

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

In the Matter of the Protest of	)	
██████████	)	DOCKET NO. 2-025-645-056
██████████	)	
██████████	)	
Petitioners.	)	DECISION
_____	)	

██████████ (Petitioners) protested the Notice of Deficiency Determination (Notice) dated March 1, 2024. Petitioners disagreed with the Tax Discovery Bureau’s (Bureau) determination of their Idaho taxable income for tax years 2015 through 2020. Petitioners stated they perform seasonal work in Idaho but are not residents of Idaho. The Tax Commission reviewed the matter and for the reasons stated below upholds the Notice.

During a review of Tax Commission records, the Bureau discovered Petitioners received Idaho wages for tax years 2015 through 2020, in excess of the filing requirement. The Bureau sent Petitioners a letter asking about their requirement to file Idaho income tax returns for tax years 2015 through 2020. Petitioners did not respond. The Bureau determined Petitioners were required to file Idaho income tax returns, so it prepared Idaho resident returns for Petitioners using W-2 and 1099 information and sent them a Notice.

Petitioners protested stating they were not Idaho residents, but they do work in Idaho seasonally, typically mid-May through Labor Day. Based on this new information, the Bureau determined Petitioners were not Idaho residents but still had a filing requirement. A modified Notice was issued for tax years 2015, 2016, 2018, 2019, and 2020, based on Idaho W2 and third-party sources with deductions for Idaho withholding and the standard deduction percentage for non-residents.

The Bureau sent Petitioners a copy of the modified Notice and asked if they wished to continue their protest. Petitioners stated in a phone conversation that they did not object to the modified Notice and would be withdrawing their protest. When the Bureau did not receive a protest withdrawal statement, they referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioners a letter that discussed the methods available for redetermining a Notice. Petitioners did not respond to the letter so Appeals called Petitioners to discuss their options. Petitioners stated they would decide within 30 days to either prepare their own returns or withdraw their protest. To date, they have done neither. Therefore, the Tax Commission decided the matter based on the information available.

Idaho Code section 63-3002 states the legislative intent of the Idaho income tax act; to impose a tax on residents of this state measured on their income from all sources wherever derived, and upon nonresidents on the income earned which is the result of activity within or derived from sources within this state. Idaho Code section 63-3030 states that every nonresident individual that has gross income from sources in Idaho in excess of \$2,500 is required to file an Idaho income tax return.

Petitioners received Idaho income in 2015, 2016, 2018, 2019, and 2020 which exceeded the threshold for filing Idaho income tax returns. Petitioners were required to file Idaho nonresident income tax returns. Petitioners did not show that the returns the Bureau prepared were incorrect. The Tax Commission reviewed the returns the Bureau prepared and found them reasonable based on the information available. Therefore, the Tax Commission upholds the Notice.

The Bureau added penalty and interest to Petitioners' tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3046 and 63-3045, respectively.

THEREFORE, the modified Notice dated May 16, 2024, and directed to [REDACTED]

[REDACTED] 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>
2015	\$39	\$10	\$14	\$63
2016	315	79	102	496
2018	165	41	41	247
2019	198	50	40	288
2020	364	91	60	<u>515</u>
			TOTAL DUE	<u>\$1609</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 \_\_\_\_\_ 2024.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2024,  
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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