



and send in the other two years. When the Bureau did not receive Petitioner's 2017 return, the Bureau contacted Petitioner for an update. In Petitioner's response it is not clear, but he may have sent his return to the Boise office rather than the Coeur d'Alene office as requested. Nevertheless, Petitioner's return was not received by either office and there was no further contact with Petitioner.

The Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals). Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice of Deficiency Determination. Petitioner responded stating he was working with an accountant and was hopeful he would have something in 30 days. After several months and nothing received from Petitioner, Appeals contacted Petitioner again. Petitioner stated his 2017 return was complete and he was waiting on a couple of pieces of information for the other two years. Appeals asked Petitioner to send in his 2017 return. It took several more months of corresponding before the Tax Commission received Petitioner's 2017 return.

As for tax years 2016 and 2018, Appeals continued corresponding with Petitioner and extending the time for him to complete the returns. About a year later, Petitioner stated his 2016 and 2018 returns were complete and would be mailed soon. A few months later after several correspondences, the Tax Commission still had not received Petitioner's 2016 and 2018 returns. Seeing that Petitioner had more than adequate time to complete and send his returns to the Tax Commission, the Tax Commission decided the matter based on the information available.

### **LAW AND ANALYSIS**

Idaho Code section 63-3030 provides the income thresholds for filing Idaho income tax returns. The information the Bureau gathered clearly shows Petitioner's income exceeded the threshold for each of the years. Petitioner was required to file Idaho income tax returns.

Petitioner did not deny he was required to file Idaho income tax returns. Petitioner wanted to file his own returns believing his taxable income would be less than what the Bureau determined. Petitioner did provide one income tax return for the tax year 2017 but failed to provide returns for tax years 2016 and 2018. The Tax Commission reviewed Petitioner's 2017 return and found it to be a better representation of Petitioner's taxable income. Therefore, the Tax Commission accepts Petitioner's 2017 return, subject to the Tax Commission's normal review and subject to the statute of limitations beginning on the date the return was received.

Petitioner did not provide an income tax return for tax years 2016 or 2018. Petitioner stated he had write-offs or deductions for those years. However, Petitioner provided no information or documentation concerning those deductions. Deductions are a matter of legislative grace, and the taxpayer bears the burden of proving that he is entitled to the deductions claimed. *New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934). The burden rests upon the taxpayer to disclose his receipts and claim his proper deductions. *United States v. Ballard*, 535 F.2d 400, 404 (1976). A taxpayer's general statement that he has deductions attributable to a particular tax year is not sufficient to establish the deduction or that the deduction is allowable. *Near v. Commissioner of Internal Revenue*, T.C. Memo. 2020-10 (2020).

Petitioner has not shown the returns the Bureau prepared for the tax years 2016 and 2018 are incorrect. Petitioner has not met his burden. The Tax Commission reviewed the returns the Bureau prepared and found them to be a reasonable representation of Petitioner's Idaho taxable income. Therefore, the Tax Commission upholds the Bureau's determination of Petitioner's taxable income for those years.

**CONCLUSION**

Petitioner received income in 2016 through 2018 which was over the threshold for filing Idaho individual income tax returns. Petitioner was required to file Idaho income tax returns. Petitioner submitted an income tax return for tax year 2017. The Tax Commission found Petitioner’s 2017 return better represented his taxable income for that year. Therefore, the Tax Commission accepts Petitioner’s 2017 return, in lieu of the return prepared by the Bureau.

Petitioner did not provide income tax returns for tax years 2016 and 2018. Furthermore, Petitioner has not shown the returns the Bureau prepared are incorrect. Therefore, the Tax Commission upholds the Notice of Deficiency Determination as it pertains to those tax years.

The Bureau added interest and penalty to Petitioner’s Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated December 9, 2020, and directed to \_\_\_\_\_ is AFFIRMED as MODIFIED by this decision.

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>
2016	\$ 618	\$ 156	\$164	\$ 938
2017	237	59	58	354
2018	4,846	1,212	925	<u>6,983</u>
			TOTAL DUE	<u>\$8,275</u>

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2024,  
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.

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