

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
Redacted,) DOCKET NO. 39320
Petitioner.) DECISION
_____)

On April 29, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination (NODD) to Redacted (Petitioner) proposing income taxes and interest for taxable years 2010 and 2011, in the total amount of \$3,300. Upon receipt and review of additional material submitted by Petitioner, the Commission amended the NODD, proposing taxes and interest for taxable years 2010 and 2011 of \$1,095. The Commission hereby issues its decision and approves this NODD, as amended, 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 2010 and 2011. 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 Redacted§ 63-6103(d) and Idaho Code § 63-3077. These records indicated that Petitioner received ordinary income for the years at issue which Redacted had not reported.

The Bureau made efforts to prompt the Petitioner into filing Redacted tax returns. On January 24, 2014, the Bureau notified Petitioner that Redacted had failed to file Idaho income tax returns for the years of 2006 through 2010. Petitioner did not respond to the Bureau’s letter, so the Bureau sent Petitioner an NODD on April 29, 2014, asserting that Petitioner owed Idaho income

taxes, penalties, and interest in the amount of \$3,300. The NODD was based on the information the Commission received from Redacted.

In response to the NODD, and as a result of the Bureau's efforts to contact Petitioner, the Bureau received a protest from the Petitioner. Petitioner objected to the tax assessment, asserting that Redacted was entitled to certain dependency exemptions and credits, including the Idaho grocery credit. Petitioner submitted additional information related to Redacted dependents and the Bureau amended its NODD to reflect this additional information. Specifically, the Bureau changed the Petitioner's filing status from "single" to "head of household," changed the Petitioner's number of allowed exemptions from one to two, and allowed the Petitioner to take a grocery tax credit. The Commission denied Petitioner's request to have Redacted filing status changed to "married filing jointly" as Redacted provided no documentation to support this requested change.

On June 3, 2015, the Commission sent Petitioner a letter explaining Redacted right to a hearing and Redacted right to provide additional statements, documents, or other material to the Commission for its review. On August 6, 2015, the Commission sent a letter to the Petitioner requesting that Redacted provide additional information. Petitioner has not responded to either letter and has not filed Redacted Idaho individual income tax returns for taxable years 2010 and 2011.

ANALYSIS

Idaho Code § 63-3030(a)(1) requires that each individual who is a resident of Idaho file an Idaho income tax return if Redacted is required to file a Redacted return. If a resident of Idaho fails to file Redacted 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 taxable years 2010 and 2011. Since Petitioner failed to file a return for these years, the Bureau has properly prepared returns for these year based off of the financial information available to it. Petitioner, has failed to provide any information that would allow the Commission to change Petitioner's filing status to "married filing jointly."

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 for taxable years 2010 and 2011, dated April 29, 2014, as amended on November 21, 2013, and directed to Redacted, is APPROVED and MADE FINAL.

IT IS ORDERED that the Petitioner pay the following taxes, penalties, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
2011	\$629	\$157	\$89	\$ 875
2010	175	44	31	<u>250</u>
			TOTAL DUE	<u>\$1,125</u>

Interest is calculated through January 31, 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.
