

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

In the Matter of the Protest of	)	
██████████	)	DOCKET NO. 0-479-597-568
██████████	)	
Petitioner.	)	DECISION
_____	)	

██████████ (Petitioner) protested the Notice of Deficiency Determination (Notice) dated June 5, 2024. Petitioner disagreed with the Tax Discovery Bureau’s (Bureau) determination of his Idaho taxable income for tax years 2017, 2020 and 2021. The Tax Commission reviewed the matter and hereby further modifies the Notice for the reasons stated below.

**BACKGROUND**

Petitioner filed Idaho resident income tax returns for tax years 2018 and 2019. Petitioner did not file Idaho income tax returns for tax years 2017, 2020 and 2021. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns for these years. Petitioner responded, stating he did not need to file Idaho returns for the determination period as he lived in ██████████ and didn’t earn Idaho wages during the years under review. The Bureau sent Petitioner a domicile questionnaire to further understand his situation. Petitioner completed and returned the questionnaire. The Bureau reviewed Petitioner’s responses, determined he is required to file Idaho returns for 2017, 2020 and 2021, and issued a Notice. Petitioner protested the Notice stating that both the residency determination and the tax calculation are incorrect.

Upon further review of available information, the Bureau determined Petitioner’s domicile changed from Idaho to ██████████ on May 1, 2020. The Bureau modified the Notice by retaining 2017, changing 2020 to a part-year, and removing 2021. Petitioner continued his protest, and the Bureau referred the matter to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner responded, submitting his 2017 Idaho resident income tax return. The Bureau accepted the return and forwarded it to processing. The Tax Commission modifies the Modified Notice removing 2017 and this decision will not mention it further. Appeals contacted Petitioner asking if he plans on filing a 2020 Idaho return. Petitioner did not respond. Seeing that Petitioner had an opportunity to provide whatever other information/documentation he wanted the Tax Commission to consider, the Tax Commission issued its decision based on the information available.

### **LAW AND ANALYSIS**

Idaho Code section 63-3002 states the legislative intent of the Idaho income tax act; to impose a tax on residents of this state measured on their income from all sources wherever derived. Idaho Code section 63-3013 defines a resident to include an individual that is domiciled in Idaho.

Domicile is defined in IDAPA 35.01.01.030 Idaho Administrative Income Tax Rules as 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 term domicile denotes a place where an individual has the intent to remain permanently or for an indefinite time.

Petitioner's filing history clearly establishes an Idaho domicile. Petitioner filed an Idaho resident income tax return for 2017, 2018 and 2019. The long-established rule is that "[w]here a change of domicile is alleged, the burden of proof rests upon the party making the allegation." *Desmare v. United States*, 93 U.S. 605, 610, (1876), *Pratt v. State Tax Comm'n*, 128 Idaho 883, 884, 920 P.2d 400, 401 (1996). The burden rests with Petitioner to prove that he abandoned his domicile in Idaho and established a domicile in another state, and until that burden is met, Idaho continues to be his domicile.

In the present case, Petitioner initially argued that he was not an Idaho resident for the tax years under review, and the tax calculation is incorrect. After submitting a resident return for 2017 and receiving a modified Notice, Petitioner stated that the amount of income is incorrect. Petitioner has not provided any information/documentation to support his claim.

In Idaho, it is well established that a Tax Commission Notice 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). Petitioner has not met his burden. Therefore, the Tax Commission upholds the Bureau's calculation of Petitioner's Idaho income tax liability for tax year 2020.

### CONCLUSION

Petitioner received income in the taxable year 2020 that exceeded the threshold for filing an Idaho income tax return. Petitioner was required to file an Idaho income tax return. Petitioner did not show that the return the Bureau prepared is incorrect. The Tax Commission reviewed the return the Bureau prepared and found it reasonable based on the information available. Therefore, the Tax Commission upholds the Notice for tax year 2020.

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.

Therefore, the modified Notice dated September 17, 2024, and directed to [REDACTED] is APPROVED and MADE FINAL.

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>
2020	\$289	\$72	\$55	\$416

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 \_\_\_\_\_ 2025.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2025,  
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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