

Appeals reviewed the matter and sent Petitioners a letter discussing the alternatives for redetermining a protested Notice. Petitioners did not respond. Seeing that Petitioners had ample time to respond or file the missing returns, the Tax Commission issues its decision based on the information presently 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 clearly shows that Petitioners' income exceeded the filing threshold for tax years 2021 and 2022. Petitioners did not dispute their filing requirement; instead, they stated they wished to file their own returns because they believed they were due refunds.

Petitioners assert they have deductions that will reduce the amount of tax due shown in the Notice, but they provided no documentation to support their claim. Deductions are a matter of legislative grace, and the taxpayers bear 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.I.R.*, T.C. Memo. 1984-330, (1984). The burden rests upon the taxpayer to disclose its receipts and claim its proper deductions. *United States v. Ballard*, 535 F.2d 400 (1976). A taxpayer's general statement that he had deductions attributable to a particular tax year is not sufficient to establish the deduction or that the deduction is allowable. *Near v. Commissioner of Internal Revenue*, T.C. Memo. 2020-10 (2020). 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).

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 amount asserted in the Notice is incorrect. Petitioners have not met their burden.

CONCLUSION

Petitioners received income exceeding Idaho's filing requirements for tax years 2021 and 2022. They did not file actual returns or provide evidence showing the returns prepared by the Bureau are incorrect. The Tax Commission reviewed the returns the Bureau prepared and finds them to be a reasonable representation of Petitioners' Idaho taxable income based on information available. Therefore, the Tax Commission upholds the Bureau's determination of Petitioners' taxable income for 2021 and 2022.

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

THEREFORE, the Notice dated August 27, 2025, and directed to [REDACTED] [REDACTED] [REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest calculated per Idaho Code section 63-3045:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$1,029	\$257	\$242	\$1,528
2022	278	70	55	403
			TOTAL	<u>\$1,931</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of Petitioners' 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:



Receipt No.
