

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39179
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On May 24, 2013, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable year 2006 in the total amount of \$16,561.

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

Commission records show the taxpayer was an Idaho resident who appeared to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why his 2006 Idaho individual income tax return had not been filed, but he did not respond to the inquiries.

[Redacted].

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 return on behalf of the taxpayer and sent him an NODD. [Redacted].

The taxpayer protested the Bureau's determination. In his protest letter, the taxpayer admits that he had not filed income tax returns for taxable year 2006, due to his tax information being destroyed. The taxpayer also stated he was using a third party company to handle payroll for his business, and to file taxes accordingly, and was unaware the returns were not completed. The taxpayer claims to have proof of employee wages and other business expenses incurred in the operation of his company and did not have a gross income of \$147,657, as shown on the NODD. The taxpayer requested the opportunity to search his records and make sure he had all the information needed to complete the returns accurately.

The Bureau acknowledged the taxpayer's protest and gave him an extension of time in which to submit his 2006 Idaho individual income tax return. When the taxpayer did not file the requested return with the Commission after the allowed time, his file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter advising him of his appeal rights.

[Redacted]

The Commission's information shows the taxpayer was the owner of [Redacted] during 2006 and the Commission recognizes that the taxpayer may have had business expenses to offset his income. However, if the taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and the taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S. Ct. 413 (1931). Since the taxpayer failed to meet this burden, the Commission finds the adjusted gross income amount for

taxable year 2006, as prepared by the Bureau, is a reasonable representation of the taxpayer's Idaho adjusted gross income, based upon the information available. 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.

It is the taxpayer's responsibility, and the burden rests upon him, to disclose his receipts and claim his proper deductions. United States v. Ballard, 535 F.2d 400 (1976). 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 taxpayer to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer failed to file his 2006 Idaho individual income tax return. Having presented no information in support of his argument, the taxpayer has failed to meet his 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 that year.

THEREFORE, the Notice of Deficiency Determination dated May 24, 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>
2006	\$10,556	\$2,642	\$4,128	\$17,326

Interest is calculated through July 6, 2015.

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

An explanation of the taxpayer'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.