

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
[REDACTED],) DOCKET NO. 39315
)
)
Petitioner.) DECISION
)
_____)

On July 7, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination (Notice) to [Redacted] (Petitioner) proposing income taxes, penalties, and interest for taxable years 2004 through 2012 in the total amount of \$7,264. The Commission hereby issues its decision and approves this Notice as set forth herein.

BACKGROUND

The Tax Discovery Bureau (the Bureau) reviewed Petitioner’s income tax filing history and identified that the Commission had no record of receiving Idaho individual income tax returns for 2004 through 2012. The Bureau investigated whether Petitioner received income for these tax years and obtained a transcript of Petitioner’s federal income records from the [Redacted]. The information was provided in accordance with Internal Revenue Code § 63-6103(d) and Idaho Code § 63-3077. These records indicated that Petitioner received ordinary income for the years at issue which he did not report.

The Bureau made efforts to prompt the Petitioner into filing his tax returns. On March 12, 2004, the Bureau notified Petitioner that he failed to file Idaho income tax returns for the years of 2004 through 2012. Petitioner did not respond to the Bureau’s correspondence, so the Bureau sent Petitioner its Notice on July 7, 2014, asserting that Petitioner owed Idaho income taxes, penalties, and interest in the amount of \$7,264. The Notice was based on the information the Commission received from [REDACTED].

In response to the Notice, and as a result of the Bureau's efforts to contact Petitioner, the Bureau received notice that Petitioner was protesting the determination. Petitioner objected to the amount of the assessment, asserting that he was entitled to claim a dependent exemption for taxable years 2004 through 2012. Petitioner requested additional time to review tax years 2004 through 2006 and requested time to file returns for 2004 through 2013. The Bureau made several efforts to collect additional information from the Petitioner, but received no further information from the Petitioner.

On June 8, 2015, the Commission sent Petitioner a letter explaining his right to a hearing and his right to provide additional statements, documents, or other material to the Commission for its review. The Commission received no response to this letter. Then on August 6, 2015, the Commission again requested that Petitioner provide additional documentation. Despite these requests, no additional information has been submitted and Petitioner has not requested an informal hearing.

ANALYSIS

Idaho Code § 63-3030(a)(1) requires that each individual who is a resident of Idaho file an Idaho income tax return if he or she is required to file a federal return. If a resident of Idaho fails to file his or her Idaho individual income tax return, then the Commission may request and examine the financial information of the non-filing taxpayer and prepare a return. Idaho Code § 63-3042.

Additionally, if a return is not filed on or before the due date, Idaho Code § 63-3046(c)(1) permits the state to assess a penalty of five percent of the tax due to be added for each month after the due date until the return is filed. This penalty may not exceed 25 percent of the tax due for any single year. Idaho Code § 63-3046(g).

Petitioner has failed to file an Idaho individual income tax return for taxable years 2004 through 2012. Since Petitioner failed to file a return for these years, the Bureau has properly prepared returns for these years based off of the financial information available. Petitioner, despite being afforded several opportunities, has failed to provide any information that would allow the Commission to recalculate Petitioner's tax liability for taxable years 2004 through 2012. Additionally, as consequence of Petitioner's failure to file, a 25 percent penalty for failing to file has properly been assessed by the Commission.

THEREFORE, the Notice of Deficiency Determination for taxable years 2004 through 2012, dated July 7, 2014, and directed to [Redacted], is APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$461	\$115	\$ 51	\$ 627
2011	425	106	63	594
2010	430	108	81	619
2009	31	108	7	146
2008	346	887	98	1,331
2007	260	65	90	415
2006	861	215	361	1,437
2005	792	198	382	1,372
2004	736	184	399	<u>1,319</u>
			TOTAL DUE	<u>\$7,860</u>

Interest is calculated through March 31, 2016.

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.
