

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of) DOCKET NO. 1-246-663-680
[REDACTED])
)
)
)
Petitioner.) DECISION

[REDACTED] (Petitioners) protested the Notice of Deficiency Determination (Notice) dated April 4, 2025. Petitioners disagree with the adjustments to their 2022 and 2023 Idaho individual income tax returns. The Tax Commission reviewed the matter and upholds the Notice.

BACKGROUND

The Income Tax Audit Bureau (Audit) of the Idaho State Tax Commission (Tax Commission) selected Petitioners' 2022 and 2023 Idaho individual income tax returns for review. During its review, Audit found Petitioners did not include all their wages or withholdings. Audit adjusted Petitioners' Idaho income tax returns and sent them a Billing Letter showing additional tax due.

Petitioners protested the Billing Letter, stating "I cannot afford to pay any back payments due...I always make sure to have all appropriate taxes deducted from each paycheck...My husband for the last 2 years has been sole(sic) responsible for the finances in our home(taxes)(sic) But I do know for a fact that he did enter the correct information from my W2s from those income sources."

Audit sent Petitioners correspondence which included a protest acknowledgement letter, a Notice of Deficiency Determination, an explanation of adjustments, the sources of non-reported income and a protest withdrawal statement if they agreed with Notice. Additionally, Audit's

correspondence explained if no response was received, the case would be sent to the Tax Commission's Appeals Unit (Appeals) for administrative review. Petitioners did not respond. Therefore, Audit referred the matter to Appeals.

Appeals sent Petitioners a letter explaining the options available for redetermining a Notice but received no response. Therefore, the Tax Commission will decide this matter based on the information available.

LAW AND ANALYSIS

Idaho Code section 63-3002 states the intent of the Idaho legislature regarding the Idaho income tax act; to impose a tax on residents of Idaho measured by their income from sources wherever derived.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct. The burden is on the taxpayer to show that the deficiency is erroneous. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986).

Petitioners' 2022 Idaho return included income from Mr. [REDACTED] employer [REDACTED]
[REDACTED] and Mrs. [REDACTED] employers, [REDACTED] and [REDACTED] [REDACTED]
The income not reported on Petitioners' 2022 Idaho return was Mrs. [REDACTED] W-2 wages reported
by [REDACTED] DBA [REDACTED] and the [REDACTED] [REDACTED]
[REDACTED] The unreported income totaled \$4,835 with unreported withholding of \$2.

Petitioners' 2023 Idaho return was Mrs. [REDACTED] W-2 wages reported by [REDACTED] and [REDACTED]
[REDACTED] The unreported income totaled \$11,325 and withholding of \$48.

Petitioners provided no information, nor did they present an argument to show the Bureau's returns were in error. Petitioners did not explain why their income and withholdings did not agree with the amounts reported to the Tax Commission by their employers. Petitioners did not meet their burden.

The Tax Commission reviewed the adjustments to Petitioners' Idaho income tax returns. Based on the information available, the Tax Commission agrees that the adjustments are correct. Therefore, the Tax Commission upholds Audit's correction of Petitioners' 2022 and 2023 Idaho individual income tax return.

CONCLUSION

Petitioners filed their 2022 and 2023 Idaho individual income tax returns but failed to report all their income and withholding. Audit corrected Petitioners' returns. Petitioners provided nothing to show the additional income, and withholding should not be included on their income tax returns. Therefore, the Tax Commission upholds the Notice of Deficiency Determination.

THEREFORE, the Notice of Deficiency Determination dated April 4, 2025, and directed to [REDACTED] is AFFIRMED.

IT IS ORDERED that Petitioners pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	\$287	\$35	\$322
2023	609	44	<u>653</u>
		TOTAL DUE	\$975

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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

DATED this _____ day of _____ 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2025,
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.

[REDACTED]
