

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 0-358-671-360
 [REDACTED])
)
 Petitioner.) DECISION
 _____)

[REDACTED] (Petitioner) protested the Notice of Deficiency Determination (Notice) dated February 24, 2024. Petitioner disagreed with the Tax Discovery Bureau’s (Bureau) determination of his Idaho taxable income for tax years 2017 through 2019. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the reasons stated below.

BACKGROUND

During a review of Petitioner’s filing history with the Tax Commission, the Bureau found Petitioner last filed an Idaho income tax return in 2012. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns. Petitioner did not respond. The Bureau determined Petitioner was required to file Idaho income tax returns for 2017 through 2019. Therefore, it prepared returns for Petitioner using W-2 and 1099 information and sent him a Notice.

After issuing the Notice, the Bureau received a response to the initial letter sent to Petitioner. Petitioner stated that he would provide his returns by April 15, 2024. Petitioner then sent in a protest, arguing the tax due shown in the Notice does not take into consideration expenses for 2017 through 2019. Petitioner also made a payment of \$20,000. Petitioner did not provide his returns; therefore, the Bureau sent him a letter acknowledging his protest and forwarded the file to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter informing him of the alternatives for redetermining a protested Notice. Petitioner did not respond. Therefore, the Tax Commission decided this matter based on the information currently 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 shows that Petitioner received gross income above the threshold amounts for filing returns for all the tax years in the audit period.

Petitioner did not express disagreement with the Bureau's conclusion that he was required to file Idaho returns for 2017 through 2019. Rather, he argues his tax due is less than the amount on the Notice prepared by the Bureau.

A Notice of Deficiency Determination issued by the Tax Commission is presumed to be accurate. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). The burden is on the taxpayer to show the deficiency is erroneous. *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Deductions and credits are a matter of legislative grace. *New Colonial Ice Co. v. Helvering*, 292 U.S. 435, 54 S.Ct. 788 (1934). As with all claimed tax credits, the taxpayer bears the burden of showing that he is entitled to the credit. *United Stationers, Inc. v. United States*, 163 F.3d 440, 443 (7th Cir. 1998) (citing *Interstate Transit Lines v. Commissioner of Internal Revenue*, 319 U.S. 590, 593, 63 S.Ct. 1279 (1943)). The burden to show that claimed deductions come clearly within the scope of the statute rests upon the taxpayer. *Int'l Trading Co. v. Comm'r*, 275 F.2d 578, 584 (7th Cir. 1960). Petitioner claims to have expenses that would reduce his taxable income, but he has

provided no information or documentation concerning those expenses or deductions. Petitioner has not met his burden.

CONCLUSION

Based on available information, Petitioner met the requirements for filing Idaho income tax returns for tax years 2017 through 2019 but he failed to do so. 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 found them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice dated February 24, 2024, and directed to [REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner 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	\$1,277	\$319	\$298	\$1,894
2018	2,777	694	530	4,001
	12,110	3,028	1,739	<u>16,877</u>
			<u>Less Payment</u>	<u>\$20,000</u>
			Total Due	\$2,772

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 _____ 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.
