BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of [redacted] Petitioner.	)	DOCKET NO. 0-445-731-840 DECISION

The Income Tax Audit Bureau (Audit) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to [redacted] (Petitioner) for tax year 2023. Petitioner disagreed with Audit's adjustments and protested the Notice. The Tax Commission reviewed the matter and hereby upholds the Notice.

BACKGROUND

Petitioner filed his 2023 Idaho part-year resident individual income tax return (return) reporting Idaho taxable income of $11,480 and total tax of $307. Petitioner later filed an amended return writing NRF (Not Required to File) in place of the values shown on the original return and claiming a refund of $307. Audit selected Petitioner's return for review and sent him a Notice disallowing his claimed refund.

Petitioner protested, stating in part, "I assert that I am not required to pay what I paid for in 2023, due to my non-resident alien status." He further stated, "Internal Revenue Code (IRC) "871(b) and 877(b) does not apply to me because I don't live in Washington, D.C., and I do not work directly for the federal government." Audit acknowledged his protest and transferred the case to Appeals for administrative review.

Appeals sent Petitioner a letter on November 3, 2025, informing him of his right to schedule an informal hearing with a commissioner or to submit additional information for consideration. Petitioner requested an informal hearing, which was held on January 28, 2026.

Petitioner provided only verbal testimony at the hearing, reiterating his protest and stating he has changed his status from U.S. Citizen to U.S. National. Petitioner confirmed he resided in Idaho in 2023 but doesn't consider himself a resident. The Tax Commission reviewed available information along with Petitioner's verbal testimony and issues this decision.

DISCUSSION

A. U.S. National or Sovereign Citizen Arguments are Patently Frivolous and Lacking in Legal Merit

Petitioner appears to assert a common tax protester argument that he is a "non-resident alien." The tax protest movement is a relatively long-lived antigovernment movement. This language is similar to the "Sovereign Citizen" movement's rhetoric. The FBI describes so-called Sovereign Citizens as "anti-government extremists who believe that even though they physically reside in this country, they are separate or 'sovereign' from the United States." Caesar Kalinowski IV, *A Legal Response to the Sovereign Citizen Movement*, 80 Mont. L. Rev. 153 (2019) (quoting *Domestic Terrorism, The Sovereign Citizen Movement*, FBI (Apr. 13, 2010), https://perma.cc/L8SQ-2K42).

Courts have universally and consistently rejected claims of "sovereignty" to avoid federal and state income tax. See, e.g., *United States v. Hanson*, 2 F.3d 942, 945 (9th Cir. 1993) (rejecting defendant's claims that he is a nonresident alien and thus not a "taxpayer" as defined in the tax code); *Lonsdale v. United States*, 919 F.2d 1440, 1448 (10th Cir. 1990) (rejecting taxpayer arguments claiming to be sovereign and not subject to tax; imposing sanctions); *United States v. Studley*, 783 F.2d 934, 937 n.3 (9th Cir. 1986) ("this [sovereign citizen] argument has been consistently and thoroughly rejected by every branch of the government for decades").

B. **<u>Petitioner Meets the Legal Requirements to File an Idaho Income Tax Return</u>**

The Idaho income tax filing requirements are set out in Idaho Code section 63-3030. Any resident individual required to file a federal return under Internal Revenue Code section 6012(a)(1) must file an Idaho income tax return. Idaho Code section 63-3030(1). The term "resident" means any individual who is domiciled in the state of Idaho for the entire taxable year. Idaho Code section 63-3013(1)(a). Per IDAPA 35.01.01.030.02, "domicile" means "the place where an individual has his true, fixed, permanent home and principal establishment, and to which place he has the intention of returning whenever he is absent." The Tax Commission's records indicate Petitioner was an Idaho part-year resident during the year in question. Petitioner does not dispute that he lived in Idaho during the taxable year at issue. Rather, he provides frivolous tax protester arguments regarding the legitimacy of taxation in general.

Domicile affords a basis for a state's individual income tax. As noted by the Court in People of State of New York ex rel. *Cohn v. Graves*, 300 U.S. 308, 312-13 (1937):

> That the receipt of income by a resident of the territory of a taxing sovereignty is a taxable event is universally recognized. Domicile itself affords a basis for such taxation. Enjoyment of the privileges of residence in the state and the attendant right to invoke the protections of its laws are inseparable from responsibility for sharing the costs of government. Taxes are what we pay for civilized society. A tax measured by the net income of residents is an equitable method of distributing the burdens of government among those who are privileged to enjoy its benefits.
> Id. (internal citations omitted).

According to information available to the Tax Commission, Petitioner met the requirements to file an Idaho return. Persons who are required to file an Idaho individual income tax return must pay Idaho income tax on their taxable income at the rate set forth in Idaho Code section 63-3024. When a person fails to file a required tax return or to pay the proper amount of individual income tax, the Tax Commission has statutory authority to issue a Notice of Deficiency Determination, Idaho Code section 63-3045. As Petitioner was an Idaho part-year resident required to file an Idaho tax return and pay Idaho tax, the Tax Commission correctly issued its Notice of Deficiency Determination.

C. <u>Petitioner Has Not Shown Error in the Tax Commission's Notice.</u>

It is well settled that 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 taxpayers to show the deficiency is erroneous. *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Petitioner presented nothing but illogical and flawed tax protester rhetoric to support his protest. Such arguments are unconvincing. As a result, the Tax Commission finds that Petitioner did not meet his burden of proving error in the Tax Commission's Notice.

CONCLUSION

Petitioner filed his 2023 Idaho part-year resident individual income tax return reporting Idaho taxable income. Petitioner later amended his return to show no Idaho taxable income and entered NRF (Not Required to File) for Total Income. Petitioner was a part-year resident of Idaho with income in excess of the requirement to file a return. The adjustment to Petitioner's 2023 Idaho part-year income tax return must be upheld.

THEREFORE, the Notice dated August 14, 2025, and directed to Petitioner is hereby AFFIRMED and MADE FINAL.

Petitioner's refund was denied, therefore, no DEMAND for payment is made or necessary.

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

DATED this ________ day of ______________________________ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this ________ day of ______________________________ 2026, 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:

[redacted]

Receipt No.

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