

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[REDACTED]) DOCKET NO. 1-450-284-032
[REDACTED])
Petitioner.) DECISION
[REDACTED])

[REDACTED] (Petitioner) protested the Notice of Deficiency Determination (Notice) dated December 4, 2024. Petitioner disagreed with the Tax Discovery Bureau's (Bureau) determination of her Idaho taxable income for tax year 2018. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the reasons stated below.

BACKGROUND

Petitioner did not file an Idaho individual income tax return for tax year 2018. However, the Bureau found that Petitioner did file a federal income tax return. Therefore, the Bureau made the determination of Petitioner's Idaho income and income tax due from that, using the same adjusted gross income, filing status and number of exemptions. Idaho withholding identified by the Bureau reduced the amount of tax due.

Petitioner protested the Notice, stating she believed the Notice contained incorrect information, specifically her filing status and the number of dependent children. Petitioner requested the Notice be reviewed and corrected. The Bureau acknowledged Petitioner's protest and referred the file to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the case and sent Petitioner a letter discussing the alternatives for redetermining a protested Notice. Petitioner responded but did not request an informal hearing and has yet to file her 2018 Idaho return. Therefore, the Tax Commission decides the matter based on the information 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 Tax Commission's records indicate Petitioner was an Idaho resident in 2018 and based on her federal return, she received income exceeding the gross income threshold for filing an Idaho income tax return. Petitioner is required to file an Idaho return for 2018 and has yet to do so.

Petitioner argues the Bureau's calculation of her Idaho income tax due is not accurate because she is entitled to an additional dependent exemption deduction. However, deductions are a matter of legislative grace, and taxpayers bear the burden of proving that they are entitled to the deductions claimed. *INDOPCO, Inc. v. Commissioner*, 503 U.S. 79, 84, 112 S. Ct. 1039, 117 L.Ed.2d 226 (1992); *New Colonial Ice Co. v. Helvering*, 292 U.S. 435, 440, 54 S. Ct. 788, 78 L.Ed. 1348 (1934). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed, and the taxpayer must bear its misfortune. *Burnet v. Houston*, 283 US. 223, 51 S.Ct. 413 (1931). Here, Petitioner has provided no documentation to show her entitlement to a deduction for a dependent not shown in the Notice, she has not met her burden.

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 *Albertsons's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984)). The Tax Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Petitioner has failed to do so; therefore, the Notice must be upheld.

CONCLUSION

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 an accurate representation of Petitioner's Idaho taxable income and related tax due for the year in question.

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 December 4, 2024, and directed to [REDACTED] is hereby AFFIRMED 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>
2018	\$1,031	\$258	\$306	\$1,595

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.

[REDACTED]
