



Installers and Tile and Stone Setters”. The Bureau did not estimate business expenses. The Bureau issued a Notice, which Petitioner protested stating the following:

“I do not owe anything as I am a business that deals with labor only and I do not collect taxes for my services. I also pay all taxes on all my materials at the time purchased. I also state [sic] taxes when putting fuel in my vehicle for my job, I pay taxes every time I go to the grocery store, shopping, dining out, and on my utility bills. State taxes being withheld from employment were instituted during the war as a voluntary system to help provide for the troops. Not as a law. The same dollar was never intended to be taxed multiple times and it is unconstitutional. I pay far more in taxes a year on just fuel and supplies than I would ever pay on my annual return.”

The Bureau acknowledged Petitioner’s protest and forwarded his file to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter discussing alternatives for redetermining a protested Notice. Petitioner did not respond. Petitioner has had ample time to provide his returns. Therefore, the Tax Commission will issue its decision based on the current information available.

### **LAW AND ANALYSIS**

Petitioner is the sole proprietor of his business therefore, he must report any profits as personal income on his federal return using Schedule C. 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.

The Tax Commission’s records indicate Petitioner is 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

lived in Idaho during the taxable years at issue. Rather, he provides arguments regarding the legitimacy of taxation in general.

Petitioner stated in his protest that taxes are voluntary. When confronted by claims that income taxes are "voluntary", courts readily explain that the payment of income tax is mandatory, not optional. Any assertion that the payment of income taxes is voluntary is without merit. It is without question that the payment of income taxes is not voluntary. *United States v. Gerads*, 999 F.2d 1255, 1256 (8th Cir. 1993), (per curiam); *Wilcox v. Commissioner of Internal Revenue*, 848 F.2d 1007, 1008 (9th Cir. 1988). The assertion that the filing of an income tax return is voluntary is, likewise, frivolous. Title 26, United States Code, Section 6012(a)(1)(A), requires that every individual who earns a threshold level of income must file a tax return. *United States v. Pottorf*, 769 F.Supp. 1176, 1183 (D.Kan. 1991). Failure to file an income tax return subjects an individual to criminal penalty. *Id.*, (citing 26 U.S.C. § 7203). *United States v. Hartman*, 915 F.Supp. 1227 (M.D.Fla. 1996). The federal income tax is not voluntary, and a person may not elect to opt out of the federal tax laws by a unilateral act of revocation and rescission. See, e.g., *Lesoon v. Commissioner of Internal Revenue*, 141 F.3d 1185, 1998 WL 166114 (10th Cir. 1998); *United States v. Gerads*, supra.; *Damron v. Yellow Freight System, Inc.*, 18 F. Supp. 2d 812, 819-20 (E.D. Tenn. 1998), *aff'd*, 188 F.3d 506 (6th Cir. 1999)." *United States v. John L. Sasscer*, 86 AFTR2d Par. 2000-5317, No. Y-97-3026 (D.C. Md. 9/25/2000). Since filing tax returns is not voluntary and Petitioner's income exceeded the filing threshold, he is required to file returns.

Petitioner contends in his protest that paying income tax is double taxation. There are several tax types, five of the main ones are: Federal, State, Payroll, Sales, and Property. Paying one of these taxes does not exempt an individual from paying the others when applicable. Paying more than one tax is not considered double taxation as different laws apply to each tax type.

Petitioner paying sales tax does not immune him from his responsibility to file individual income tax returns reporting his income and claiming expenses.

Deductions are a matter of legislative grace. *New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934). Taxpayers are required to maintain records to enable the determination of their tax liability. See IRC § 6001; Treasury Regulation § 1.6001-1(a). The burden is on the taxpayer to claim his proper deductions. *United States v. Ballard*, 535 F.2d 400, 404 (1976). A taxpayer's general statement of his deductions and expenses is not sufficient to establish the occurrence of the deduction or expense. *Near v. Commissioner of Internal Revenue*, T.C. Memo. 2020-10 (2020). The Tax Commission realizes Petitioner likely has business expenses that would reduce his income. However, Petitioner will need to file actual returns to claim these expenses.

It is well settled that a Notice of Deficiency Determination issued by the Tax Commission is presumed to be accurate. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). The burden is on Petitioner to show the deficiency is erroneous. *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Petitioner has presented nothing but illogical and flawed rhetoric to support his protest. Such arguments are unconvincing. Petitioner did not meet his burden of proving error in the Tax Commission's Notice.

### **CONCLUSION**

The Bureau estimated Petitioner's income for 2016 through 2021 using figures from the U.S. Bureau of Labor Statistics (BLS). The Tax Commission has reviewed this method of estimation and finds it to be reasonable. The Tax Commission upholds the Notice of Deficiency Determination dated September 8, 2022, for taxable years 2015 through 2020.

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 July 24, 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>
2016	\$2,494	\$624	\$627	\$3,745
2017	2,487	622	543	3,652
2018	2,196	549	386	3,131
2019	2,176	544	265	2,985
2020	2,157	539	199	2,895
2021	2,026	507	144	2,677
			TOTAL	<u>\$19,085</u>

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.

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