BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-798-554-112
[redacted],	)	
	)	
Petitioner.	)	DECISION
	)	

[redacted] (Petitioners) protested the Notice of Deficiency Determination dated April 12, 2017. Petitioners disagreed with the Idaho income tax returns the Tax Discovery Bureau (Bureau) prepared for them for the tax years 2008 through 2010, 2013, and 2015. The Tax Commission reviewed the matter and finds that other than the 2015 return Petitioners provided, the Bureau prepared returns are acceptable as Petitioners' Idaho income tax returns.

BACKGROUND

The Bureau found that Petitioners had not filed Idaho income tax returns for the tax years 2008 through 2010 and 2013 through 2015. The Bureau also found Petitioners received wages for each year except 2010. In a letter, the Bureau asked Petitioners about their requirement to file Idaho income tax returns. Petitioners did not respond. The Bureau determined Petitioners' income exceeded Idaho's threshold for filing income tax returns. The Bureau prepared income tax returns for Petitioners and sent them a Notice of Deficiency Determination.

Petitioners protested the Notice of Deficiency Determination. Petitioners knew they were required to file Idaho income tax returns. Petitioners argued the Bureau's returns were not accurate because they had a small business that had numerous expenses that were not considered. Petitioners stated it was their intent to file their own returns.

The Bureau worked with Petitioners but only received one return in seven months, the 2014 tax return. The Bureau decided Petitioners had plenty of time to provide their returns, so the matter was referred for administrative review.

[redacted]

The Appeals Unit (Appeals) contacted Petitioners and asked how they wanted to continue their appeal. Petitioners initially did not respond, but upon receiving a second letter, Petitioners' representative contacted Appeals and stated Petitioners' 2016 and 2015 returns were completed, they just needed to be signed. A few days later, Appeals received Petitioners' 2016 and 2015 returns.

Several months later, Appeals sent Petitioners a letter asking about the remaining returns. Petitioners contacted Appeals and expressed their frustration with their tax preparer. Petitioners stated they would be visiting with their tax preparer to get information on when their returns will be completed. A month later, Petitioners contacted Appeals again. Petitioners stated they were going to a new accountant for their return preparation. Petitioners stated they would keep Appeals updated on the progress of their returns.

Several months later, with no update from Petitioners, Appeals sent Petitioners another letter asking for a status report on their returns. Petitioners did not respond. Appeals sent Petitioners a final letter giving them one last opportunity to submit their returns. Again, Petitioners did not respond. Seeing that Petitioners had sufficient time to prepare and submit their income tax returns, and considering Appeals gave Petitioners an end time date, the Tax Commission decided the matter based on the information available.

LAW AND ANALYSIS

Idaho Code § 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information the Bureau gathered clearly shows Petitioners' income exceeded the income thresholds for filing income tax returns for tax years 2008, 2009, 2010, 2013, 2014, and 2015. Petitioners were required to file Idaho income tax returns for those years.

Petitioners did not contest having to file Idaho income tax returns. Petitioners stated they would file their returns. Petitioners filed returns for tax years 2014 and 2015 but did not file returns for the rest of the years. The Bureau accepted Petitioners' 2014 return and the Tax Commission hereby accepts Petitioners' 2015 return. However, for the remaining years the Tax Commission reviewed the returns the Bureau prepared and found them reasonable based on the information available.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct and the burden is on the taxpayer to show that 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). Since Petitioners did not show error in the Bureau's returns, they did not meet their burden. Therefore, the Tax Commission upholds the Notice of Deficiency Determination as it relates to the tax years 2008, 2009, 2010, and 2013.

CONCLUSION

Petitioners' income exceeded the filing requirement for filing Idaho individual income tax returns. Petitioners were required to file Idaho income tax returns for 2008 through 2010 and 2013 through 2015. Petitioners filed returns for 2014 and 2015 but did not file the other years. Petitioners provided no other evidence the Bureau prepared returns were incorrect. Therefore, the Tax Commission, finding no error in the Bureau's computations for the remaining years, upholds the Notice of Deficiency Determination.

The Bureau added interest and penalty to Petitioners' Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code §§ 63-3045 and 63-3046.

THEREFORE, the Tax Commission AFFIRMS the Notice of Deficiency Determination dated April 12, 2017, directed to [redacted]

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

YEAR	TAX	PENALTY	INTEREST	TOTAL
2008	$16,729	$4,182	$7,171	$ 28,082
2009	17,423	4,356	6,597	28,376
2010	14,621	3,655	4,847	23,123
2013	15,604	3,901	3,456	22,961
			TOTAL DUE	$102,542

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

[Redacted]

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:

Receipt No.

[redacted]

_____

[redacted]