

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
[Redacted])	DOCKET NO. 2-135-898-112
)	
)	
Petitioners.)	DECISION
_____)	

The Idaho State Tax Commission (Commission) reviewed your case and this is our final decision. We uphold the Notice of Deficiency Determination (Notice) issued by the Tax Discovery Bureau (Bureau) of the Commission dated November 9, 2017. This means **you need to pay \$14,598** of tax, penalty, and interest for taxable years 2013 through 2015. The Commission now DEMANDS immediate payment of this amount.

[Redacted] (Petitioners) filed a timely protest and petition for redetermination. On June 4, 2018, the Commission sent Petitioners a letter informing them of their appeal rights. Petitioners were given until July 6, 2018, to respond. Petitioners did not request an informal hearing or provide any additional information after the issuance of the Commission’s hearing rights letter. The Commission, having reviewed the file, hereby issues its decision.

Petitioners were residents of Idaho in taxable years 2013 through 2015 and did not file Idaho individual income tax returns for those years. Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code must file an Idaho income tax return per Idaho Code § 63-3030(a)(1). For Married, filing jointly taxpayers under 65, the gross income requirement for filing a federal return for tax years 2013 through 2015 was \$20,000, \$20,300, and \$20,600, respectively. Commission records show that Petitioners’ gross income exceeded the requirements in each year, therefore, Petitioners were required to file the Idaho individual income tax returns.

Because Petitioners did not file their Idaho individual income tax returns, the Bureau prepared provisional tax returns based upon information in the Commission records and issued a Notice. The calculation of tax in each year was based upon Petitioners' W-2s and estimated Schedule C income from Petitioners' business, [Redacted]. The Schedule C estimated income for each year was derived by averaging the gross sales reported on Schedule C from 2006 through 2012, and the Schedule C estimated expenses for each year was derived by averaging the percent of total expenses divided by gross sales reported on Schedule C from 2006 through 2012. The Bureau allowed the standard deduction with two personal exemptions.

Petitioners disagree with the estimated income and expenses for their Schedule C business and stated that their business was almost nonexistent in those years. Petitioners stated they would file their tax returns soon. To date, they have not been received.

A Notice of Deficiency issued by the Idaho State Tax Commission is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986); *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Having presented no information in support of their protest, Petitioners have failed to meet their burden of proving error on the part of the Notice.

The Notice dated November 9, 2017, and directed to [Redacted] is hereby APPROVED and MADE FINAL.

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

February 28, 2019:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$2,946	\$737	\$550	\$4,233
2014	3,434	859	504	4,797
2015	4,104	1,026	438	<u>5,568</u>
			TOTAL DUE	<u>\$14,598</u>

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.
