



their rental properties. Petitioners responded to the Notice confused, insisting that they paid a professional to prepare and file their returns for 2017 through 2019. They requested more time to contact their accountant for them to resolve the issue. After some time, Petitioners informed the Bureau that the firm they usually have their taxes done by have been purchased by a new company. The new company claimed they did not have their records and refused to help any further. With no additional communication, the Bureau acknowledged their protest and transferred the case to the Tax Commission's Appeals Unit (Appeals).

Appeals sent Petitioners a letter explaining the appeals process and their right to a hearing. [REDACTED] responded, stating that her husband, [REDACTED] had died in 2020 and had difficulty accessing his records regarding his Schedule C activity. She also continued to insist that she had filed returns for the years in question and needed more time to retrieve proof of the filing. Appeals sent [REDACTED] her federal account transcripts showing blank pages for 2017 through 2019. Not only does the Tax Commission have no record of Petitioners filing Idaho returns for those years, but the blank federal account transcripts show they did not file federal returns either. Petitioners acknowledged these facts and decided to attempt to file the returns themselves. Appeals gave them time to do so, but Petitioners ultimately did not provide the returns. The Tax Commission must make its decision on the information 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 and used to calculate Petitioners' Idaho taxable income clearly shows that Petitioners received gross income above the threshold amounts for filing

returns. Petitioners did not express disagreement with the Bureau's conclusion that they were required to file Idaho returns for the years in question, but rather argued that the estimated income and expenses were incorrect.

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. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986) (citing *Albertson's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984)). The Tax Commission requires Petitioners to provide adequate evidence to establish that the amounts asserted in the Notice for tax years 2017 through 2019 are incorrect. Petitioners have failed to do so. They have not filed actual returns or provided any substantive argument or documentation to show the individual income tax returns prepared by the Bureau for tax years 2017 through 2019 are incorrect. Therefore, the Tax Commission finds the returns prepared by the Bureau to be a reasonable representation of Petitioners' Idaho taxable income and related tax due.

### **CONCLUSION**

Petitioners received income exceeding the gross income threshold for filing Idaho income tax returns for tax years 2017 through 2019. Petitioners have yet to file the returns. Petitioners did not show that the returns the Bureau prepared were incorrect. The Tax Commission finds the returns prepared by the Bureau to be a reasonable representation of Petitioners' Idaho taxable income and related tax due for the years in question.

The Bureau added interest and penalty to Petitioners' tax deficiency. The Tax Commission reviewed those additions and finds them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated December 7, 2023, directed to [REDACTED] is hereby APPROVED by this decision and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$2,953	\$738	\$857	\$4,548
2018	2,287	572	568	3,427
2019	1,395	349	270	<u>2,014</u>
			TOTAL	\$9,989

An explanation of Petitioners' 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.

---

---