

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
[REDACTED])	DOCKET NO. 0-078-160-896
[REDACTED])	
Petitioner.)	DECISION
_____)	

The Tax Discovery Bureau (Bureau) sent [REDACTED] [REDACTED] (Petitioner) a Notice of Deficiency Determination (Notice) for tax years 2016 through 2021. Petitioner protested, disagreeing with the estimates of income the Bureau prepared for him in the Notice. The Tax Commission has reviewed the matter and hereby upholds the Notice issued by the Bureau.

BACKGROUND

During a review of taxpayer information, the Bureau could not locate Petitioner’s Idaho individual income tax returns for tax years 2016 through 2021. The Bureau determined that Petitioner met the requirements to file Idaho tax returns for the years in question. The Bureau contacted Petitioner inquiring about the missing returns. Petitioner did not respond, so the Bureau prepared the returns for him and issued a Notice.

In calculating Petitioner’s Idaho taxable income for the years in question, the Bureau included interest, dividends, non-employee compensation, and estimated flow-through business income from a Partnership, [REDACTED] [REDACTED] [REDACTED] [REDACTED]. Petitioner protested, stating he was working with a new accountant to file actual returns. Petitioner did not provide actual returns in a timely manner, so the Bureau transferred the case to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

¹ See Docket No. 2-024-317-952.

Appeals sent Petitioner a letter on October 18, 2023, outlining his options for redetermining a protested Notice. Petitioner did not respond, so the Tax Commission must make its decision based on the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030(a)(1) requires each individual who is a resident of Idaho to file an Idaho income tax return if required to file a federal return. Internal Revenue Code section 6012 states that the requirement to file a federal return is based on gross income.

The information gathered by the Bureau and used to calculate Petitioner's Idaho taxable income clearly shows that Petitioner received gross income above the threshold amounts for filing returns. Petitioner did not express disagreement with the Bureau's conclusion that he was required to file Idaho returns for the years in question, but rather argued that the estimated flow through income and expenses was incorrect.

In Idaho, it is well established that a Tax Commission Notice is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986) (citing *Albertson's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984)). The Tax Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Petitioner has failed to do so. He has not filed actual returns or provided any substantive argument or documentation to show the individual income tax returns prepared by the Bureau for tax years 2016 through 2021 are incorrect. Therefore, the Tax Commission finds the returns prepared by the Bureau are a reasonable representation of Petitioner's Idaho taxable income and related tax due.

CONCLUSION

Based on the available information, Petitioner received income exceeding the gross income threshold for filing Idaho income tax returns for tax years 2016 and 2021. After multiple requests and extensions of time, Petitioner has yet to file these returns. Petitioner has not provided any evidence or compelling argument that the returns prepared by the Bureau are incorrect. The Tax Commission finds the returns prepared by the Bureau to be a reasonable representation of Petitioner’s Idaho taxable income and related tax due for the years in question.

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

THEREFORE, the Notice of Deficiency Determination dated May 26, 2023, is hereby APPROVED by this decision 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>
2016	\$4,580	\$1,145	\$1,223	\$6,948
2017	4,190	1,048	981	\$6,219
2018	2,777	694	531	\$4,002
2019	1,492	373	205	\$2,070
2020	1,469	367	159	\$1,995
2021	1,417	354	123	<u>\$1,894</u>
			TOTAL DUE:	\$23,128

An explanation of Petitioner’s right to appeal this decision is enclosed.

DATED this _____ day of _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024,
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.
