BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-399-904-256
[Redacted]	)	
	)	
Petitioners.)		DECISION
	)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued by the Tax Discovery Bureau (Bureau) to [Redacted] (Petitioners) for taxable years 2013 through 2015. The Idaho State Tax Commission (Commission) after a thorough review of the matter upholds the Bureau's Notice issued to Petitioners.

THEREFORE, the Notice dated July 12, 2017, directed to Petitioners, is AFFIRMED.

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

YEAR	TAX	PENALTY	INTEREST	TOTAL
2013	$14,693	$3,673	$2,737	$21,103
2014	19,801	4,950	2,896	27,647
2015	15,963	3,991	1,695	21,649
				$70,399

Interest computed through February 25, 2019.

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

BACKGROUND

During a review of taxpayer data, the Bureau found Petitioners did not file Idaho individual income tax returns for taxable years 2013 through 2015. The Bureau using

both Commission and third-party information determined Petitioners were required[1] to file the Idaho individual income tax returns for the years in question. The Bureau sent Petitioners a nonfiler letter and they did not respond. The Bureau prepared returns for Petitioners and sent them a Notice. Petitioners protested the Notice and the Bureau accepted the protest. Per Petitioners request the Bureau granted them an extension, but after the extension the Bureau with Petitioners' Idaho individual income tax returns still not filed, transferred the matter for administrative review.

The Commission reviewed the matter and sent Petitioners a letter giving them two alternative methods for redetermining a protested Notice. Petitioners did not request a hearing, nor provided any additional information. The Commission with no further communication from Petitioners 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[2] 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. The information gathered by the Bureau clearly show Petitioners received income in taxable years 2013 through 2015 that exceeded the threshold amount for filing Idaho

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[1] **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). (3) Every corporation which is transacting business in this state, authorized to transact business in this state or having income attributable to this state, unless exempt from the tax imposed in this chapter.
[2] See footnote 1.

individual 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." *See 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 Petitioners to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioners did not provide adequate evidence.

Petitioners had income during taxable years 2013 through 2015 in excess of the filing requirement contained in Idaho Code. Petitioners were required to file Idaho individual income tax returns for the years in question. The Idaho individual income tax returns the Bureau prepared for Petitioners included all of Petitioners' know income and allowable deductions.

The Bureau added interest and penalty to Petitioners' 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 Petitioners' 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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