

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-255-525-888
,	)	
	)	
Petitioner.	)	DECISION
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The Tax Discovery Bureau (Bureau) sent a Notice of Deficiency Determination (Notice) to (Petitioner) for tax years 2016 through 2019. Petitioner protested stating he disagreed with the returns the Bureau prepared. The Bureau then modified the Notice. Petitioner did not respond if he agreed or disagreed with the modifications. The Tax Commission has reviewed the matter and upholds the Notice as modified by the Bureau.

**BACKGROUND**

The Bureau sent requests for Petitioner to file missing Idaho income tax returns for years 2016 through 2019. Petitioner did not respond or provide returns, so the Bureau prepared returns using available 1099 and W2 data. Petitioner protested stating he is entitled to dependency exemptions for his three children and should be allowed the Idaho child tax credit and head of household filing status. He provided a copy of his divorce decree awarding him dependency exemptions for his three children. The Bureau reviewed the additional information and modified the Notice granting Petitioner the head of household filing status, additional personal exemptions, and Idaho child tax credits. The Bureau cancelled the Notice for tax years 2017 and 2019 because the modifications eliminated the taxes due shown in the Notice. Tax years 2016 and 2018 were also modified, reducing the amount of Idaho income tax due.

The Bureau sent Petitioner a modified Notice and requested that he accept the modifications, file actual returns, or continue his protest. Petitioner did not respond, so the matter

was transferred to the Tax Commission's Appeals Unit (Appeals) for administrative review. Appeals reached out to Petitioner to explain his appeal rights including his right to an informal hearing. Petitioner responded explaining he met with a tax professional, and he would be taking over the case and assumed he had already reached out. After that response, no other communication was received from either Petitioner or his representative. Therefore, the Tax Commission hereby 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's income exceeds the requirements for filing tax returns. Petitioner did not deny his requirement to file returns but failed to submit actual returns or any evidence to show the modified returns prepared by the Bureau were incorrect. Therefore, the Tax Commission finds no basis for making any changes to the Notice modified by the Bureau.

### **CONCLUSION**

Petitioner received income in the taxable years 2016 through 2019 that exceeded the threshold for filing Idaho income tax returns. Petitioner did not file actual returns but provided information that removed the tax liabilities for years 2017 and 2019. Petitioner has not shown the modified returns for tax years 2016 and 2018 prepared by the Bureau are in error. The Tax Commission reviewed the returns and found them to be 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 March 29, 2022, 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>
2016	\$2,922	\$731	\$587	\$4,240
2018	\$608	\$152	\$76	\$836
			TOTAL DUE	\$5,076

Interest is calculated through December 22, 2022.

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.

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