

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39200
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On June 19, 2013, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income taxes, penalties, and interest for taxable year 2007 in the total amount of \$4,444.

On August 19, 2013, the taxpayers filed a timely appeal and petition for redetermination. The Commission has made numerous attempts to contact the taxpayers to allow them the opportunity to provide the missing tax return or any additional information. In an email dated October 3, 2013, the taxpayers indicated that they would have the return filed within the next 30 days. To date, no return has been received. The Commission, having reviewed the file, hereby issues its decision.

When the Bureau could not find any record of the taxpayers' 2007 Idaho individual income tax return, a letter was sent to the taxpayers advising them of the missing return and asking them for an explanation. The taxpayers did not respond.

The Bureau requested, and received, income information from the [Redacted] in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. Those records indicated that the taxpayers' income for the year in question exceeded the filing requirements of Idaho Code § 63-3030. Because the taxpayers did not file their state income tax return, the Bureau prepared a provisional return and issued them an NODD. The NODD was based on

information obtained from the [Redacted] and records retained by the Commission. The taxpayers protested the Bureau's determination. The taxpayers stated in their appeal letter that they needed more time to gather the necessary documentation. To date, no return has been received for the aforementioned year.

The Idaho resident individual income tax return the Bureau prepared on behalf of the taxpayers was based on income information obtained from the taxpayers' [Redacted] income records and the records retained by the Commission. The filing status of married filing joint was used to determine the taxpayers' Idaho income tax responsibility. The Bureau determined the amount of Idaho income tax due based on the 2007 [Redacted] return. Itemized deductions were allowed to offset the amount of Idaho income tax due.

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). The taxpayers did not meet their burden. It is the taxpayers' responsibility to provide any deductions to offset the Bureau's income figures. United States v. Ballard, 535 F.2d 400 (1976). Since the taxpayers failed to meet their burden, the Commission finds the adjusted gross income amount for taxable year 2007, prepared by the Bureau, is a reasonable representation of the taxpayers' Idaho adjusted gross income based upon the information available.

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable year 2007. Therefore, the Commission upholds the Bureau's determination of the taxpayers' Idaho taxable income.

The Bureau added interest and penalty to the taxpayers' Idaho tax. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code §§ 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated June 19, 2013, and directed to [Redacted] and [Redacted], is hereby APPROVED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$2,964	\$741	\$946	\$4,651

Interest is calculated through July 6, 2015.

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

An explanation of the taxpayers' 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.
