

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-203-884-032
[Redacted] ,)	
)	
Petitioner.)	DECISION
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)	

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated May 6, 2014 proposing income tax, penalty, and interest for taxable years 2005 through 2010 in the total amount of \$13,424. Petitioner disagreed that he did not file Idaho individual income tax returns for the years in question. The Tax Commission, having reviewed the file, hereby issues its decision.

BACKGROUND

The Tax Discovery Bureau (Bureau) received information from the Idaho Department of Labor that showed Petitioner received income from wages in taxable years 2005 through 2010. The Bureau researched the Tax Commission’s records and found Petitioner did not file Idaho individual income tax returns for those years. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns for the years in question. The Bureau’s letter was returned as “moved left no address unable to forward.” The Bureau searched for a new address for Petitioner and found that Petitioner was incarcerated at an Idaho correctional institution. Considering this the Bureau determined Petitioner was required to file Idaho individual income tax returns. The Bureau prepared returns for Petitioner and sent him a Notice of Deficiency Determination.

Petitioner protested the Bureau’s determination stating that the Bureau erred in finding that he had not filed income tax returns for the years in question. Petitioner stated that upon his release on September 26, 2014, he would provide copies of his returns to prove he filed his

income tax returns. Petitioner stated that once he is out of prison and re-established in the community, he would contact the Bureau to get this matter resolved.

The Bureau postponed any further action until Petitioner was released. However, when Petitioner did not contact the Bureau after his release, the Bureau reviewed the matter and decided that the Notice of Deficiency Determination as it related to taxable years 2005 and 2006 should be cancelled. The Bureau sent a letter to Petitioner that stated the deficiencies for tax years 2005 and 2006 were cancelled and asked Petitioner if he was willing to withdraw his protest of the remaining years. When Petitioner did not respond, the Bureau referred the matter for administrative review.

The Tax Commission sent Petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The United States Postal Service returned that letter stating the letter was undeliverable and unable to forward. The Tax Commission contacted Petitioner's parole officer, obtained Petitioner's current address, and mailed the letter to Petitioner's new address. Petitioner did not respond, so the Tax Commission sent a follow-up letter to Petitioner. Petitioner still failed to contact the Tax Commission. Therefore, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Petitioner was employed by either **[Redacted]** during 2005 through 2010. Idaho Code section 63-3030 provides that Idaho residents with income for the taxable year over a certain threshold are required to file Idaho individual income tax returns. The income Petitioner received in taxable years 2005 through 2010, as reported by the Idaho Department of Labor, exceeded the filing threshold. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner stated he filed returns for all the years in question. However, the Tax Commission has no record of receiving Petitioner's returns and Petitioner has not provided any information or documentation to support his contention that income tax returns were filed.

CONCLUSION

In Idaho, it is well established that 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). Petitioner did not meet his burden. The Tax Commission reviewed the non-cancelled returns the Bureau prepared, and based upon the information available the Tax Commission found the returns were an accurate representation of Petitioner's Idaho taxable income. Therefore, the Tax Commission upholds the Bureau's determination that Petitioner was required to file Idaho individual income tax returns and the Bureau's determination of Petitioner's Idaho income tax liability.

The Bureau added interest and penalty to Petitioner's tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated May 6, 2014, and directed to **[Redacted]** is hereby AFFIRMED as MODIFIED by the Bureau.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$1,992	\$498	\$740	\$3,230
2008	873	218	268	1,359
2009	1,022	256	263	1,541
2010	794	199	167	<u>1,160</u>
			TOTAL DUE	<u>\$7,290</u>

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 _____ 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.
