

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-119-741-952
[Redacted]	)	
	)	
	)	DECISION
Petitioners.	)	
_____	)	

The Idaho State Tax Commission (Commission) reviewed your case and this is our final decision. We uphold the modified Notice of Deficiency Determination (Notice) issued by the Tax Discovery Bureau (Bureau) of the Commission dated January 2, 2018. This means **you need to pay \$3,334** of tax, penalty, and interest for taxable years 2011 and 2012. The Commission now DEMANDS immediate payment of this amount.

Based on information in Commission records, the Bureau had reason to believe that [Redacted] (Petitioners) may have a requirement to file Idaho resident individual income tax returns for taxable years 2011 through 2015. The Bureau sent Petitioners a letter asking them about their requirement to file Idaho resident individual income tax returns. Petitioners did not respond. Therefore, the Bureau prepared resident returns on their behalf and sent them a Notice.

Petitioners filed a prompt appeal of the Notice, disputing their status as Idaho residents and their requirement to file Idaho resident income tax returns. Petitioners included with their appeal letter information that adequately substantiated their status as non-residents. Based on this new information, the Bureau modified the Notice, changing Petitioners' status to non-residents in 2011 and 2012, showing income only from Idaho sources, and removing taxable years 2013 through 2015. The Bureau sent Petitioners a copy of the revised Notice along with a protest withdrawal statement if they agreed with the reduced amount of tax due. Petitioners indicated in conversations

with the Bureau that they agreed with the modified Notice, but they did not sign a protest withdrawal statement and ceased communications with the Bureau. The Bureau sent Petitioners' file to the Commission's Appeals unit for administrative review.

As part of the administrative review, the Commission gave Petitioners the opportunity to take part in an informal hearing or provide more information for the Commission's consideration. They did neither. The Commission reviewed the file and now issues its decision.

For each of the years in question, the auditor from the Bureau used information from the Internal Revenue Service (IRS) to determine Petitioners' filing status and number of exemptions, and the Commission records to determine the amount of Idaho sourced income. For taxable year 2011, the Bureau used a Married filing joint, filing status with three exemptions and an Idaho adjusted gross income of \$35,552, which consisted of W-2 wages from [Redacted]

For taxable year 2012 the Bureau used a filing status of Married filing joint, four exemptions and an Idaho adjusted gross income of \$27, 561, which consisted of W-2 wages from [Redacted]

No Idaho withholding was found for either year.

On appeal, a deficiency determination issued by the Commission "is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous." *See Parker v. Idaho State Tax Comm'n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson's Inc. v. State Dep't of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Commission requires Petitioners provide adequate evidence to show that the amount asserted in the Notice is incorrect. Petitioners have not set forth any substantive argument or documentation to show that the Notice, as modified by the Bureau, is incorrect. Therefore, the Commission finds that the amounts shown are correct.

The Notice dated January 2, 2018, and directed to [Redacted]  
is hereby APPROVED, as MODIFIED, and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest, computed to  
June 14, 2019:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$1,217	\$304	\$330	\$1,851
2012	999	250	234	<u>1,483</u>
			TOTAL DUE	<u>\$3,334</u>

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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