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BEFORE THE STATE BOARD OF TAX APPEALS  
STATE OF ARIZONA  
100 North 15<sup>th</sup> Avenue - Suite 140  
Phoenix, Arizona 85007  
602.364.1102

4 J. ERNEST FRESQUES, )  
5 Appellant, ) Docket No. 1875-02-1  
6 vs. )  
7 ARIZONA DEPARTMENT OF REVENUE, ) NOTICE OF DECISION:  
8 Appellee. ) FINDINGS OF FACT AND  
9 ) CONCLUSIONS OF LAW  
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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, the Arizona  
14 Department of Revenue (the "Department") learned that J. Ernest Fresques ("Appellant") did not file  
15 federal income tax returns for tax years 1994 and 1995. After reviewing its records, the Department  
16 determined that Appellant had not filed 1994 and 1995 Arizona income tax returns either.

17 Based on the federal information, the Department assessed Appellant income tax, interest and  
18 penalties for failure to file when due. Appellant timely protested the assessments. Subsequently, the  
19 Department modified the assessments to allow a deduction for mortgage interest for each year.  
20 Appellant protested the modified assessments to a Department hearing officer who upheld the  
21 assessments. Appellant then protested to the Director of the Department who affirmed the hearing  
22 officer's decision. Appellant now timely appeals to this Board.

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