

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-179-619-328
[Redacted])	
)	
Petitioners.)	DECISION
)	

On October 9, 2013, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to **[Redacted]** (petitioners) proposing income taxes, penalties, and interest for taxable years 2007, 2009, and 2010 in the total amount of \$32,413.

Petitioners filed a timely protest. They did not request an informal conference and have not provided any additional information for consideration. Therefore, the Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

A letter was sent to petitioners advising them of their missing returns and asking them for an explanation because the Bureau could not find any record of petitioners' Idaho individual income tax returns for the aforementioned years. Petitioners did not respond. The Bureau requested, and received, a transcript of petitioners' federal income tax records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 63-6103(d) and Idaho Code § 63-3077.

Because petitioner did not file state income tax returns, for taxable years 2007, 2009 and 2010, the Bureau prepared provisional returns and issued an NODD. On December 11, 2013, the Bureau received a letter of protest from the petitioners pertaining to taxable year 2007 only. For taxable years 2009 and 2010, the petitioners were in agreement with the amount of Idaho income tax due shown on the provisional returns prepared by the Bureau. Those years will not be mentioned further in this decision. As for taxable year 2007, the petitioners' letter stated that

they believe the NODD is in error because the amount shown on the form 1099S is incorrect. The letter went on to say that all records related to the property sale were lost in a flood, but they would try to obtain additional information from other family members. The Bureau acknowledged petitioners' protest and allowed them additional time in which to obtain information needed and to submit the return. When the return did not arrive after the extension of time expired, the Bureau forwarded the file to the Legal/Tax Policy Division for continuation of the appeals process.

The tax policy specialist sent petitioners a letter that explained their right to appeal. Petitioners did not respond. Therefore, the Commission, believing the petitioners have had an adequate amount of time to file the aforementioned missing Idaho individual income tax return, decides this matter based upon the information presently contained in the file.

The Idaho resident individual income tax return the Bureau prepared on behalf of the petitioners was based upon the income information gleaned from the petitioners' federal income records and the records retained by the Commission. The Bureau used a filing status of Married, filing joint, with one dependent. Idaho withholding in the amount of \$1,534 was identified 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 Commission, 110 Idaho 572 (Ct. App. 1986). Petitioners have the burden of proving error on part of the deficiency determination by presenting information to support their argument. See Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Petitioners 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 Notice of Deficiency Determination dated October 9, 2013, and directed to **[Redacted]**, is hereby, MODIFIED, and as modified, APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$19,764	\$4,941	\$7,241	<u>\$31,946</u>

Interest is computed through August 29, 2016.

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 _____ 2016.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2016, 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.
