

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39157
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On October 9, 2013, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (petitioners) proposing income tax, penalty, and interest for taxable years 2010 and 2011 in the total amount of \$1,038.

The petitioners filed a timely appeal. They did not request a hearing. The Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

During the years in question, the petitioners failed to file Idaho individual income tax returns, even though Commission records show they satisfied the requirements stated in Idaho Code § 63-3030 for filing Idaho tax returns. The Bureau attempted to contact the petitioners for an explanation of why their 2010 and 2011 Idaho individual income tax returns had not been filed, but they did not respond to the inquiries.

The Bureau requested, and received, a transcript of the petitioners' [Redacted] income records from the [Redacted]. The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

Idaho Code § 63-3045 (1)(a) states:

Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the

taxpayer by first class mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the petitioners and sent them an NODD. The NODD was based on information obtained from the [Redacted] and those records retained by the Commission.

The petitioners protested the Bureau's determination. In their protest letter, dated December 10, 2013, the petitioners did not dispute the fact that they had a filing requirement. Instead, the petitioners requested an additional 30 days in which to obtain the necessary information to enable them to complete their returns. The petitioners also stated in their letter that once actual returns were filed, they believed they would be owed refunds. The Bureau acknowledged the petitioners' appeal and allowed them the additional time requested.

When the petitioners did not deliver the returns to the Commission after the allowed time, their file was transferred to the Legal/Tax Policy Division for administrative review. The petitioners did not respond to a letter advising them of their appeal rights.

The Idaho individual income tax returns the Bureau prepared on behalf of the petitioners were based on income information gleaned from the petitioners' [Redacted] income records and the records retained by the Commission. The filing status of Married, filing joint, was used to determine the petitioners' Idaho income tax responsibility. The petitioners' withholding of \$805 and \$1,038 for taxable years 2010 and 2011, respectively, was allowed to offset a portion of the Idaho income tax due. The interest and penalty added by the Bureau, pursuant to Idaho Code §§ 63-3045 and 63-3046, was reviewed and found to be proper and in accordance with Idaho

Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayers to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The petitioners failed to file their 2010 and 2011 Idaho individual income tax returns. Having presented no information in support of their argument, the petitioners have failed to meet their burden of proving error on the part of the deficiency determination. Absent information to the contrary, the Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for those years.

THEREFORE, the Notice of Deficiency Determination dated October 9, 2013, is hereby 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	\$508	\$127	\$87	\$ 722
2011	270	68	32	370
			TOTAL DUE	<u>\$1,092</u>

Interest is calculated through July 31, 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.
