



BEFORE THE STATE BOARD OF TAX APPEALS  
 STATE OF ARIZONA  
 101 North First Avenue - Suite 2340  
 Phoenix, Arizona 85003  
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4	SANDRA L. SMITH,	)	Docket No. 1865-01-1
5	Appellant,	)	
6	vs.	)	NOTICE OF DECISION:
7	ARIZONA DEPARTMENT OF REVENUE,	)	FINDINGS OF FACT AND
8	Appellee.	)	<u>CONCLUSIONS OF LAW</u>
9		)	

10 The State Board of Tax Appeals, having considered all evidence and arguments presented, and  
 11 having taken the matter under advisement, finds and concludes as follows:

12 FINDINGS OF FACT

13 Through an exchange of information agreement with the Internal Revenue Service ("IRS"), the  
 14 Arizona Department of Revenue (the "Department") learned that Sandra L. Smith ("Appellant"), an  
 15 Arizona resident, filed a 1998 federal individual income tax return but failed to report wages and pension  
 16 income earned for that tax year. Appellant timely filed a 1998 Arizona return and reported her federal  
 17 adjusted gross income as zero.

18 Subsequently, the Department issued a proposed assessment of additional income tax, penalties  
 19 and interest for tax year 1998. This assessment was based on wage and pension income as reported by  
 20 the IRS.

21 Appellant timely protested the assessment to the Department's hearing officer who upheld the  
 22 assessment. Appellant then protested the hearing officer's decision to the Director of the Department  
 23 who affirmed the hearing officer's decision. Appellant now timely appeals to this Board.  
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