

On June 29, 2018, the Bureau initiated a non-filer audit of Petitioners for tax years 2013 through 2016. The initial letter sent to Petitioners advised them to file their past due tax returns. Petitioners did not respond. Therefore, the Bureau calculated tax on information available to the Tax Commission and issued a Notice.

On March 21, 2019, Petitioners filed an appeal acknowledging they had a filing requirement but disagreeing with the Bureau's calculations. Petitioners, through their appointed representative, requested time to submit the returns. It was agreed a return would be submitted by April 30, 2019, and additional returns submitted every three to four weeks. The Bureau did not receive the promised returns.

For several months the Bureau attempted to get the returns and communicated with the appointed representative on multiple occasions. In general, the appointed representative stated she was waiting on documentation from Petitioners to complete the returns. The Bureau also contacted and left messages for the Petitioners. On July 15, 2019, the appointed representative stated she received the last of the documents and that all the returns would be completed and submitted within a month. The returns were not received. Therefore, the case was transferred for administrative review.

On appeal, a deficiency determination issued by the Tax Commission "is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous." *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 Tax Commission requires the Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, the Petitioner did not provide adequate evidence or file their returns. As a result, the Tax Commission will uphold the Notice.

Absent information to the contrary, the Tax Commission finds the Notice prepared by the Bureau to be a reasonably accurate representation of the Petitioner's income tax liability for the tax

years 2014 through 2016. However, for tax year 2013, Petitioners did submit a partnership return and the liability has been adjusted accordingly.

The Bureau added interest and penalty to the income tax deficiency. The Tax Commission reviewed those additions, found both to be appropriate per Idaho Code sections 63-3045 and 63-3046, and has updated interest accordingly. Interest is calculated through July 15, 2020 and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

THEREFORE, the Notice of Deficiency Determination dated January 17, 2019, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$4,691	\$1,173	\$1,176	\$7,040
2014	\$19,527	\$4,882	\$4,103	\$28,512
2015	\$15,753	\$3,938	\$2,678	\$22,369
2016	\$11,911	\$2,978	\$1,423	<u>\$16,312</u>
				<u>\$74,233</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 _____ 2020.

IDAHO STATE TAX COMMISSION



CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2020 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.
