

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

In the Matter of the Protest of	)	
[Redacted]	)	DOCKET NO. 1-329-915-904
	)	
Petitioner.	)	DECISION
_____	)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued by the Tax Discovery Bureau (Bureau) to [Redacted] (Petitioner) for taxable years 2014 and 2015 in the amount of \$10,560. The Idaho State Tax Commission (Commission) after a thorough review of the matter upholds the Notice issued to Petitioner.

THEREFORE, the Notice dated August 9, 2017, and directed to Petitioner, 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>
2014	\$2,981	\$745	\$380	\$4,106
2015	5,035	1,259	439	<u>6,733</u>
			TOTAL DUE	\$10,839

Interest computed through September 19, 2018.

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

The Commission upheld the decision made by the Bureau for the reasons discussed below.

**BACKGROUND**

During a review of taxpayer data, the Bureau found Petitioner did not file her Idaho individual income tax returns for taxable years 2014 and 2015. The Bureau determined

Petitioner had income in the identified years in excess of Idaho's filing requirement<sup>1</sup> as stated in Idaho Code. The Bureau sent Petitioner a taxpayer questionnaire and Petitioner did not respond. The Bureau using both Commission and third party information determined Petitioner was required to file Idaho individual income tax returns for the taxable years 2014 and 2015. The Bureau prepared returns for Petitioner and sent her a Notice.

Petitioner protested the Notice and requested additional time to file her returns. The Bureau acknowledged Petitioner's protest and granted her additional time to file her returns. However, when Petitioner did not file her Idaho individual income tax returns for taxable years 2014 and 2015, the Bureau transferred the matter for administrative review.

The Commission reviewed the matter and sent Petitioner a letter giving her two alternative methods available for redetermining a protested Notice. Petitioner did not request a hearing nor did she provide additional information. The Commission decided the matter based upon the information available.

## **LAW AND ANALYSIS**

Internal Revenue Code (I.R.C.) § 6012 states in part that every individual having gross income that equals or exceeds the exemption amount in a taxable year shall file an income tax return. Idaho Code provides the income thresholds<sup>2</sup> for filing Idaho individual income tax returns and states that every resident individual that is required to file a federal return under I.R.C. § 6012(a)(1) is required to file an Idaho individual income tax return.

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<sup>1</sup> **Idaho Code § 63-3030. Persons required to make returns of income.** (a) Returns with respect to taxes measured by income in this chapter shall be made by the following: (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code. (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

<sup>2</sup> See Footnote 1.

The information gathered by the Bureau clearly show Petitioner received income in taxable years 2014 and 2015 that exceeded the threshold amounts for filing income tax returns.

### CONCLUSION

On appeal, a deficiency determination issued by the Commission “is presumed to be correct, and the burden is on the taxpayer to show that the Commission’s decision is erroneous.” *Parker v. Idaho State Tax Comm’n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson’s Inc. v. State Dep’t of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioner did not provide adequate evidence.

Petitioner had income during taxable years 2014 and 2015 in excess of the filing requirement of Idaho Code. Petitioner was required to file Idaho individual income tax returns. The Idaho individual income tax returns the Bureau prepared for Petitioner included all of Petitioner’s known income and allowable deductions.

The Bureau added interest and penalty to Petitioner’s income tax liability. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code §§ 63-3045 and 63-3046.

An explanation of Petitioner’s right to appeal this decision is enclosed.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2018, 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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