



Bureau referred their case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioners a letter that discussed the methods available for redetermining a Notice. Petitioners contacted Appeals and stated they understand that the Tax Commission didn't receive their 2017 and 2020 returns, but H & R Block's records only go back five years, and they couldn't find their 2020 income information. Appeals sent Petitioners their federal account transcripts, wage & income transcripts, and Idaho withholding information to help them prepare their 2017 and 2020 returns. Petitioners have yet to file the missing returns. Seeing that Petitioners had more than adequate time to complete and submit their returns, the Tax Commission decided the matter 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 the Bureau gathered clearly shows Petitioners' income exceeded the threshold for each of the years, making them required to file Idaho returns.

Petitioners did not deny they were required to file Idaho income tax returns, nor did they say the income listed on the Notice is incorrect. Rather, they argued that the penalties are substantial and are unduly harsh. Penalties for not filing Idaho tax returns are as follows:

Idaho Code section 63-3046(c)(1) In the event the return required by this chapter is not filed on or before the due date (including extensions) of the return, there may be collected a penalty of five percent (5%) of the tax due on such returns for each month elapsing after the due date (including extensions) of such returns until the return is filed.

(7)(g) Total penalties imposed under (a), (c), and (d) of this section and under section 63-3033, Idaho Code, shall not exceed twenty-five percent (25%) of the tax due on the return.

While Petitioners may feel that the penalties are harsh, they are within guidelines of Idaho Code.

In Idaho, it is well established that a Tax Commission Notice is presumed to be correct, and the taxpayers bear 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 Petitioners provide adequate evidence to establish that the amount asserted in the Notice is incorrect, which they have failed to do. Petitioners have not filed the missing returns or provided any substantive argument or documentation to show the individual income tax returns prepared by the Bureau for tax years 2017 and 2020 are incorrect.

### CONCLUSION

Based on available information, Petitioners met the requirement for filing Idaho income tax returns for tax years 2017 and 2020 but have not filed them. Petitioners have 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 Petitioners' Idaho taxable income and related tax due for the years in question.

The Bureau added interest and penalty to Petitioners' 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, respectively.

THEREFORE, the Notice dated February 13, 2024, and directed to [REDACTED] [REDACTED] [REDACTED]

[REDACTED] is hereby AFFIRMED and MADE FINAL.

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

Idaho Code section 63-3045:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$2,509	\$627	\$717	\$3,853
2020	5,046	1,262	806	<u>7,114</u>
			Total	\$10,967

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 \_\_\_\_\_ 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.

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