

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-787-773-952
	)	
Petitioner.	)	DECISION
<hr style="width: 50%; margin-left: 0;"/>	)	

(Petitioner) protested the Notice of Deficiency Determination (Notice) dated June 17, 2022. Petitioner disagreed with the Tax Discovery Bureau (Bureau)’s determination of his Idaho taxable income for tax years 2016 through 2020. The Tax Commission reviewed the matter and for the reason stated below upholds the Notice.

**BACKGROUND**

The Bureau sent Petitioner a letter on March 30, 2022, asking about his requirement to file Idaho income tax returns for the tax years 2016 through 2020. Petitioner did not respond. Therefore, the Bureau prepared income tax returns for him with the information available and sent him a Notice.

On August 19, 2022, the Bureau received a protest from Petitioner’s appointed representative. Petitioner did not dispute his requirement to file Idaho income tax returns, but instead he argued the Notice is incorrect as it didn’t reflect the correct number of dependents and deductions. The representative asked the Bureau for additional time to file Petitioner’s returns.

The Bureau acknowledged Petitioner’s protest and allowed him until January of 2023 to provide the missing returns. When the Bureau received no returns, they referred the matter to the Tax Commission’s Appeals Unit (Appeals).

Appeals reviewed the matter and sent Petitioner and his representative a letter that discussed the methods available for redetermining a Notice. Petitioner did not respond or provide

anything for consideration. Seeing that Petitioner had ample time to prepare and submit his returns or provide whatever documentation he wanted the Tax Commission to consider, the Tax Commission decided the matter based upon the information available.

### **LAW AND ANALYSIS**

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows Petitioner received Idaho source income during the years in question that exceeded the threshold amount for filing Idaho income tax returns. Therefore, Petitioner was required to file Idaho individual income tax returns.

Petitioner did not deny he was required to file Idaho income tax returns. Petitioner stated he had dependents and deductions that were not included. Deductions are a matter of legislative grace. *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).

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous. *Persons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Petitioner didn't meet his burden. Since Petitioner failed to show the Bureau's returns were in error, the Tax Commission upholds the Bureau's determination.

### **CONCLUSION**

Petitioner received income in tax years 2016 through 2020 that exceeded the threshold for filing Idaho income tax returns. Petitioner was required to file Idaho income tax returns. Petitioner did not show that the returns the Bureau prepared for tax years 2016 through 2020 were incorrect.

The Tax Commission reviewed those returns and found them reasonable based on the information available. Therefore, the Tax Commission upholds the Notice.

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. Interest is computed to July 20, 2023.

THEREFORE, the Tax Commission AFFIRMS the Notice dated June 17, 2022, directed to

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	\$1,131	\$283	\$259	\$1,673
2017	2,047	512	399	2,958
2018	2,216	554	339	3,109
2019	1,827	457	182	2,466
2020	1,044	261	75	1,380
			TOTAL DUE	\$11,586

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 \_\_\_\_\_ 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.

---

---