the taxpayers' [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 information obtained from the [Redacted] along with Commission records, shows the taxpayers had income in excess of the filing requirement. The Bureau issued an NODD to the taxpayers based upon this information. For taxable years 2002 and 2003, the Commission used the same filing status (Married, filing joint), personal exemptions, and adjusted gross income shown on the [Redacted] returns prepared by the [Redacted]. Idaho withholding in the amount of \$1,492

was identified for taxable year 2002 and allowed to offset a portion of the Idaho income tax due. No Idaho withholding was identified for taxable year 2003. For taxable years 2004 and 2008, the Bureau also used a Married, filing joint filing status because [Redacted] returns for taxable years 2006 and 2009 reflected this filing status. Idaho taxable income was based on W-2 wages and 1099 miscellaneous income. Idaho withholding in the amount of \$604 and \$135, respectively, was identified and 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.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable years 2002 through 2004, and taxable year 2008.

THEREFORE, the Notice of Deficiency Determination dated July 14, 2011, is hereby, APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$2,060	\$515	\$1,249	\$ 3,824
2003	2,773	693	1,526	4,992
2004	1,888	472	932	3,292
2008	612	153	144	<u>909</u>
			TOTAL DUE	<u>\$13,017</u>

Interest is computed through December 15, 2014.

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.