

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-404-301-824
<span style="background-color: black; color: black;">[REDACTED]</span> ,	)	
	)	
Petitioner.	)	DECISION
<hr style="width: 45%; margin-left: 0;"/>	)	

[REDACTED] (Petitioner) protested the Notice of Deficiency Determination (Notice) dated February 20, 2020, issued by the Idaho State Tax Commission (Tax Commission). Petitioner did not agree with the Idaho income tax returns the Tax Commission’s Tax Discovery Bureau (Bureau) prepared for him for tax years 2017 and 2018. Specifically, Petitioner disagreed with the lack of deductions for business expenses and student loan interest. Additionally, Petitioner argues he qualifies for the Idaho grocery credit.

The Tax Commission reviewed the matter and modifies the Notice. This means Petitioner needs to pay \$3,388, of tax, penalty, and interest for taxable year 2017. The Tax Commission now DEMANDS immediate payment of this amount.

The Bureau found Petitioner had not filed Idaho income tax returns for tax years 2017 and 2018. The Bureau made numerous requests for Petitioner’s returns for these years and he eventually did file a return for tax year 2018. Therefore, the Notice for tax year 2018 is cancelled and this year will not be mentioned further in this decision.

When the Bureau was unable to secure Petitioner’s 2017 return, the matter was forwarded to the Tax Commission’s Appeals unit for administrative review. Petitioner did not request an informal hearing in this matter and has yet to file his Idaho individual income tax return for tax year 2017.

For 2017 the Bureau found income reported to Petitioner on Form 1099-Misc. The Bureau used this income to determine Petitioner's Idaho tax due. The Bureau used a filing status of single, with one personal exemption and allowed the standard deduction.

In Idaho, it is well established that the Tax Commission's Notice of Deficiency is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986); *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Deductions are a matter of legislative grace, and the taxpayer bears the burden of showing that each deduction is allowable by statute. *New Colonial Ice Co. v. Helvering*, 292 US. 435, 54 S. Ct. 788 (1934); *Higgins v. C.L.R.*, T.C. Memo. 1984-330, (1984). The burden rests upon the taxpayer to claim the taxpayer's proper deductions. *United States v. Ballard*, 535 F.2d 400 (1976). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed, and that taxpayer must bear their misfortune. *Burnet v. Houston*, 283 US. 223, 51 S. Ct. 413 (1931).

In the present matter, Petitioner has not set forth any documentation to show the Notice prepared by the Bureau is incorrect. He has not met his burden.

THEREFORE, the Notice dated February 20, 2020, and directed to [REDACTED], is MODIFIED, and as modified, APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest computed to December 30, 2020.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$2,476	\$619	\$293	\$3,388

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2020,  
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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