

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-833-848-320
)	
Petitioner.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

(Petitioner) protested the Notice of Deficiency Determination (Notice) dated June 9, 2022. The Tax Commission reviewed the matter and hereby issues its final decision upholding the Notice. This means Petitioner needs to pay \$12,740 of tax, penalty, and interest for tax years 2016 through 2020. The Tax Commission DEMANDS immediate payment of this amount.

Background

During a review of taxpayer information, the Tax Commission’s Tax Discovery Bureau (Bureau) could not locate Petitioner’s Idaho individual income tax returns for tax years 2016, 2017, 2018, 2019, and 2020. The Bureau determined that Petitioner met the requirements to file Idaho tax returns for the years in question.

The Bureau first contacted Petitioner on April 22, 2022, inquiring about the missing returns. The Petitioner did not respond to the Bureau’s nonfiler letter, so the Bureau prepared returns for him and issued the Notice on June 9, 2022.

In calculating Petitioner’s Idaho taxable income for the years in question, the Bureau included wages, unemployment compensation¹, settlement income², debt cancellation³, and

¹ 2016 & 2020
² 2018 only
³ 2019 only

interest⁴. The Bureau determined that Petitioner was an Idaho resident, unmarried, and had no dependents for these years.

On July 25, 2022, the Bureau received a protest of the Notice from a third party, who was not Petitioner's attorney-in-fact, stating:

The Notice of Deficiency Determination attempts to establish an income tax liability for the taxpayer's failure to file returns for the years in question. Petitioner asserts that the calculation of taxes is incorrect and unsubstantiated by the Idaho State Tax Commission. Petitioner is in the process of retaining the services of an accountant to complete and file tax returns for the tax years in question.

The taxpayer hereby requests that the Petition for Redetermination is granted and the taxpayer's liability be recalculated based on an accurate reflection of tax due based upon the returns to be filed and soon to be filed by the taxpayer.

On July 27, 2022, the Bureau sent a letter acknowledging the protest and requesting Petitioner's 2016-2020 Idaho tax returns. This letter garnered no response. The Bureau sent a follow-up letter on October 4, 2022, requesting that Petitioner either file the missing returns or withdraw his protest. After this letter was sent, Petitioner requested information about appointing an attorney-in-fact but did not file the returns, so the Bureau forwarded the matter to the Tax Commission's Appeals unit (Appeals) for administrative review.

On October 17, 2022, Appeals sent Petitioner a letter outlining two options for redetermining a protested Notice. Petitioner called and was granted an extension until December 2022 to file his 2016-2020 Idaho tax returns. No returns have been filed. Petitioner has had more than adequate time to submit his returns but has not done so. Therefore, the Tax Commission decided this matter based on the information currently available.

⁴ 2020 only

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 Petitioner's Idaho taxable income shows that Petitioner received gross income above the threshold amounts for filing returns for tax years 2016 through 2020. Petitioner did not express disagreement with the Bureau's conclusion that he was required to file Idaho returns for the years in question. Rather, he argued that the calculation of taxes is incorrect and unsubstantiated.

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 Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Petitioner has failed to do so. He has 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 2016 through 2020 are incorrect.

The Bureau added interest and penalty to Petitioner's 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.

Conclusion

Based on available information, Petitioner received income exceeding the gross income threshold for filing Idaho income tax returns for tax years 2016 through 2020. After multiple

requests and extensions of time, Petitioner has not filed tax returns for these years. Petitioner has not provided any evidence or compelling argument that the returns prepared by the Bureau are incorrect. The Tax Commission finds the returns prepared by the Bureau to be a reasonable representation of Petitioner's Idaho taxable income and related tax due for the years in question.

THEREFORE, the Notice dated June 9, 2022, and directed to _____ is hereby
AFFIRMED 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>
2016	\$1,570	\$393	\$380	\$2,343
2017	1,278	320	267	1,865
2018	1,518	380	252	2,150
2019	2,091	523	235	2,849
2020	2,650	663	220	3,533
			TOTAL DUE	<u>\$12,740</u>

Interest is calculated through October 23, 2023.

An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
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.
