

## BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of )  
████████████████ ) DOCKET NO. 1-470-567-424  
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 )  
Petitioners. ) DECISION  
 )  
\_\_\_\_\_

████████████████ (Petitioners) protested the Notice of Deficiency Determination (Notice) dated October 22, 2024. Petitioners disagreed with the Tax Discovery Bureau's (Bureau) determination of their Idaho taxable income for tax year 2017. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the reasons stated below.

### BACKGROUND

During a review of Petitioners' filing history with the Tax Commission, the Bureau found Petitioners did not file their 2017 Idaho individual income tax return. The Bureau sent Petitioners a letter asking about their requirement to file an Idaho income tax return for tax year 2017. Petitioners did not respond. Therefore, the Bureau prepared a return for Petitioners and sent them a Notice.

Petitioners protested the Notice, arguing that their records do not match the information shown in the Notice. Petitioners requested additional time to gather their records and clear up the differences. The Bureau acknowledged Petitioners' protest and allowed additional time to file the missing return. When Petitioners did not provide the return, the Bureau forwarded the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioners a letter that discussed the methods available for redetermining a Notice. Petitioners responded, inquiring about the possibility of participating in an informal hearing but they did not provide a list of available dates. Petitioners

have yet to file the missing return or formally request an informal hearing. Since Petitioners have had ample time to file their return, the Tax Commission decides the matter based on the information available.

## **LAW AND ANALYSIS**

Idaho Code section 63-3030 establishes the filing requirement for Idaho income tax returns, in part:

**63-3030. Persons required to make returns of income.** – (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.

Petitioners filed their 2017 federal return showing a filing status of Married Filing Joint and five dependent exemptions. However, a review of the dependent exemptions found that one dependent was claimed on another return. Therefore, this dependent exemption was disallowed, and Petitioners' Idaho taxable income was determined using six personal exemptions rather than the seven shown on the federal return.

The information from the federal return clearly shows Petitioners' income exceeded the threshold for tax year 2017. Petitioners did not contest their requirement to file an Idaho individual income tax return. On the contrary, Petitioners acknowledged their requirement to file an Idaho income tax return and stated they would prepare and submit the needed income tax return, as their tax due should be less than that shown on the Notice. Nevertheless, Petitioners failed to provide their return.

## **CONCLUSION**

Petitioners received income in tax year 2017 which exceeded the threshold for filing an Idaho individual income tax return. Petitioners were required to file a return for 2017, but they

have failed to do so. Furthermore, Petitioners have not shown the Notice the Bureau prepared is incorrect. Therefore, the Tax Commission upholds the Notice.

The Bureau added interest and penalty to Petitioners' 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 October 22, 2024, and directed to [REDACTED] [REDACTED] [REDACTED]

[REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners 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>
2017	\$2,140	\$535	\$717	\$3,392

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]

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[REDACTED]