

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39203
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On September 18, 2014, 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 2006 and 2008 in the total amount of \$1,160.

The petitioners protested the determination, but have not requested an informal hearing. The Commission, having reviewed the file, hereby issues its decision upholding the deficiency determination.

The petitioners failed to file their 2006 and 2008 individual income tax returns. Because Commission records showed the petitioners met the state income tax filing requirements and had not filed their Idaho returns for the aforementioned years, the Bureau attempted to contact them for clarification. The petitioners did not respond.

[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 2006 and 2008 Idaho individual income tax 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, the petitioners did not dispute the fact that they had a filing requirement. Instead, the petitioners stated that they did not believe the amount of tax due shown on the NODD was correct, because they always received refunds. The Bureau acknowledged the petitioners' appeal and allowed them an additional 30 days in which to submit returns.

When the petitioners did not deliver the 2006 and 2008 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. For taxable year 2006, a part-year return, showing four full months Idaho residency, and a filing status of Married, filing joint, was used to determine the petitioners' Idaho income tax responsibility. For taxable year 2008, a filing status of Married, filing joint, with one dependent exemption was used to determine the petitioners' Idaho income tax responsibility. The petitioners' withholding of \$1,111 was identified for taxable year 2008 and 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 2006 and 2008 Idaho individual income tax returns and have failed to provide documentation 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 September 18, 2014, is hereby APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$314	\$ 79	\$119	\$ 512
2008	438	110	121	<u>669</u>
			TOTAL DUE	<u>\$1,181</u>

Interest is calculated through October 2, 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.
