

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 contacted the Tax Commission Redacted prepared. Petitioner stated Redacted complete. Petitioner Redacted to the Tax Commission by August 11, 2014.

Petitioner failed to Redacted by the stipulated date, so the Tax Commission sent Petitioner a follow-up letter giving Redacted to the Tax Commission. Petitioner failed to respond or provide the missing returns. Therefore, 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 income in each of the years that exceeded the threshold amount for filing income tax returns. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner did not deny Redacted was required to file Idaho income tax returns for the years in question. Petitioner stated Redacted income tax returns to show the correct amount of Redacted taxable income. However, Petitioner did not follow through and file Redacted 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 only stated the Bureau did not include all the Redacted expenses Redacted could claim.

Deductions are a matter of legislative grace and a taxpayer seeking a deduction must show that Redacted 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 Redacted receipts and claim Redacted 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 Redacted 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 reasonably represent Petitioner's Idaho taxable income.

CONCLUSION

Petitioner received income in taxable years 2004 through 2010 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 for Petitioner were based upon income tax returns 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 June 20, 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>
2004	\$17,957	\$4,489	\$8,964	\$ 31,410
2005	12,658	3,165	5,555	21,378
2006	14,041	3,510	5,279	22,830
2007	12,486	3,122	3,825	19,433
2008	14,672	3,668	3,555	21,895
2009	6,280	1,570	1,211	9,061
2010	6,413	1,603	929	<u>8,945</u>
			TOTAL DUE	<u>\$134,952</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.
