

05-0312
Audit
Signed 08/02/2005

BEFORE THE UTAH STATE TAX COMMISSION

PETITIONER 1 & PETITIONER 2,)	
)	ORDER
Petitioner,)	
)	Appeal No. 05-0312
v.)	
)	Acct No. #####
AUDITING DIVISION,)	
OF THE UTAH STATE TAX)	Tax Type: Income Tax
COMMISSION,)	Tax Year: 2000
)	
Respondent.)	Judge: Robinson

Presiding:

R. Spencer Robinson, Administrative Law Judge

Appearances:

For Petitioner: PETITIONER 1
 PETITIONER 2

For Respondent: RESPONDENT REPRESENTATIVE, Auditing Division

STATEMENT OF THE CASE

This matter came before the Commission for an Initial Hearing on June 6, 2005. Petitioners are appealing the assessment of interest on their 2000 Utah income tax, and requesting a reduction in the tax owed.

APPLICABLE LAW

The Tax Commission is granted the authority to waive, reduce, or compromise penalties and interest upon a showing of reasonable cause. Utah Code Ann. §59-1-401 (10).

DISCUSSION

Petitioners filed a Utah resident income tax return for the 2000 tax year. A CPA prepared the return for Petitioners.

Respondent received information from the IRS regarding changes in Petitioners' return. On February 17, 2005, Respondent issued a Statutory Notice of Audit Change. The audit resulted in an increase in federal adjusted gross income from \$\$\$\$\$ to \$\$\$\$\$, and an increase in the federal tax deduction from \$\$\$\$\$ to \$\$\$\$\$.

Petitioners do not dispute the changes. However, PETITIONER 1 has incurred significant medical expenses. PETITIONER 2 had to return to work. Petitioners have been unable to locate the CPA who prepared their 2000 tax returns. Petitioners request a waiver of the interest. They sent in \$\$\$\$\$ with the appeal.

Respondent did not assess a penalty for late filing. It asks only that the tax and interest be paid. It said there was no Commission error in this case. Therefore, Respondent declined to waive the interest.

DECISION AND ORDER

Based on the foregoing, Petitioners' request for a waiver of the interest is denied. It is so ordered. Petitioners' circumstances do not provide a legal reason for waiving the interest or reducing the tax liability.

This decision does not limit a party's right to a Formal Hearing. However, this Decision and Order will become the Final Decision and Order of the Commission unless any party to this case files a written request within thirty (30) days of the date of this decision to proceed to a

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Formal Hearing. Such a request shall be mailed to the address listed below and must include the Petitioner's name, address, and appeal number:

Utah State Tax Commission
Appeals Division
210 North 1950 West
Salt Lake City, Utah 84134

Failure to request a Formal Hearing will preclude any further appeal rights in this matter. Petitioners are informed that if they choose not to pursue an appeal of this decision, they may approach the Offer in Compromise Section of Taxpayer Services Division to request a payment plan or to negotiate payment of an amount less than the total amount due.

DATED this _____ day of _____, 2005.

R. Spencer Robinson
Administrative Law Judge

BY ORDER OF THE UTAH STATE TAX COMMISSION:

The Commission has reviewed this case and the undersigned concur in this decision.

DATED this _____ day of _____, 2005.

Pam Hendrickson
Commission Chair

R. Bruce Johnson
Commissioner

Palmer DePaulis

Marc B. Johnson

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Commissioner

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Commissioner