

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████████ ██████████

Petitioner.

DOCKET NO. 1-244-779-520

DECISION

The Tax Discovery Bureau (Bureau) sent ██████████ ██████████ (Petitioner) a Notice of Deficiency Determination (Notice) for tax year 2017. Petitioner protested, disagreeing with the income estimates the Bureau used to prepare the return and the lack of child dependents. The Bureau then modified the Notice to allow for the dependent but did not adjust the estimated income. The Tax Commission has reviewed the matter and hereby upholds the modified Notice.

BACKGROUND

During a review of taxpayer information, the Bureau could not locate Petitioner's individual Idaho tax return for tax year 2017. The Bureau determined that Petitioner met the requirements to file an Idaho return for the year in question. The Bureau contacted Petitioner inquiring about the missing return. Petitioner did not respond. The Bureau then prepared the return for her and issued a Notice with the information available to the Tax Commission.

The Bureau prepared the return by estimating her Idaho K-1 from ██████████ ██████████ ██████████ ██████████. The Bureau determined Petitioner was a 50% partner of the business using information from the Secretary of State. To estimate business income, the Tax Commission used the wages reported on their Idaho withholding return and multiplied it by a factor of three. The Bureau then used generally accepted practices to estimate a 25% business expense rate. Additionally, the Bureau deducted total wages reported on their Idaho withholding return to calculate a net income of \$139,800. The Bureau passed through 50% of the net business income

to Petitioner. Petitioner protested, asserting she did not work from 2009-2018 and earned zero income in 2017. She also mentioned she had a dependent under 18 at the time. She concludes that if any returns were filed in 2017, they were fraudulent and not filed by her. The Bureau acknowledged her protest and sent her a modified Notice, increasing her standard deduction and personal exemptions to include her dependent. The Bureau also requested documentation showing she was not a partner in [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] but she did not respond. With no response, the Bureau transferred the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals attempted to contact Petitioner on March 31, 2026, but she did not respond. The Tax Commission must make its decision on the information currently available.

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 clearly shows that Petitioner received gross income above the threshold amounts for filing returns. Petitioner expressed disagreement with the Bureau's conclusion that they were required to file an Idaho return for 2017. The Tax Commission recognizes that the return prepared for Petitioner was based on estimates. However, Petitioner has provided no documentation to show the Notice is incorrect.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be correct, and the burden is on the taxpayer to show that the Tax Commission's determination is erroneous. *Dunn v. Idaho State Tax Comm'n*, 162 Idaho 673, 675 (2017) (quoting

Parker v. Idaho State Tax Comm'n, 148 Idaho 842, 845 (2010)). Petitioner has not met this burden. Therefore, the Tax Commission finds the return prepared by the Bureau to be a reasonable representation of Petitioner's Idaho taxable income and related tax due.

CONCLUSION

Based on the available information, Petitioner received income exceeding the gross income threshold for filing an Idaho income tax return for tax year 2017. Petitioner has yet to file the return. Petitioner has not provided any evidence or compelling argument that the return prepared by the Bureau is incorrect. The Tax Commission finds the return prepared by the Bureau to be a reasonable representation of Petitioner's Idaho taxable income and related tax due.

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.

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>
2017	\$3,859	\$965	\$1,475	\$6,299

The Tax Commission DEMANDS immediate payment of this amount. Interest is calculated in accordance with Idaho Code section 63-3045.

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

DATED this _____ day of _____ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2026,
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.
