

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-777-722-368
██████████)	
██████████)	
)	DECISION
Petitioner.)	
_____)	

██████████ (Petitioner) protested the Notice of Deficiency Determination (Notice) dated May 1, 2024. Petitioner disagreed with the Tax Discovery Bureau’s (Bureau) determination of his Idaho taxable income for tax years 2016, 2017, and 2019 through 2022. 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 Petitioner’s filing history with the Tax Commission, the Bureau found Petitioner stopped filing Idaho income tax returns after filing his 2008 return. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns for tax years 2016 through 2022. Petitioner responded stating that he needed to file these returns. When Petitioner did not provide returns, the Bureau prepared returns for him for tax years 2016, 2017, and 2019 through 2022 using W-2 and 1099 information and sent him a Notice.

Petitioner protested the Bureau’s determination for each year stating:

I have 2 dependents, ██████ and ██████ I paid all child support and have a zero balance. Also repaid to Idaho Department of Labor about \$20,000 with interest. Also paid the state 30% of wages during incarceration from 2019-2020. I overpaid child support and never received my refund. Due to incarceration and change of jobs I feel this is highly inaccurate. I wish I was in a better financial position to pay this immediately if it’s what I actually owed. I work hard and literally have no money or property. I’m a salesman doing my best I just want a fair shake. Please feel free to contact me anytime.

The Bureau acknowledged Petitioner's protest and requested information about the dependents and payments made to the Department of Labor. When Petitioner did not provide his returns or the requested information, 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 did not respond. Seeing that Petitioner had time to submit his returns or the requested documents, the Tax Commission decides 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, rather he states the Notice is incorrect because he has dependents and repaid unemployment compensation to the Idaho Department of Labor (DOL), which would reduce the amount of Idaho tax due.

Petitioner provided the names of his dependents but not their birth dates or social security numbers; he also never claimed dependents on his past tax returns. Without this information, the Tax Commission is unable to verify if the individuals named qualify as dependents.

IRC section 1341 states that if you repaid unemployment compensation received in an earlier year and the amount is more than \$3,000 you can deduct the amount repaid on Schedule A (Form 1040, line 16.) However, Petitioner did not provide his federal income tax returns showing he made repayments. He claimed to have made repayments to Idaho DOL, but he did not provide documentation from DOL concerning those repayments.

In Idaho, a Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Petitioner has not met his burden; he has not shown the returns the Bureau prepared for tax years 2016, 2017, and 2019 through 2022 are incorrect. The Tax Commission reviewed the returns the Bureau prepared and found them to be a reasonable representation of Petitioner's Idaho taxable income for those years.

CONCLUSION

Petitioner received income in 2016, 2017, and 2019 through 2022 which was over the threshold for filing Idaho individual income tax returns. Petitioner was required to file Idaho income tax returns, but he has not. Furthermore, Petitioner has not shown the returns the Bureau prepared are incorrect. Therefore, the Tax Commission upholds the Bureau's determination of Petitioner's taxable income for those years.

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 May 1, 2024, and directed to [REDACTED] [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>
2016	\$132	\$33	\$44	\$209
2017	1,972	493	588	3,053
2019	169	42	34	245
2020	2,075	519	358	2,952
2021	565	141	85	791
2022	565	141	65	<u>771</u>
			TOTAL	\$8,021

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.
