

BEFORE THE UTAH STATE TAX COMMISSION

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<p>PETITIONER,</p> <p style="text-align: center;">Petitioner,</p> <p>v.</p> <p>AUDITING DIVISION OF THE UTAH STATE TAX COMMISSION,</p> <p style="text-align: center;">Respondent.</p>	<p><b>ORDER GRANTING MOTION TO DISMISS</b></p> <p>Appeal No. 08-0492</p> <p>Account No. #####</p> <p>Tax Type: Income Tax</p> <p>Tax Year: 2004</p> <p>Judge: Phan</p>
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**Presiding:**

Jane Phan, Administrative Law Judge

**Appearances:**

For Petitioner: PETITIONER

For Respondent: RESPONDENT REPRESENTATIVE, Manager, Income Tax Auditing

STATEMENT OF THE CASE

This matter came before the Utah State Tax Commission for a Hearing on Motion to Dismiss on July 9, 2008. Respondent's (the "Division's") Motion to Dismiss, dated May 29, 2008, ("Motion") was based on the contention that Petitioners (the "Taxpayers") had failed to timely file an appeal of the audit deficiencies for the 2004 tax year.

APPLICABLE LAW

State taxable income is defined as federal taxable income with some modifications, subtractions and adjustments. (Utah Code Sec. 59-10-112 (2004&2005 ).)<sup>1</sup>

For the purposes of determining state taxable income, federal taxable income means taxable income as defined in Section 63, of the Internal Revenue Code. (Utah Code Sec. 59-10-111(2004 & 2005).)

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<sup>1</sup> The Individual Income Tax Act was recently revised and sections renumbered. The Commission applies the substantive law that was in effect during the tax years at issue regarding the amount of the tax calculation, and cites

If a change is made in a taxpayer's net income on his or her federal income tax return, either because the taxpayer has filed an amended return or because of an action by the federal government, the taxpayer must notify the Utah Tax Commission within 90 days after the final determination of such change. The taxpayer shall file a copy of the amended federal return and an amended state return that conforms to the changes on the federal return. (Utah Code Sec. 59-10-536 (5)(a).)

Except in any case where the taxpayer has earlier filed with the commission a petition for Redetermination of the deficiency as provided in Title 59, Chapter 1 Part 5, the notice of deficiency shall constitute a final assessment of the deficiency in tax, including interest thereon and any penalties or other additions to tax: (a) upon the expiration of 30 days, or 90 days if the notice is addressed to a person outside of the states of the union and the District of Colombia, after the date of mailing of the notice of deficiency to the taxpayer. . . (Utah Code Sec. 59-10-525.(1).)

A taxpayer may file a request for agency action, petitioning the commission for redetermination of a deficiency. (Utah Code Sec. 59-1-501.)

A petition for redetermination is deemed to be timely if: 1) the petition is received in the Tax commission offices on or before the close of business of the last day of the time frame provided by statute; or 2) the date of the postmark on the envelope or cover indicates that the request was mailed on or before the last day of the time frame provided by statute. (Utah Admin. Rule R861-1A-20(2).)

Contents. A petition for adjudicative action need not be in any particular form, but shall be in writing and, in addition to the requirements of Utah Code Ann. Section 63-46b-3, shall contain the following: 1) name and street address and if available, a fax number or e-mail address of petitioner or the petitioner's representative; 2) a telephone number where the petitioning party or that party's representative can be reached during regular business hours; 3) petitioner's tax identification, social security number or other relevant

identification number, such as real property parcel number or vehicle identification number; 4) particular tax or issue involved, period of alleged liability, amount of tax in dispute, and, in the case of a property tax issue, the lien date; 5) if the petition results from a letter or notice, the petition will include the date of the letter or notice and the originating division or officer; and 6) in the case of property tax cases, the assessed value sought. (Utah Admin. Rule R861-1A-22(B).)

### DISCUSSION

The representative for the Division points out that the Statutory Notice of Audit Change was issued on February 4, 2008. The Taxpayers' appeal was not submitted in this matter until March 10, 2008, which is the date of the postmark on the envelope. The Division's representative pointed out that pursuant to Utah Code Sec. 59-10-525 an audit deficiency becomes the final assessment unless an appeal is filed within thirty-days from the date of the Notice of Deficiency. He also points to Utah Code Sec. 59-1-501 and Utah Admin. Rule R861-1A-20 in support of the Division's position. In addition, the thirty-day deadline and instructions on how to file an appeal and form for filing the appeal were included with the Statutory Notice.

The Taxpayer explained that she had overlooked the filing date because events in her life at that time got in the way. At the time that the Statutory Notice of Audit Change had been mailed to her, she had lost her job because it had been transferred out of state, she was in the process of looking for a new job and she was having to move from her home because she could no longer afford it. After the move she discovered the Statutory Notice and she mailed the appeal in five days late. Additionally, she indicated that at this time she could not pay the tax amount, so even if the deficiency was deemed to be final she would be unable to pay. She stated that her new employment did not even provide health insurance for her children. .

### ORDER

The thirty-day requirement for filing an appeal is jurisdictional and the Taxpayer's failure to

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meet the requirement is cause for dismissal of this appeal. Although it appears that Petitioner was going through some difficult circumstances during the period for filing an appeal, this is not grounds for allowing a late filing of this appeal. Based upon the foregoing, the Commission dismisses the Taxpayers' appeal in this matter. It is so ordered.

Petitioner may contact the Taxpayer Services Division at 801 297-7703 to set up a payment plan or discuss financial hardship provisions.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

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Jane Phan  
Administrative Law Judge

BY ORDER OF THE COMMISSION.

The undersigned have reviewed this motion and concur in this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Pam Hendrickson  
Commission Chair

R. Bruce Johnson  
Commissioner

Marc B. Johnson  
Commissioner

D'Arcy Dixon Pignanelli  
Commissioner

**Notice and Appeal Rights:** Failure to pay the balance due as a result of this order within thirty days may result in an additional late payment penalty. You have twenty (20) days after the date of this order to file a Request for Reconsideration with the Commission pursuant to Utah Code Sec. 63-46b-13. A Request for Reconsideration must allege newly discovered evidence or a mistake of law or fact. If you do not file a Request for Reconsideration with the Commission, this order constitutes final agency action. You have thirty (30) days after the date of this order to pursue judicial review of this order in accordance with Utah Code Sec. 59-1-601 et seq. and 63-46b-13 et seq.

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