

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

In the Matter of the Protest of	)	
[Redacted]	)	DOCKET NO. 0-013-580-288
	)	
Petitioners.	)	DECISION
_____	)	

[Redacted] (Petitioners) protest the Notice of Deficiency Determination issued by the Tax Discovery Bureau (Bureau) dated October 5, 2017. Petitioners disagreed with the amount of Idaho taxable income the Bureau determined for the tax years 2012 through 2015. The Tax Commission having reviewed the file hereby issues its decision upholding the Notice of Deficiency Determination.

**BACKGROUND**

The Bureau found that Petitioners did not file Idaho individual income tax returns for the tax years 2012, 2013, 2014, and 2015. The Bureau researched the information available to the Tax Commission and found Petitioners received wages in each of those years and filed federal income tax returns for tax years 2012 and 2013. The Bureau determined Petitioners were required to file Idaho individual income tax returns. The Bureau prepared Idaho income tax returns for Petitioners and sent them a Notice of Deficiency Determination.

Petitioners protested and asked for more time to gather the necessary information to file income tax returns. The Bureau attempted further contact with Petitioners but received no response from them. Their protest letter was the last communication the Tax Commission had from Petitioners. Likewise, when the Appeals Unit sent Petitioners letters giving them the opportunity to defend their protest, Petitioners were unresponsive. Accordingly, the Tax Commission now determines Petitioners' liability from the available information in the file.

## LAW AND ANALYSIS

The Bureau found that Petitioners had filed federal income tax returns for 2012 and 2013, even though they had not filed Idaho income tax returns. For those years, the Bureau accepted the federal adjusted gross income, and allowed the standard deduction, and the number of personal exemptions claimed on Petitioners' federal income tax returns to arrive at Petitioners' Idaho taxable income. *See* Idaho Code § 63-3002. From this, the Bureau computed the Idaho income tax, subtracted the Idaho withholding, and added the Idaho Permanent Building Fund tax to arrive at the amount of Idaho tax due.

For 2014 and 2015, the Bureau found that Petitioners did not file either federal or Idaho income tax returns. Accordingly, the Bureau determined Petitioners' liability from third party sources. From this income, the Bureau subtracted the standard deduction and two personal exemptions to arrive at Petitioners' Idaho taxable income. Idaho withholding was also allowed for each year.

It is well settled in Idaho that a Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be correct. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986) (*citing Albertson's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984)). Petitioners bear the burden to show that the deficiency is erroneous. *Id.* Petitioners did not meet their burden. Petitioners did not provide any additional information or documentation to show that the Notice of Deficiency Determination is incorrect. Therefore, the Tax Commission finds the Bureau's determination of Petitioners' Idaho taxable income reasonable for each of the years in question.

## CONCLUSION

Petitioners' income exceeded the filing requirements for filing Idaho income tax returns.

See Idaho Code § 63-3030. Petitioners were required to, but did not, file Idaho individual income tax returns for 2012, 2013, 2014, and 2015. Petitioners did not substantiate any additional exemptions, deductions, or credits. Consequently, the Tax Commission, finding no error in the Bureau's computations, upholds the Notice of Deficiency Determination.

THEREFORE, the Notice of Deficiency Determination dated October 5, 2017, and directed to [Redacted] is AFFIRMED.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest (computed to May 31, 2019):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$388	\$97	\$90	\$575
2013	779	195	155	1,129
2014	3,106	777	494	4,377
2015	1,783	446	212	<u>2,441</u>
			TOTAL DUE	<u>\$8,522</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 \_\_\_\_\_ 2019.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2019,  
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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