

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 39316
[REDACTED],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On August 15, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination (Notice) to [Redacted] (Petitioner) proposing income tax and interest for taxable years 2005, 2007, 2008, 2009, 2011, and 2012, in the total amount of \$7,929. The Commission, based on information available to it, modified this Notice to a total amount of \$6,223. The Commission hereby issues its decision and approves this Notice, as modified, 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 2005, 2007, 2008, 2009, 2011, and 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 had not reported.

The Bureau made efforts to prompt the Petitioner into filing his tax returns. On December 6, 2013, the Bureau notified Petitioner that it had not received an Idaho individual income tax return for the tax years at issue. Petitioner did not respond to the Bureau’s correspondence, so the Bureau sent Petitioner its Notice on August 15, 2014, asserting that

Petitioner owed Idaho income tax, penalty, and interest in the amount of \$7,929. The Notice was based on the information the Commission received from the [REDACTED].

In response to the Notice, and as a result of the Bureau's efforts to contact Petitioner, the Bureau received a timely protest from Petitioner. Petitioner subsequently has not filed his Idaho individual income tax returns nor submitted any evidence to substantiate his protest.

On May 27, 2014, the Commission received additional information from the [Redacted] and, based on this information, the Bureau recalculated the tax, penalty, and interest due for taxable year 2005. The Bureau adjusted the total due from \$7,929 to \$6,223 based on this information. The Bureau communicated this adjustment to the Petitioner on May 27, 2014.

Additionally, on June 3, 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. Petitioner has failed to respond to this communication. Petitioner has submitted no additional information.

### **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 2005, 2007, 2008, 2009, 2011, and 2012. Since Petitioner failed to file a return for these years, the Bureau has properly prepared returns for these year based off of the financial information available to it. 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 2005, 2007, 2008, 2009, 2011, and 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 year 2010, dated December 7, 2012, and directed to [Redacted], is APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$1,106	\$277	\$115	\$1,498
2011	556	139	78	773
2009	678	170	155	1,003
2008	391	98	109	598
2007	382	95	130	606
2005	1,560	390	743	<u>2,693</u>
			TOTAL DUE	<u>\$6,436</u>

Interest is calculated through January 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

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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.

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