

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
██████████) DOCKET NO. 1-839-797-248
██████████)
Petitioner.) DECISION
██████████)

The Tax Discovery Bureau (Bureau) issued ██████████ (Petitioner) a Notice of Deficiency Determination (Notice) on September 27, 2024, for tax years 2018 through 2022 and received a request for redetermination. The Tax Commission has reviewed the matter and hereby issues its decision upholding the Notice.

BACKGROUND

Petitioner did not file Idaho income tax returns for tax years 2018 through 2022. The Bureau sent Petitioner a letter asking about his requirement to file Idaho income tax returns. Petitioner did not respond. The Bureau researched the Tax Commission's records and determined Petitioner met the requirements to file returns. The Bureau prepared returns for Petitioner using third party information and sent him a Notice. The returns the Bureau prepared for Petitioner were as a single resident taxpayer for 2018 through 2020 and single nonresident taxpayer for 2021 and 2022.

Petitioner protested the Notice and stated he was not an Idaho resident in 2020 and will catch up on filing his returns. Petitioner also stated he believes his itemized deductions will be greater than the standard deduction allowed and he requested until April 2025 to get his tax affairs in order.

The Bureau acknowledged Petitioner's protest and after a review of the information provided, and that in Tax Commission records, modified the Notice to reflect Petitioner as a

nonresident for tax year 2020. The Bureau sent Petitioner a copy of the modified Notice, but he continued his protest. When the Bureau did not receive Petitioner's 2018 through 2022 returns by April 2025, they referred the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

As part of the administrative review process Appeals sent Petitioner a letter discussing the alternatives for redetermining a protested Notice. Petitioner responded, again requesting additional time to prepare returns. Appeals allowed Petitioner the additional time requested but the returns were not received. Appeals contacted Petitioner multiple times to obtain the missing returns, but the efforts were unsuccessful. Petitioner has had more than enough time to submit his returns. Therefore, the Tax Commission will decide this matter based on the information presently 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 that Petitioner received income during the years in question that exceeded the threshold amount for filing Idaho income tax returns.

Petitioner did not contest his requirement to file Idaho individual income tax returns. On the contrary, Petitioner acknowledged his requirement to file Idaho income tax returns and stated he would prepare and submit the needed income tax returns, as he believes his itemized deductions will be greater than the standard deduction. Nevertheless, Petitioner failed to provide any returns.

Additionally, credits and deductions are a matter of legislative grace, *New Colonial Ice Co., Inc. v. Helvering*, 292 US. 435, 440, 54 S.Ct. 788 (1934) and the burden rests upon the taxpayers to claim their credits and claim their proper deductions. *United States v. Ballard*, 535 F.2d 400, 404 (1976).

If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed, and the taxpayer must bear its misfortune. *Burnet v. Houston*, 283 US. 223, 51 S.Ct. 413 (1931). Here, Petitioner has provided no documentation to show his entitlement to any additional deductions or credits not shown in the Notice, he has not met his burden.

CONCLUSION

Petitioner received income in excess of the filing requirement threshold for each of the years in question. Therefore, Petitioner was required to file Idaho individual income tax returns. And since Petitioner did not provide anything contrary to the returns the Bureau prepared, the Tax Commission finds the Bureau's returns reasonable and upholds the Bureau's determination. Therefore, the Tax Commission upholds the Notice of Deficiency Determination, as modified by the Bureau, for tax years 2018 through 2022.

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 modified Notice dated December 3, 2024, and directed to [REDACTED]

[REDACTED] is APPROVED and MADE FINAL.

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>
2018	\$3,127	\$782	\$914	\$4,823
2019	2,260	565	554	3,37
2020	24	10	5	39
2021	3,297	824	620	4,741
2022	2,896	724	441	4,061
			<u>TOTAL DUE</u>	<u>\$17,043</u>

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.

[REDACTED]
