

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

|                                 |   |                          |
|---------------------------------|---|--------------------------|
| In the Matter of the Protest of | ) |                          |
|                                 | ) | DOCKET NO. 1-204-725-760 |
| <b>[Redacted]</b> ,             | ) |                          |
|                                 | ) |                          |
| Petitioner.                     | ) | DECISION                 |
| _____                           | ) |                          |

**[Redacted]** (Petitioner) protested the Notice of Deficiency Determination dated June 21, 2018. Petitioner disagreed with the Idaho income tax returns the Tax Discovery Bureau (Bureau) prepared for her for tax years 2011 and 2012. The Tax Commission, having reviewed the file, upholds the Notice of Deficiency Determination.

**BACKGROUND**

Petitioner did not file Idaho individual income tax returns for tax years 2011 and 2012. When the Bureau discovered it, the Bureau sent Petitioner a letter asking about her requirement to file Idaho income tax returns. Petitioner did not respond. The Bureau researched the Tax Commission’s records and determined Petitioner was required to file Idaho income tax returns. The Bureau prepared income tax returns for Petitioner and sent her a Notice of Deficiency Determination.

Petitioner protested the Bureau’s determination. Petitioner stated she suffered a significant amount of fraud that she did not know how to account for. Petitioner stated she may have been married during those years which would affect her tax liability and maybe her ability to claim innocent spouse relief. Petitioner stated she has a police report that suggests she may have been disabled and therefore not responsible for filing tax returns. Petitioner stated she hired an attorney, but he gave her bad advice and did not do what she asked him to do. Petitioner asked for more time to hire a competent attorney or find a tax advocate to help her.

The Bureau acknowledged Petitioner's protest and allowed her additional time to prepare and file her returns. When Petitioner did not provide any returns or additional information, the Bureau sent Petitioner a letter asking her to withdraw her appeal. Petitioner did not respond so the Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals).

Appeals reviewed the matter and sent Petitioner a letter giving her the options available for redetermining a Notice of Deficiency Determination. Petitioner did not respond, so the Tax Commission decided the matter based on the information available.

### **LAW AND ANALYSIS**

In 2011 and 2012, Petitioner received wages from [REDACTED]. Petitioner's wages were more than the filing requirements for an Idaho resident for each year. *See* Idaho Code § 63-3030. Petitioner was required to file Idaho income tax returns.

The Bureau prepared returns for Petitioner based on the W-2 wages reported to the Tax Commission by her employer. The Bureau's returns were prepared as a single filer with one exemption. Petitioner did not contest the wages earned; Petitioner questioned her status as a single individual.

Reviewing Petitioner's filing history, the Tax Commission found Petitioner did file married filing joint returns for the tax years 2001 through 2003. Petitioner's filing after those years up to the years in question were all filed as an unmarried single individual. So, unless Petitioner can document a marriage, the Tax Commission finds the single filing status accurate for Petitioner. Even if Petitioner were married, she would have to make the election to file a joint return with her spouse; an election the Bureau and the Tax Commission cannot make.

Petitioner stated she has a police report that indicates she may be disabled and therefore not responsible for filing income tax returns. Petitioner did not provide a copy of the police report;

nevertheless, a disability does not exempt one's income from tax. In some circumstances disability payments that are income are not taxable, but in no instance is a disabled person's earned income not taxable.

In Idaho, a State Tax Commission deficiency determination is presumed 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). Petitioner provided nothing to show the returns the Bureau prepared were incorrect. Petitioner did not meet her burden of proof. The Tax Commission reviewed the returns the Bureau prepared and found them a reasonable representation of Petitioner's Idaho taxable income.

### CONCLUSION

Petitioner's income exceeded the requirement to file an Idaho individual income tax return. From the information available, the Bureau's determination of Petitioner's income was correct. Petitioner did not show that the returns the Bureau prepared were incorrect. Therefore, the Tax Commission upholds the Bureau's determination that Petitioner was required to file Idaho income tax returns for 2011 and 2012, and its determination of Petitioner's Idaho taxable income for those years.

The Bureau added interest and penalty to Petitioner's tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Tax Commission AFFIRMS the Notice of Deficiency Determination dated June 21, 2018, 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>   |
|-------------|------------|----------------|-----------------|----------------|
| 2011        | \$1,663    | \$416          | \$514           | \$2,593        |
| 2012        | 3,264      | 816            | 889             | <u>4,969</u>   |
|             |            |                | TOTAL DUE       | <u>\$7,562</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 \_\_\_\_\_ 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.

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