

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-717-300-736
)	
Petitioner.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

(Petitioner) protested the Notice of Deficiency Determination (Notice) dated April 12, 2023. Petitioner disagrees with the Idaho resident individual income tax returns the Tax Discovery Bureau (Bureau) prepared for her for tax years 2018, 2019, and 2021, stating she has not lived in Idaho since 2016. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby modifies the Notice.

BACKGROUND

The Bureau reviewed the Tax Commission’s records and found that Petitioner did not file Idaho individual income tax returns for tax years 2018, 2019, and 2021¹. The Bureau sent Petitioner a letter asking about her requirement to file Idaho income tax returns for these years. Petitioner did not respond.

The Bureau gathered income information from third party sources and determined Petitioner met the filing requirement for tax years 2018, 2019, and 2021. The Bureau prepared resident returns for Petitioner and sent her a Notice, which she protested. In her protest letter, Petitioner admits that she has not filed returns for the years in question but argues she has not lived in Idaho since 2016.

¹ Petitioner did file a 2020 resident Idaho individual income tax return.

The Bureau acknowledged Petitioner's protest and let her know that even as a nonresident, she is required to file Idaho returns for tax years 2018, 2019 and 2021 as she received Idaho source income that exceeds the filing requirement. The Bureau gave Petitioner additional time to file her returns. When Petitioner did not provide her returns the Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals) for further consideration.

Appeals reviewed the matter and sent Petitioner a letter stating the methods available for redetermining the Notice. Petitioner did not respond. Appeals sent a follow up letter and left two phone messages but received no response. Petitioner has had more than an adequate amount of time to file her returns. Therefore, the Tax Commission will decide the matter based on the information currently available.

LAW AND ANALYSIS

Idaho Code section 63-3030(a)(2) requires a nonresident to file an Idaho income tax return if gross income from Idaho sources exceeds \$2,500. Petitioner's main source of income for tax years 2018, 2019, and 2021 was from _____ This employer is located in Spirit Lake, Idaho, reported income to Idaho Department of Labor (DOL), and withheld Idaho income tax each year on Petitioner's wages of \$27,108; \$32,540; and \$38,829 respectively.

Petitioner stated in her protest that she was a nonresident for tax years 2018, 2019 and 2021 and a review of information available to the Tax Commission supports her claim. Petitioner stated she does have property in Idaho but her daughter lives there while she resides in the state of Washington².

² Appeals contacted Bonner County and verified that she is not claiming the Home Owners Exemption (HOE).

The Bureau’s Notice calculated Petitioner’s tax due as if she was a full year resident. Since Petitioner is a nonresident, the Notice must be modified to reflect only Idaho source income. Petitioner received both Idaho and non-Idaho source income in 2018 while 2019 and 2021 income were all Idaho source. Therefore, Petitioner’s Idaho taxable income and subsequent tax due, for tax year 2018 is reduced, and 2019 and 2021 will remain the same.

CONCLUSION

Petitioner did not file returns for tax years 2018, 2019, and 2021. Petitioner received Idaho source income in tax years 2018, 2019, and 2021 that exceeded the threshold for filing Idaho income tax returns. Petitioner is required to file Idaho income tax returns for these years. Therefore, the Tax Commission modifies the Notice to reflect Petitioner’s status as a non-resident for tax years 2018, 2019, and 2021.

The Bureau added interest and penalty to Petitioner’s Notice. The Tax Commission reviewed these additions and found them to be appropriate and in accordance with Idaho Code section 63-3045 and 63-3046, respectively.

THEREFORE, the Notice dated April 12, 2023, and directed to _____ is hereby Modified and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest computed to May 15, 2024:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$232	\$58	\$46	\$336
2019	\$443	\$111	\$64	\$618
2021	\$330	\$83	\$31	<u>\$444</u>
			TOTAL DUE	\$1,398

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 _____ 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.
