BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

Petitioner.

DOCKET NO. 1-730-200-576

DECISION

The Tax Discovery Bureau (Bureau) sent (Petitioner) a Notice of Deficiency Determination (Notice) for tax year 2020. Petitioner protested, and the case was transferred to the Tax Commission's Appeals Unit (Appeals) for redetermination. The Tax Commission has reviewed the matter and hereby upholds the Notice issued by the Bureau.

BACKGROUND

The Bureau sent Petitioner a letter requesting she file missing Idaho income tax returns. Petitioner did not respond, so the Bureau prepared her 2020 return for her using available 1099 and W-2 information. The Bureau also estimated business income and expenses for a sole proprietorship delivery business based on previously filed returns. The Bureau calculated her estimated gross income by averaging the gross income reported on Petitioner's 2011, 2012, and 2019 returns. The Bureau also estimated Petitioner's expenses by using a 75% profit margin. Petitioner protested, stating she was married during 2020 and should not be filed as single. The Bureau acknowledged her protest and transferred the case to Appeals. Appeals sent Petitioner a letter discussing the methods available for redetermining a protested Notice on February 23, 2023. Petitioner did not respond, so the Tax Commission issues its decision on the information available.

ANALYSIS

Petitioner did not specifically protest the estimation of income on her 2020 return. She did, however, protest her status as single, as she was still married as of December 31, 2020. To change her filing status, she must file actual returns. Idaho Code section 63-3030 provides that every resident individual of Idaho required to file a federal return under section 6012(a)(1) of the Internal Revenue Code must file an Idaho return. Under Internal Revenue Code section 6012(a)(1), a taxpayer must file tax returns where their gross income equals or exceeds the standard deduction amount for that year. Petitioner exceeded the income requirements for filing tax returns. For the year in question, Petitioner failed to submit actual returns or any evidence the Notice was incorrect.

CONCLUSION

Petitioner to date has not filed actual returns or provided any evidence the Notice issued by the Bureau is incorrect. The Tax Commission reviewed the returns and found them to be a reasonable representation of Petitioner's Idaho taxable income.

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.

THEREFORE, the Notice dated August 26, 2022, and directed to is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest:

YEAR	TAX	PENALTY	INTEREST	TOTAL
2020	\$1,820	\$455	\$149	\$2,424

Interest is calculated through October 12, 2023.

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

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023, 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.