

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-406-930-432
	)	
Petitioner.	)	DECISION
<hr style="width: 45%; margin-left: 0;"/>	)	

(Petitioner) protested the Notice of Deficiency Determination (Notice) dated September 8, 2022. Petitioner disagreed with the Tax Discovery Bureau (Bureau)'s determination of her Idaho taxable income for tax years 2016 through 2020. The Idaho State Tax Commission (Tax Commission) reviewed the matter and for the reason stated below upholds the Notice.

**BACKGROUND**

The Bureau sent Petitioner a letter on July 7, 2022, asking about her requirement to file Idaho income tax returns for the tax years 2016 through 2020. Petitioner responded, acknowledging her requirement to file but asking for more time to respond to the Bureau's request. The Bureau granted an extension until August 26, 2022; however, received no returns. Therefore, the Bureau prepared income tax returns for Petitioner with the information available and sent her a Notice.

Petitioner protested the Notice. Petitioner did not dispute her requirement to file Idaho income tax returns for the years shown in the Notice, but rather argued she incurred medical expenses that were not shown in the Notice. Petitioner requested additional time to prepare her returns.

The Bureau acknowledged Petitioner's protest and allowed her until November 28, 2022, to provide the missing returns. When Petitioner did not provide returns, the Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals).

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner responded but did not provide anything for consideration. Seeing that Petitioner had ample time to prepare and submit her returns or provide whatever documentation she wanted the Tax Commission to consider, the Tax Commission decided the matter based upon the information available.

### **LAW AND ANALYSIS**

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows Petitioner received Idaho source income during the years in question that exceeded the threshold amount for filing Idaho income tax returns. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner does not deny she is required to file Idaho income tax returns for tax years 2016 through 2020. Instead, Petitioner argues the Bureau's calculation of her Idaho income tax due is incorrect as she has medical expenses that were not included in the Notice. However, deductions are a matter of legislative grace. *New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934). The burden rests upon the taxpayer to disclose his receipts and claim his proper deductions. *United States v. Ballard*, 535 F.2d 400, 404 (1976).

If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed, and the taxpayer must bear its misfortune. *Burnet v. Houston*, 283 US. 223, 51 S.Ct. 413 (1931). Here, Petitioner has provided no documentation to

show her entitlement to any additional deductions not shown in the Notice, she has not met her burden.

### CONCLUSION

Petitioner received income in tax years 2016 through 2020 that exceeded the threshold for filing Idaho income tax returns. Petitioner was required to file Idaho income tax returns. Petitioner did not show that the returns the Bureau prepared for tax years 2016 through 2020 were incorrect. The Tax Commission reviewed those returns and found them reasonable based on the information available. Therefore, the Tax Commission upholds the Notice.

The Bureau added interest and penalty to Petitioner's Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046. Interest is computed to July 20, 2023.

THEREFORE, the Tax Commission AFFIRMS the Notice dated September 8, 2022, directed to

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	\$1,293	\$323	\$297	\$1,913
2017	1,220	305	239	1,764
2018	1,235	309	190	1,734
2019	2,334	584	232	3,150
2020	3,062	766	219	4,047
			TOTAL DUE	\$12,608

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 \_\_\_\_\_ 2023.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2023,  
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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