

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 2-137-195-520
[Redacted])	
)	
Petitioner.)	DECISION
_____)	

The Idaho State Tax Commission (Commission) reviewed your case and this is our final decision. We modify the Notice of Deficiency Determination (Notice) dated May 15, 2017. This means **you need to pay \$17,150** of tax, penalty, and interest for taxable years 2008, 2011, 2013 and 2015. The Commission now DEMANDS immediate payment of this amount.

Background

The Tax Discovery Bureau (Bureau) received information that [Redacted] (Petitioner) may have a requirement to file Idaho resident individual income tax returns for the previously mentioned years. The Bureau researched the Commission’s records and found that Petitioner had not filed Idaho income tax returns for taxable years 2008, 2011, 2013, or 2015. The Bureau sent Petitioner a letter asking about his requirement to file Idaho resident individual income tax returns. Petitioner did not respond to the Bureau’s inquiry.

Based on information in Commission records the Bureau found Petitioner had a requirement to file Idaho resident income tax returns for taxable years 2008, 2011, 2013 and 2015. The Bureau prepared resident individual income tax returns for Petitioner and sent him a Notice.

In response to the Notice Petitioner sent a timely protest disagreeing with the Bureau’s determination. Petitioner said in his protest letter that the Notice is incorrect because it did not allow any deductions for his farming expenses. Petitioner also said the receipts for his expenses were in order and he intended to file the missing returns as soon as possible.

The Bureau sent Petitioner a letter acknowledging his protest and allowing him more time to file the missing returns. When returns did not arrive, the Bureau sent Petitioner's case to the Appeals unit for administrative review. Petitioner did not respond to the Commission's letter outlining his options for redetermining the protested Notice nor has he filed the missing returns.

Analysis

For each year shown in the Notice, Commission records show Petitioner received W-2 wages with Idaho income taxes withheld. In taxable years surrounding the years in question, Petitioner's filed returns included a Schedule F. Therefore, for each year the Bureau included in the calculation of Petitioner's income an estimate for Schedule F income. For taxable year 2008, Petitioner also received income reported to him on form 1099-Int and form 1099-R; taxable year 2011 included income reported on form 1099-B, and taxable year 2015 included income reported to Petitioner on form 1099-C. The Bureau made the determination of Petitioner's income from these, with an allowance for withholdings and a filing status of Single. After receiving Petitioner's protest, the Bureau made an adjustment to the Notice to allow a 25% deduction for farming expenses. To date, Petitioner has failed to send the missing returns and has ceased communications with the Commission.

Conclusion

In Idaho, it is well established that a Commission Notice is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. *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). Petitioner has not met his burden. Therefore, the Commission upholds the Bureau's calculation

of Petitioner's Idaho income tax liability for taxable years 2008, 2011, 2013, and 2015, after modification.

The Bureau added interest and penalty to Petitioner's tax deficiency. The Commission reviewed those additions and found them proper per Idaho Code §§ 63-3045 and 63-3046, respectively.

The Notice dated May 15, 2017, and directed to [Redacted] is hereby MODIFIED, and as modified, APPROVED and MADE FINAL.

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>
2008	\$3,246	\$812	\$1,229	\$5,287
2011	3,644	911	878	5,433
2013	2,304	576	395	3,275
2015	2,352	588	215	<u>3,155</u>
			TOTAL DUE	<u>\$17,150</u>

Interest is computed to October 26, 2018.

An explanation of the 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.
