

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-559-883-264
)	
)	
Petitioner.)	DECISION
<hr style="width: 50%; margin-left: 0;"/>)	

(Petitioner) protested the Notice of Deficiency Determination (Notice) dated September 12, 2023. Petitioner disagreed with the Tax Discovery Bureau’s (Bureau) determination of his Idaho taxable income for tax years 2015 and 2016, using language similar to that used by groups that object to the tax system. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the following reasons.

BACKGROUND

The Bureau found that Petitioner did not file his Idaho individual income tax returns for tax years 2015 and 2016. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns. Petitioner responded with “Maxim of Law” in front of several common statements the courts have called frivolous. Petitioner then sent in a “Notice of Fault” letter, claiming four faults of the Tax Commission’s. After these two responses the Bureau decided it was unlikely Petitioner would submit returns, so they continued their research.

The Bureau obtained information from third party sources and determined Petitioner met the filing requirements for 2015 and 2016. Therefore, the Bureau prepared returns for Petitioner and sent him a Notice. Petitioner protested the Notice using verbiage similar to his previous responses and included a “Notice of Self-Executing Default Judgment”. Petitioner claims that since there was no cure to his “Notice of Fault” letter, (six faults now) that the Tax Commission is in default and no affirmative action by the courts is needed. The Bureau acknowledged his protest

and transferred the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter stating the methods available for redetermining the Notice. Petitioner responded, not with a request for a hearing, but with copies of the previous letters sent to the Bureau claiming that the notice of self-executing default judgment still stands.

LAW AND ANALYSIS

The Tax Commission's records indicate Petitioner was an Idaho resident during the years in question. Idaho Code section 63-3030 requires each individual who is a resident of Idaho to file an Idaho income tax return if required to file a federal return. Petitioner did not dispute that he was an Idaho resident during the tax years at issue, nor did he dispute his income exceeded the filing requirement for 2015 and 2016, hence he must file returns.

A person who is 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 resident required to file Idaho tax returns and pay Idaho tax, the Tax Commission issued its Notice of Deficiency Determination.

Petitioner's protest contained only frivolous arguments. The Tax Commission and numerous courts have considered these arguments on numerous occasions and deemed them all meritless. See *Sego v. Commissioner*, 114 T.C. 604 (2000); *Nagy v. Commissioner*, T.C. Memo 1996-24; *Scott v. Dept. of Taxation*, 2008 WL 4542978 (Vt.); *United States v. Jagim*, 978 F.2d 1032, 1036 (8th Cir. 1992). "Some people believe with great fervor preposterous things that just

happen to coincide with their self-interest...These beliefs all lead, so tax protesters think, to the elimination of their obligation to pay taxes. The government may not prohibit the holding of these beliefs, but it may penalize people who act on them.” *Coleman v. C.I.R.*, 791 F.2d 68 (1986).

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-75 n.2, (CT. App. 1986); *Albertson’s Inc., v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The burden is on the taxpayer to show that the tax deficiency is erroneous. *Parsons*, Id. Petitioner did not meet this burden.

CONCLUSION

Petitioner did not file income tax returns for tax years 2015 and 2016. Petitioner received income in excess of Idaho filing requirements for both years. The Tax Commission reviewed the matter and found Petitioner’s arguments frivolous and without merit. The Tax Commission reviewed the returns the Bureau prepared for tax years 2015 and 2016 and found them to be a good representation of Petitioner’s Idaho tax liability.

The Bureau added interest and penalty to Petitioner’s 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 September 12, 2023, and directed to _____ is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest computed to December 31, 2023:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$2,880	\$720	\$831	\$4,431
2016	463	116	116	695
			TOTAL DUE	<u>\$5,126</u>

An explanation of Petitioner's 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.
