

Petitioners a Preliminary Notice that informed Petitioners that based on their [Redacted] filings, they may owe Idaho income tax of \$110,530.

Petitioners did not respond to the Bureau's correspondence, so the Bureau sent Petitioners a Notice on December 12, 2012, asserting that Petitioners owed Idaho income tax, penalties, and interest in the amount of \$155,968. The Notice was based on the information the Commission received from [Redacted]. Subsequently to issuing the Notice, the Bureau contacted Petitioners and explained the Notice and protest process to him.

In response to the Notice, and as a result of the Commission repeated efforts to contact Petitioners, the Bureau received notice that Petitioners were protesting the determination; the Bureau also received an executed power of attorney from an enrolled agent. The Bureau requested of the enrolled agent that the Petitioners provide their 2006 through 2010 returns by March 7, 2013. Despite having ample time to file their returns, Petitioners were unable to provide the Commission with their returns by March 7, 2013, and their enrolled agent requested additional time to complete the returns. The Bureau granted the Petitioners' request.

On May 2, 2013, the Petitioners caused their returns for taxable years 2006, 2007, 2008, and 2009 to be hand delivered. Petitioners failed to provide the Commission with their Idaho individual income tax return for taxable year 2010. On May 2, 2013, as a result of receiving tax returns from the Petitioners, the Bureau cancelled the Notice for taxable years 2006, 2007, 2008, and 2009. The Notice for taxable year 2010 was adjusted so as to account for an estimated payment of \$1,000 made by Petitioners on April 22, 2011.

Following the receipt of the 2006, 2007, 2008, and 2009 returns, the Bureau asked the Petitioners, through their enrolled agent, to file their 2010 tax return. The Bureau requested the

2010 tax return of petitioners on June 14, 2013, July 11, 2013, and August 15, 2013. However, Petitioners failed to file their Idaho individual income tax return for taxable year 2010.

On June 24, 2014, the Commission sent Petitioners a letter explaining their right to a hearing and their right to provide additional statements, documents, or other material to the Commission for its review. Once again the Commission received no response from Petitioner.

ANALYSIS

Idaho Code section 63-3030(a)(1) requires that each individual who is a resident of Idaho file an Idaho income tax return if he or she is required to file a [Redacted] return. If a resident of Idaho fails to file his or her Idaho individual income tax return, then the Commission may request and examine the financial information of the non-filing taxpayer and prepare a return. Idaho Code § 63-3042.

Additionally, if a return is not filed on or before the due date, Idaho Code § 63-3046(c)(1) permits the State to assess a penalty of five percent of the tax due to be added for each month after the due date until the return is filed. This penalty may not exceed 25 percent of the tax due for any single year. Idaho Code § 63-3046(g).

Petitioners have failed to file an Idaho individual income tax return for taxable year 2010. Since Petitioner failed to file a return for this year, the Bureau has properly prepared returns for this year based off of the financial information available to it. Petitioners, despite being afforded several opportunities, have failed to provide any information that would allow the Commission to recalculate Petitioners' tax liability for taxable year 2010. Additionally, as consequence of Petitioners' failure to file, a 25 percent penalty for failing to file has properly been assessed by the Commission.

THEREFORE, the Notice of Deficiency Determination for taxable year 2010, dated December 7, 2012, and directed to [Redacted], is APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$17,557	\$4,389	\$3,900	\$25,846

Interest is calculated through November 30, 2015.

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

An explanation of the Petitioners' 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.
