

1 As noted by the Board in a similar case, the court of appeals has previously rejected the
2 argument that the federal information is inadmissible *See Steve Hernandez v. Arizona Dep't of Rev.*,
3 Docket No. 1880-02-1 (BOTA 2003). Further, Appellants have offered no evidence controverting the
4 information.

5 Appellants next argue that the assessments at issue are void because the Director did not
6 properly delegate his authority to assess tax to the auditor in this case in writing. The Department is
7 authorized to administer and enforce Arizona tax laws. A.R.S. § 42-1004.A. The Director is responsible
8 for the direction, control and operation of the Department. A.R.S. § 42-1002.B. The Director has the
9 discretion to delegate such administrative functions, duties or powers as he deems necessary to carry out
10 the efficient operations of the Department. A.R.S. § 42-1005.A.7. The statutes do not require this
11 delegation be in writing.

12 Having reviewed this matter, the Board finds that the Department's assessments are valid.
13 Therefore, Appellants are liable for the tax at issue. Additionally, Appellants have not shown that their
14 failure to timely file income tax returns was due to reasonable cause; thus, the penalties imposed may not
15 be abated. A.R.S. § 42-1125(A). Finally, because the interest imposed represents a reasonable interest
16 rate on the tax due and owing and is made part of the tax by statute, it may not be abated. *Biles v.*
Robey, 43 Ariz. 276, 286, 30 P.2d 841 (1934).

17 CONCLUSIONS OF LAW

18 1. The assessments are valid, and Appellants are liable for the tax assessed. *See Arizona State*
Tax Commission v. Kieckhefer, 67 Ariz. 102, 191 P.2d 729 (1948); A.R.S. §§ 42-1004, 43-102.

19 2. Because Appellants have not shown that their failure to timely file income tax returns was due
20 to reasonable cause, the penalties imposed may not be abated. A.R.S. § 42-1125(A).

21 3. The interest imposed represents a reasonable interest rate on the tax due and owing and is
22 made part of the tax by statute; therefore, it may not be abated. *Biles v. Robey*, 43 Ariz. 276, 286, 30
23 P.2d 841 (1934).

24 ORDER

25 THEREFORE, IT IS HEREBY ORDERED that the appeal is denied, and the final order of the
Department is affirmed.

