

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-844-146-176
[Redacted]	)	
	)	
Petitioners.	)	DECISION
_____	)	

[Redacted] (Petitioners) protested the Notice of Deficiency Determination dated July 21, 2017. Petitioners stated they were exempt and revoked any election to pay state income taxes. Petitioners stated that by making that election they were prohibited by law from ever filing income tax returns. The Tax Commission reviewed the matter and found Petitioners’ argument frivolous and without merit.

**BACKGROUND**

Petitioners have a history with the Tax Commission of not filing Idaho individual income tax returns. The Tax Discovery Bureau (Bureau) found, while reviewing Petitioners’ information, that Petitioners received income from wages and other sources in excess of Idaho’s filing requirements during 2014 and 2015. Petitioners did not file Idaho individual income tax returns for those years. The Bureau prepared Idaho individual income tax returns for Petitioners based upon the W-2 forms filed by Petitioners’ employers and 1099 forms. The Bureau sent Petitioners a Notice of Deficiency Determination which Petitioners protested.

**LAW AND ANALYSIS**

Petitioners’ protest contained only frivolous tax protester material. Petitioners provided the same material in response to the Tax Commission’s hearing rights letter. Petitioners stated they were not citizens of the United States nor United States Citizens, but they are American state nationals. Petitioners stated they were born on the land of Minnesota and affirm natural allegiance to the same

actual and organic state of the Union. By making these claims, Petitioners believe they are exempt from paying any state or federal tax.

Such “causes and beliefs” (arguments) have repeatedly been rejected by the courts in deciding cases arguing against the income tax. *See Sego v. Commissioner*, 114 T.C. 604 (2000); *Nagy v. Commissioner*, T.C.M. 1996-24; *Scott v. Dept. of Taxation*, 2008 WL 4542978 (Vt.); *United States v. Jagim*, 978 F.2d 1032, 1036 (8th Cir. 1992). Petitioners have not shown that they did not receive the income, nor have they cited relevant authority indicating that the income was not subject to the Idaho income tax.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-75 n.2, (Ct. App. 1986); *Albertson’s Inc., v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The burden is on the taxpayer to show that the tax deficiency is erroneous. *Parsons*. Absent competent evidence to the contrary, the Notice of Deficiency Determination must be upheld on review.

### CONCLUSION

Petitioners received income in excess of Idaho filing requirement for each year. Petitioners were required to file Idaho individual income tax returns. Petitioners’ beliefs are not supported by any legal precedent. Petitioners are not exempt, and their income is subject to tax. Accordingly, the Tax Commission upholds the Notice of Deficiency Determination.

WHEREFORE, the Notice of Deficiency Determination dated July 21, 2017, and directed to [Redacted] is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$654	\$164	\$85	\$903
2015	6,734	1,684	606	<u>9,024</u>
			TOTAL DUE	<u>\$9,927</u>

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

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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