

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
[Redacted],) DOCKET NO. 39158
)
)
Petitioner.) DECISION
)
_____)

On March 26, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination to [Redacted] (Petitioner) proposing income taxes and interest for taxable years 2011 and 2012, in the total amount of \$7,391. The Commission hereby issues its decision and approves this Notice of Deficiency Determination as set forth herein.

BACKGROUND

The Tax Discovery Bureau (the Bureau) reviewed Petitioner’s income tax filing history and identified that the Commission had no record of receiving Idaho individual income tax returns for 2011 and 2012. The Bureau investigated whether Petitioner received income for these tax years and obtained a transcript of Petitioner’s [Redacted] income records from the [Redacted]. The information was provided in accordance with Internal Revenue Code § 63-6103(d) and Idaho Code § 63-3077. These records indicated that Petitioner received ordinary income from an Idaho business in 2011 and 2012.

The records received from the [Redacted] indicated that Petitioner received ordinary income from Idaho businesses in 2011 and 2012. The Bureau identified that Petitioner received ordinary income in 2011, totaling \$65,900, and ordinary income in 2012, totaling \$34,500.

On June 18, 2015, and again on October 29, 2013, the Commission sent a letter to Petitioner reminding him to file an Idaho individual income tax return for 2011. These letters

asked for Petitioner to also provide additional information regarding his 2011 income. The Commission did not receive any response to these letters.

On December 30, 2013, the Commission sent another letter to Petitioner reminding him to file an Idaho individual income tax return for taxable years 2011 and 2012. This letter asked for Petitioner to provide additional information regarding his 2011 and 2012 income. The Commission, again, did not receive any response to this letter.

After receiving no response from Petitioner after repeated efforts to gather information related to tax years 2011 and 2012, the Bureau prepared provisional income tax returns. The Bureau calculated Petitioner's tax liability for 2011 and 2012 based on the income information available to it and found that Petitioner's total deficiency was \$2,726 for 2011 and \$4,665 for 2012. On March 26, 2014, the Commission sent a Notice of Deficiency Determination to Petitioner along with an explanation of how the deficiency was calculated. The Commission advised Petitioner of his right to petition for redetermination and received a timely petition from Petitioner on May 27, 2014.

Petitioner asserted in his petition that he was entitled to certain exemptions and deductions, including business deductions, not accounted for by the Commission. He also alleged that he had suffered business losses that were not accounted for by the Commission. Petitioner requested sufficient time to "complete business filings" that would affect his Idaho individual income tax returns for 2011 and 2012. Petitioner did not provide any evidence or documentation to support his assertions and has not filed Idaho individual income tax returns for 2011 or 2012.

In response to Petitioner's petition, the Commission sent two letters to Petitioner requesting additional information. Then again, on February 24, 2015, the Commission sent

Petitioner a letter explaining his right to a hearing and his 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 § 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 federal 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).

Petitioner has failed to file an Idaho individual income tax return for tax years 2011 and 2012. Since Petitioner failed to file a return for these years, the Bureau has properly prepared returns for these years based off of the financial information available to it. Petitioner, despite being afforded several opportunities, has failed to provide any information that would allow the Commission to recalculate Petitioner's tax liability for 2011 and 2012. Additionally, and as consequence of Petitioner's failure to file, a 25 percent penalty for failing to file has properly been assessed by the Commission.

THEREFORE, the Notice of Deficiency Determination dated August 1, 2014, 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>
2011	\$2,057	\$514	\$363	\$2,934
2012	3,621	905	493	<u>5,019</u>
			TOTAL DUE	<u>\$7,953</u>

Interest is calculated through November 30, 2015.

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.
