

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 38944
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On December 14, 2012, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (taxpayers) because they had failed to submit Idaho individual income tax returns for taxable years 2005 through 2010. On March 6, 2014, returns were received for the aforementioned years. However, upon review of the taxpayers' returns for taxable years 2006 and 2007, it was determined not all income reported to them was included on the returns. The NODD dated December 14, 2012, was cancelled by the Bureau, and another NODD was issued to the taxpayers to include the omitted income.

The taxpayers did not agree with the inclusion of the additional income and filed a timely appeal and petition for redetermination. The taxpayers did not request an informal hearing and have provided nothing further for the Commission's consideration. The Commission, having reviewed the file, hereby issues its decision.

The returns submitted by the taxpayers were compared with the information the Bureau received from the Internal Revenue Service and from its own records. Based upon this information, it was determined in taxable year 2006, the taxpayers did not include income reported to them on form 1099-C, debt cancellation, in the amount of \$643. In taxable year 2007, the taxpayers omitted income reported to them on two form 1099-R's, one in the amount of \$1,262, and one in the amount of \$62. All of this income should have been included on the

taxpayers' Idaho individual income tax returns. Therefore, the Bureau adjusted the taxpayers' returns to include this income.

In Idaho, it is well established that a Commission deficiency notice is presumed to be correct, and the taxpayer bears the burden of showing 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); Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Therefore, the Commission must uphold the Bureau's adjustments to the taxpayers' 2006 and 2007 Idaho income tax returns.

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

THEREFORE, the Notice of Deficiency Determination dated April 18, 2007, 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>
2006	\$98	\$ 10	\$35	\$143
2007	72	10	24	<u>106</u>
			TOTAL DUE	<u>\$249</u>

Interest is computed to 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.