

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████████

Petitioner.

DOCKET NO. 1-387-848-704

DECISION

██████████ (Petitioner) protested the Notice of Deficiency Determination (Notice) dated January 5, 2024. Petitioner disagreed with the Tax Discovery Bureau's (Bureau) determination of his Idaho taxable income for tax years 2015 through 2021. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby modifies the Notice for the reasons stated below.

BACKGROUND

During a review of Petitioner's filing history with the Tax Commission, the Bureau found Petitioner stopped filing Idaho individual income tax returns after his 2014 return. Tax Commission records, and information obtained by the Bureau, show Petitioner is a partner of ██████████ (33%), ██████████ (50%), and ██████████ (50%). As a partner, income from the businesses flows through to Petitioner's individual income tax return. The business income on Petitioner's Notice was the result of non-filer audits conducted by the Bureau for all three businesses, none of which were protested.

Petitioner argues that he has not received his K-1s for the three businesses, so he is unable to file his individual income tax returns. He continues by stating that he will file his individual returns when he receives his K-1s. The Bureau gave Petitioner additional time to file his returns. When Petitioner did not provide the returns, the Bureau forwarded the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner responded, stating his partner was in the process of preparing business returns which will allow him to file his individual returns. The Tax Commission received four business returns for [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] and found them to be a better representation of the business' taxable income. Therefore, the Tax Commission accepts the business' 2015 through 2018 returns, subject to the Tax Commission's normal review. Accepting these business returns reduces the amount of income that flows through to Petitioner. The Tax Commission modifies the Notice to reflect the flow through income for tax years 2015 through 2018.

LAW & ANALYSIS

The Tax Commission did not receive any returns for [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] or the 2019-2021 returns for [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] and Petitioner has yet to file any of the missing individual returns. Seeing that he had more than adequate time to complete and submit his returns, the Tax Commission decides the matter based on the information available.

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)). Petitioner did not provide individual income tax returns for tax years 2015 through 2021.

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 January 5, 2024, and directed to [REDACTED] [REDACTED] is hereby
MODIFIED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest calculated per
Idaho Code section 63-3045:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$414	\$104	\$161	\$679
2016	1,385	346	488	2,219
2017	3,526	882	1,125	5,533
2018	2,896	724	800	4,420
2019	5,945	1,486	1,322	8,753
2020	5,580	1,395	1,077	8,052
2021	6,490	1,623	1,116	<u>9,229</u>
			TOTAL	\$38,885

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 _____ 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.


