

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-944-355-840
	)	
Petitioners.	)	DECISION
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The Tax Discovery Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to (Petitioners) asserting a total income tax deficiency of \$12,465 for tax years 2014 through 2017. Petitioners filed a timely appeal and petition for redetermination of the Notice. The Tax Commission has reviewed the file and hereby issues its decision.

Based on the information available, Petitioners did not file Idaho individual income tax returns for tax years 2014 through 2017. The Bureau requested Petitioners file their past due tax returns. In response, Petitioners requested additional time to file their past due tax returns, which the Bureau granted.

For several months, the Bureau worked with Petitioners' representative to secure the missing returns. However, the Bureau never received the returns. The Bureau determined an income deficiency of \$12,465 and issued a Notice. Petitioners' representative appealed requesting another thirty-day extension to give Petitioners more time to gather information and accurately prepare the missing returns. The Bureau did not receive any returns after sixty days and referred the case to the Tax Appeals Unit. The Tax Appeals Unit notified Petitioners via the representative of their appeal options. Petitioners failed to schedule a hearing or submit any additional documentation.

The Tax Commission determination of a deficiency is presumed correct, and the taxpayer bears the burden of proving it incorrect. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Additionally, tax deductions and tax credits are a matter of legislative grace and the burden of clearly showing the right to any claimed deduction or credit is on the taxpayer. *INDOPCO, Inc. v. Comm'r*, 503 U.S. 79, 84 (1992). *Lewyt Corp. v. Comm'r*, 349 U.S. 237, 250 (1955). *Commodore Mining Co. v. Comm'r*, 111 F.2d 131, 133 (10th Cir. 1940). *New Colonial Ice Co. v. Helvering*, 292 U.S. 435, 440 (1934).

The Tax Commission finds Petitioners, having not filed tax returns for tax years 2014 through 2017, having not introduced any documentary evidence, and minimal testimonial evidence, have failed to prove the Notice is incorrect. Therefore, the Tax Commission will uphold the Notice.

The Bureau added interest and penalty to the income tax deficiency. The Tax Commission reviewed those additions, found both to be appropriate per Idaho Code sections 63-3045 and 63-3046, and has updated interest accordingly. Interest is calculated through November 2, 2022 and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

THEREFORE, the Notice of Deficiency Determination dated February 24, 2022, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$1,231	\$ 308	\$337	\$ 1,876
2015	1,046	262	244	1,552
2016	517	129	102	748
2017	5,959	1,490	976	8,425
				<u>\$12,601</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2022,  
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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