

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25810
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated February 19, 2013, issued by the Tax Discovery Bureau of the Idaho State Tax Commission proposing income tax, penalty, and interest for taxable years 2010 and 2011, in the total amount of \$10,458. Petitioner did not dispute that he was required to file Idaho income tax returns; Petitioner stated he would prepare and file his own income tax returns. The Tax Commission reviewed the matter and hereby issues its decision.

BACKGROUND

In a review of the information the Tax Commission receives from various sources, the Tax Discovery Bureau (Bureau) found that Petitioner received W-2 wages for taxable years 2010 and 2011. The Bureau researched the Tax Commission’s records and found Petitioner stopped filing Idaho individual income tax returns after filing his income tax return for taxable year 2009. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns. Petitioner did not respond. The Bureau obtained additional information from the [Redacted] and determined Petitioner was required to file Idaho income tax returns for taxable years 2010 and 2011. The Bureau prepared returns for Petitioner and sent him a Notice of Deficiency Determination.

Petitioner protested, stating he took his tax information to his accountant to prepare the needed income tax returns. Petitioner stated he could claim three dependent exemptions and

child care expenses that the Bureau did not include. Petitioner stated the Bureau's determination of his tax was overstated.

The Bureau acknowledged Petitioner's protest and allowed him time to prepare and file his income tax returns. However, when Petitioner failed to provide his returns within the guidelines set by the Bureau, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. Petitioner did not respond, so the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows Petitioner received wages in each of the years that exceeded the income threshold for filing income tax returns. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner did not deny he was required to file Idaho income tax returns for the years in question. Petitioner just wanted to file his own income tax returns. However, Petitioner did not follow through and file his income tax returns.

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). Petitioner provided nothing to show the returns the Bureau prepared were incorrect. Petitioner stated the returns the Bureau prepared did not include all the exemptions and deductions he could claim.

Deductions are a matter of legislative grace and a taxpayer seeking a deduction or an exemption must show that he comes within the terms of the applicable statute to claim the deduction. New Colonial Ice Co., Inc. v. Helvering, 292 US. 435, 54 S.Ct. 788 (1934). The burden rests upon the taxpayer to disclose his receipts and claim his proper deductions. United States v. Ballard, 535 F.2d 400 (1976). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and that taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931). The Tax Commission reviewed the returns the Bureau prepared and, based upon the information available, the Tax Commission found the returns are an accurate representation of Petitioner's Idaho taxable income.

CONCLUSION

Petitioner received wages in taxable years 2010 and 2011 that exceeded the filing requirements for filing Idaho individual income tax returns. Petitioner was required to file Idaho income tax returns. The returns the Bureau prepared were based upon the income Petitioner received as reported to the [Redacted] and the Tax Commission. Petitioner provided nothing contrary to the returns the Bureau prepared. Therefore, the Tax Commission upholds the Notice of Deficiency Determination.

The Bureau added interest and penalty to Petitioner's Idaho tax. The Tax Commission reviewed those additions and found them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated February 19, 2013, and directed to [Redacted] is hereby AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$3,190	\$ 798	\$346	\$ 4,334
2011	4,831	1,208	331	<u>6,370</u>
			TOTAL DUE	<u>\$10,704</u>

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

An explanation of the Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2015.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2015, 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.
