

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39232
[Redacted] ,)	
)	
Petitioner.)	DECISION
)	

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated October 8, 2013, issued by the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission proposing income tax, penalty, and interest for taxable year 2010 in the total amount of \$2,459. Petitioner did not dispute that she was required to file an Idaho income tax return; Petitioner disagreed with the filing status used and the number of dependent exemptions allowed by the Bureau. The Tax Commission reviewed the matter and hereby issues its decision.

BACKGROUND

The Bureau received information from the Idaho Department of Labor that Petitioner received wages in 2010. In a review of the Tax Commission's records, the Bureau found Petitioner did not file an Idaho income tax return for taxable year 2010. The Bureau sent Petitioner letters asking about her requirement to file a 2010 Idaho individual income tax return. Petitioner did not respond. The Bureau obtained additional information from third party sources and determined Petitioner did have a filing requirement with the state of Idaho. The Bureau prepared an Idaho individual income tax return for Petitioner and sent Petitioner a Notice of Deficiency Determination.

Petitioner protested the Bureau's determination stating that her filing status was head of household and that she had three dependent children she could claim. The Bureau advised Petitioner to prepare and submit an income tax return of her own to replace the return prepared by the Bureau. Petitioner stated she would complete a return and send it to the Bureau. The

Bureau allowed Petitioner additional time to do as she said. On several occasions after Petitioner stated she would prepare and provide a return, the Bureau followed up with Petitioner asking for her 2010 income tax return. The Bureau never received the return. Seeing that Petitioner would not be providing her return anytime soon, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. Petitioner did not respond. The Tax Commission sent Petitioner a follow-up letter, but still Petitioner failed to respond. Therefore, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows Petitioner received income in 2010 that exceeded the threshold amount for filing an Idaho income tax return. Therefore, Petitioner was required to file a 2010 Idaho individual income tax return.

Petitioner did not deny she was required to file an Idaho income tax return. Petitioner even requested additional time to submit her return. However, Petitioner never provided her 2010 Idaho income tax return.

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 Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Petitioner stated the Bureau used the wrong filing status and that she had dependent children to

claim; however, Petitioner provided nothing to substantiate her statements. Petitioner also stated she would provide an income tax return, but none was provided.

The Tax Commission reviewed the return the Bureau prepared and based upon the information available the Tax Commission found the Bureau's return an accurate representation of Petitioner's Idaho taxable income.

CONCLUSION

Petitioner received income in taxable year 2010 that exceeded the threshold for filing an Idaho individual income tax return. Petitioner was required to file a 2010 Idaho income tax return. The return the Bureau prepared for Petitioner was based upon income information available to the Tax Commission. If Petitioner had deductions or other claims against her income the burden rests with Petitioner to claim her proper deductions. United States v. Ballard, 535 F.2d 400 (1976). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and that taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931). Since Petitioner provided nothing contrary to the return the Bureau prepared, the Tax Commission upholds the Notice of Deficiency Determination.

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

THEREFORE, the Notice of Deficiency Determination dated October 8, 2013, and directed to **[Redacted]** is AFFIRMED.

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>
2010	\$1,826	\$457	\$396	\$2,679

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.