

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-845-693-952
)	
Petitioner.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

The Idaho State Tax Commission (Tax Commission) reviewed (Petitioner)’s case, and this is the final decision. The Tax Commission upholds the Notice of Deficiency Determination (Notice) dated July 12, 2022. This means **Petitioner needs to pay \$34,077** of tax, penalty, and interest for taxable years 2016 through 2020. The Tax Commission now DEMANDS immediate payment of this amount.

BACKGROUND

The Tax Commission’s Tax Discovery Bureau (Bureau) sent Petitioner a letter in April 2022, asking about his requirement to file Idaho income tax returns for the tax years 2016 through 2020. Petitioner did not respond; therefore, the Bureau obtained income information from third-party sources and determined that Petitioner was required to file Idaho income tax returns. The Bureau prepared income tax returns for Petitioner and sent him a Notice on July 12, 2022.

Petitioner protested the Notice on September 12, 2022. Petitioner did not dispute his requirement to file Idaho income tax returns, but instead he argued the Notice is incorrect as it didn’t reflect the correct filing status, number of exemptions, and grocery credits. Petitioner also stated his business deductions are not correctly reflected in the Bureau’s calculation of his Idaho taxable income, and he requested additional time to file actual returns.

The Bureau acknowledged Petitioner's protest and allowed him until October 17, 2022 to provide his returns. Petitioner did not meet that deadline, so the Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals).

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner did not respond or provide anything for consideration. Seeing that Petitioner had ample time to prepare and submit his returns or provide whatever documentation he wanted the Tax Commission to consider, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows Petitioner received Idaho source income during the years in question that exceeded the threshold amount for filing Idaho income tax returns. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner did not deny he was required to file Idaho income tax returns. Petitioner stated he had credits, exemptions, and business deductions that were not included. Credits and deductions are a matter of legislative grace. *New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934). The burden rests upon the taxpayer to disclose his receipts and claim his proper deductions. *United States v. Ballard*, 535 F.2d 400, 404 (1976).

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous. *Persons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Petitioner didn't meet his burden since Petitioner failed to show the returns the

Bureau prepared were in error. The Tax Commission upholds the returns as reasonable representations of Petitioner's Idaho taxable income and therefore his Idaho tax.

CONCLUSION

Petitioner received income in the taxable years 2016 through 2020 that exceeded the threshold for filing Idaho income tax returns. Petitioner was required to file Idaho income tax returns. Petitioner did not show that the returns the Bureau prepared for tax years 2016 through 2020 were incorrect. The Tax Commission reviewed those returns and found them reasonable based on the information available. Therefore, the Tax Commission upholds the Notice of Deficiency Determination.

The Bureau added interest and penalty to Petitioner's Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046. Interest is computed to April 19, 2023.

THEREFORE, the Tax Commission AFFIRMS the Notice dated July 12, 2022, directed to

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	\$6,619	\$1,655	\$1,432	\$9,706
2017	7,232	1,808	1,327	10,367
2018	3,490	873	490	4,853
2019	3,470	868	301	4,639
2020	3,451	863	198	4,512
			TOTAL DUE	\$34,077

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.
