

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

In the Matter of the Protest of )  
[Redacted], ) DOCKET NO. 38955  
 )  
 )  
Petitioner. ) DECISION  
 )  
\_\_\_\_\_ )

On August 26, 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] (taxpayer) proposing income taxes, penalty, and interest for taxable years 2008 through 2011, in the total amount of \$23,499.

When the Bureau could not find any record of the taxpayer's 2008 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.

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 taxpayer's income for the years in question exceeded the filing requirements of Idaho Code § 63-3030. Because the taxpayer did not file his 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 single was used to determine the taxpayer's Idaho income tax responsibility. The Bureau determined the amount of Idaho income tax due based on W-2 and 1099 information.

On October 15, 2013, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer stated in his appeal letter that he has business expenses and a spouse that would reduce the amount of tax owed. The taxpayer also stated he had computer failure which is

making it difficult to reconstruct his tax information for the years in question. He proposed a schedule for filing the missing returns and the 2008 Idaho income tax return was received on February 12, 2014. The 2008 tax year has been removed from the NODD and will no longer be addressed. The taxpayer did not meet any other self-imposed due dates and the matter was sent for administrative review.

The Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested NODD. The taxpayer responded and said he would provide his 2009 through 2011 returns by October 1, 2014. To date, no returns have been received. 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). The taxpayer did not meet his burden. The taxpayer stated that he had deductions to offset the Bureau's income figures. However, it is the taxpayer's responsibility, and the burden rests upon him to claim his proper deductions. United States v. Ballard, 535 F.2d 400 (1976). Since the taxpayer failed to meet his burden, the Commission finds the adjusted gross income amount for taxable years 2009 through 2011, prepared by the Bureau, is a reasonable representation of the taxpayer's Idaho adjusted gross income based upon the information available.

The taxpayer has provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 2009 through 2011. Therefore, the Commission upholds the Bureau's determination of the taxpayer's Idaho taxable income.

The Bureau added interest and penalty to the taxpayer's 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 26, 2013, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$3,819	\$ 955	\$717	\$ 5,491
2010	4,653	1,163	654	6,470
2011	4,424	1,106	441	<u>5,971</u>
			TOTAL DUE	<u>\$17,932</u>

Interest is calculated through January 15, 2015.

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.  
  
\_\_\_\_\_