

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-627-885-568
[Redacted])	
)	
Petitioner.)	DECISION
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On January 9, 2015 the Tax Discovery Bureau (Bureau) issued a Notice of Deficiency Determination (NODD) to Mr. **[Redacted]** (taxpayer) proposing income taxes, penalty, and interest for taxable years 2005 through 2010 in the total amount of \$102,383. This figure was later revised to \$61,240, including penalties and interest, on March 26, 2015.

BACKGROUND

The taxpayer failed to file his 2005 through 2010 individual income tax returns. The Bureau made several attempts to locate a good address and sent several letters to the taxpayer advising him that he had failed to file income tax returns. The taxpayer did not respond.

The Bureau requested and received income information from the Internal Revenue Service (IRS) in accordance with the Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. Those records indicated that the taxpayer’s income for the years in question exceeded the filing requirements of Idaho Code § 63-3030. Because the taxpayer did not file his state income tax returns, the Bureau, through information received from the IRS for years 2005 through 2010, prepared provisional returns.

On October 14, 2014, the Commission sent a preliminary deficiency assessment, and after not receiving a response from the taxpayer, issued a NODD on January 9, 2015. In an email dated March 11, 2015, the taxpayer disagreed with the estimated self-employed income listed on the NODD and met with a Bureau auditor on March 26, 2015. Revised NODD amounts were agreed on and a protest withdrawal form was sent to the taxpayer. The taxpayer

did not formally withdraw his protest nor complete individual income tax returns. The Commission, having reviewed the file, hereby issues its decision.

ANALYSIS

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 Comm'n, Dep't of Revenue & Taxation, 110 Idaho 572, 574, 716 P. 2d 1344, 1346 (Ct. App. 1986). Here, the taxpayer failed to meet his burden by failing to recite any legal or factual basis showing the adjustment to be erroneous. Since the taxpayer has not met his burden, the Commission finds the revised adjusted gross income amounts, together with pertinent exemptions and deductions, for taxable years 2005 through 2010 prepared by the Bureau as a reasonable representation of the taxpayer's Idaho adjusted gross income based upon the information available.

The taxpayer has provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 2005 through 2010. Therefore, the Commission upholds the Bureau's determination of the taxpayer's Idaho taxable income.

The Bureau added interest and penalty to the taxpayer's 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 MODIFIED Notice of Deficiency Determination dated April 13, 2015, and directed to **[Redacted]**, is hereby APPROVED and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioner pay the following taxes, penalties, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$2,039	\$510	\$1,018	\$3,567
2006	22,998	5,750	10,041	38,789
2007	11,497	2,874	4,216	18,587
2008	1,436	359	434	<u>2,229</u>
			TOTAL DUE	<u>\$63,172</u>

Interest is calculated through September 1, 2016.

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

An explanation of the taxpayer'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.
