

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 2-110-115-840
[Redacted])	
,)	
)	
Petitioners.)	DECISION
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On September 1, 2015, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to **[Redacted]** proposing income taxes, penalties, and interest for taxable years 2007 through 2013 in the total amount of \$7,580.

Mr. ^[Redacted] protested the determination, stating that the Notice was incorrect as it did not include his spouse, **[Redacted]**. The Bureau modified the NODD to reflect a filing status of Married, Filing Joint, include any income earned by Mrs. ^[Redacted] and allow an additional exemption. A copy of the revised NODD was sent to Mr. and Mrs. ^[Redacted] (petitioners), to which they responded stating that it was still incorrect, because it did not allow a dependent exemption for their daughter who resided with them through taxable year 2010. A second revision was made to allow the dependent exemption for taxable years 2007 through 2010. The two modifications eliminated any tax due for taxable years 2008 and 2011. The Bureau cancelled the NODD for those years only and notified the petitioners. The petitioners were given time to submit returns for the years remaining on the NODD, but to date, have not done so. The time has come for the Commission to decide this matter.

When the Bureau could not find any record of the petitioners 2007, 2009, and 2010 through 2013 Idaho individual income tax returns, the petitioners were sent a letter advising them of the missing returns and asking them for an explanation. The petitioners did not respond.

The Bureau requested and received a transcript of the petitioners' federal income records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

Because petitioners did not file state income tax returns for the aforementioned years, the Bureau prepared provisional returns and issued an NODD. The petitioners protested the NODD, which the Bureau acknowledged. The Bureau made numerous efforts to resolve the matter with the petitioners, but was unable to do so and forwarded their file to the Legal/Tax Policy Division for continuation of the appeals process.

The Tax Policy Specialist sent a letter to the petitioners that explained their alternatives for redetermining the NODD. The petitioners did not respond. Therefore, the Commission believing the petitioners have had an adequate amount of time to file the missing Idaho individual income tax returns, decides this matter based upon the information presently contained in the file.

The information obtained by the Bureau from the IRS showed that petitioners had income in excess of the filing requirement. Therefore, the Bureau issued an NODD to petitioners, as Idaho residents, based upon the information received from the IRS and those records maintained by the Commission. The Bureau used a filing status of Married, Filing Joint, with one dependent exemption for taxable years 2007, 2009 and 2010. Idaho withholding in the amount of \$840, \$1,044 and \$1,091 respectively, was identified and allowed to offset the amount of tax due. For taxable years 2012 and 2013, the Bureau also used a filing status of Married, filing joint and Idaho withholding in the amounts of \$1,816 and \$2,239 respectively, was allowed to offset the amount of tax due. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

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).

The petitioners have provided nothing that would dissuade the Commission from accepting the Bureau's determination of their Idaho income and Idaho income tax for taxable years 2007, 2009, 2010, 2012, and 2013.

THEREFORE, the Notice of Deficiency Determination dated September 1, 2015, is hereby MODIFIED, and as modified by this decision, APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$758	\$190	\$280	\$1,228
2009	453	113	115	681
2010	434	109	90	633
2012	253	63	33	349
2013	1,036	259	101	<u>1,396</u>
			TOTAL DUE	<u>\$4,287</u>

Interest is computed through September 23, 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.
