

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-009-500-672
,)	
)	
Petitioner.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

The Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to (Petitioner), for the tax years 2012 through 2019. Petitioner filed a timely appeal and provided tax returns for years 2012 through 2018. The Bureau reviewed the returns provided by Petitioner and cancelled the Notice for 2012 through 2018. Petitioner continued to protest the 2019 tax estimates on the Notice, and it was transferred to the Tax Commission’s Appeals Unit (Appeals). The Tax Commission has reviewed the file and hereby issues its decision upholding the Notice as modified by the Bureau.

BACKGROUND

The Bureau sent requests for Petitioner to file missing Idaho income tax returns for the years 2012 through 2019. Petitioner responded to the Bureau by proposing to provide said returns by December 1, 2021. The Bureau replied to Petitioner requesting the returns to be submitted by September 30, 2021. Petitioner did not respond or provide returns, so the Bureau began preparing returns with information available to the Tax Commission. According to the State of Idaho Secretary of State, Petitioner registered _____ as a 100% Idaho S-Corporation in April of 2012. The Bureau estimated income from _____ and passed through that income to Petitioner’s individual return for 2012 through 2019. The Bureau also added income from W2 wages and 1099 information available to the Tax Commission.

Petitioner appointed a Power of Attorney, (Representative), to prepare his returns to include more expenses not allowed in the Notice. Representative requested additional time to file the requested returns and the Bureau granted the extension. After some back and forth with the Bureau and Representative, they eventually provided returns for tax years 2012 through 2018. The Bureau reviewed the tax returns and decided to cancel the Notice for years 2012 through 2018. After those returns were provided, Representative stated he could no longer prepare returns for Petitioner because he has not been paid for the work already done. The Bureau then determined the 2019 return would not be provided in a timely manner and the case should be transferred to Appeals.

The case was then transferred to Appeals, and a letter was sent to Representative explaining the appeals process and their right to an informal hearing. Representative responded stating he would give Petitioner more time to become current on what he owes for the work already done. Eventually, Representative stopped replying to emails. After no response from Representative, Appeals sent a letter directly to Petitioner to see if he wanted to continue with his protest or have an informal hearing. Petitioner did not respond, so the Tax Commission issues its decision.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides that every resident individual of Idaho required to file a federal return under section 6012(a)(1) of the Internal Revenue Code must file an Idaho return. Under Internal Revenue Code section 6012(a)(1), a taxpayer must file tax returns where their gross income equals or exceeds the standard deduction amount for that year. Petitioner exceeds the income requirements for filing tax returns. Seeing that Petitioner submitted returns for the tax years 2012 through 2018, the Tax Commission recognizes he fulfilled his obligation to file

tax returns for those years. The year in question is 2019, where Petitioner failed to submit actual returns or any evidence the estimates of his income were incorrect.

Petitioner has failed to provide any substantive argument or documentation to show the 2019 individual income tax return prepared by the Bureau is incorrect. Therefore, the Tax Commission finds no basis for making any changes to the Notice.

CONCLUSION

Petitioner operated a business and received income in the taxable years 2012 through 2019 that exceeded the threshold for filing Idaho income tax returns. Petitioner filed Idaho tax returns for years 2012 through 2018 but failed to provide his 2019 return. For tax year 2019, Petitioner has not shown the return prepared by the Bureau is in error. The Tax Commission reviewed the return and found it a reasonable representation of Petitioner's Idaho taxable income.

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

THEREFORE, the modified Notice dated October 21, 2021, and directed to is hereby APPROVED and MADE FINAL.

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>
2019	\$1,209	\$302	\$86	<u>\$1,597</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 _____ 2022.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2022,
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.
