

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
[Redacted])	DOCKET NO. 0-505-444-352
)	
Petitioner.)	DECISION
_____)	

[Redacted] (Petitioner) protested the Notice of Deficiency Determination dated June 30, 2017. Petitioner disagreed with the Idaho income tax as determined by the Tax Discovery Bureau (Bureau). The Tax Commission reviewed the matter and for the reasons stated below upholds the Bureau’s determination.

BACKGROUND

Petitioner did not file Idaho individual income tax returns for tax years 2013, 2014, and 2015. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns. Petitioner replied acknowledging his requirement to file for the missing years. Petitioner stated he would try to get them completed and submitted by October 2017. The Bureau asked that Petitioner try to get the returns completed sooner and gave Petitioner a time when to have each return to the Bureau. When Petitioner did not meet the first and second dates, the Bureau prepared Idaho income tax returns for Petitioner and sent him a Notice of Deficiency Determination.

Petitioner protested. Petitioner stated he has never owed anything close to the amount the Bureau determined. Petitioner stated if the Tax Commission would look at his previous years’ returns it could see what he typically owed, and during these years he did not make any more money than in the past years. Petitioner also stated he went through a divorce in 2013 and had to pay his ex-wife \$1,200 per month, which means he made less.

The Bureau acknowledged Petitioner's protest and asked that he submit his income tax returns within the next 30 days. Petitioner did not provide the requested returns, so the Bureau transferred the case to the Tax Commission's Appeals Unit (Appeals).

Appeals sent Petitioner a letter asking how he wanted to proceed with his protest. Petitioners did not respond. Appeals sent a follow-up letter to Petitioner, but still he failed to respond. Seeing that Petitioner had more than enough time to provide his income tax returns, the Tax Commission decided his case based on the information available.

LAW AND ANALYSIS

Idaho has income thresholds for filing Idaho income tax returns. *See* Idaho Code § 63-3030. Petitioner received income in each of the years exceeding the filing threshold. Petitioner was required to file Idaho income tax returns for tax years 2013 through 2015.

In Idaho, a State Tax Commission deficiency determination is accepted as correct. The taxpayer must show the deficiency is wrong. *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). Petitioner argued he has never owed so much in taxes. This is presumably because he had deductions not accounted for by the Bureau. However, deductions are a matter of legislative grace (*New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934)) and the taxpayer bears the burden of proving he is entitled to the deduction (*Higgins v. C.I.R.*, T.C.M. 1984-330 (1984)). Petitioner provided no information for the deductions he potentially had, nor did he provide anything to show the returns prepared by the Bureau were wrong. Petitioner did not prove his case.

The Tax Commission reviewed the returns the Bureau prepared. Based on the information presented, the Tax Commission found Petitioner's Idaho tax for each of the years correct.

CONCLUSION

Petitioner received income during the tax years in excess of Idaho’s filing requirement. Petitioner should have filed Idaho income tax returns.

Petitioner did not show the returns the Bureau prepared were wrong. Therefore, the Tax Commission finds the returns the Bureau prepared reasonable representations of Petitioner’s Idaho taxable income, and that Petitioner owes Idaho income tax as computed for tax years 2013, 2014 and 2015.

The Bureau added interest and penalty to Petitioner’s Idaho tax. The Tax Commission reviewed those additions. The Tax Commission found them correctly applied according to Idaho Code §§ 63-3045 and 63-3046.

THEREFORE, the Tax Commission AFFIRMS the Notice of Deficiency Determination dated June 30, 2017, directed to [Redacted]

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>
2013	\$993	\$248	\$202	\$1,443
2014	4,588	1,147	749	6,484
2015	3,766	942	463	<u>5,171</u>
			TOTAL DUE	<u>\$13,098</u>

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

An explanation of Petitioner’s 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.
