

1 Arizona Revised Statutes and has granted the Department the authority to administer and enforce these
2 laws. A.R.S. § 42-104.

3 Title 43 provides that "[t]here shall be levied, collected and paid for each taxable year upon the
4 entire taxable income of every resident of this state . . . taxes." A.R.S. § 43-1011. A "resident" of Arizona
5 is an "individual who is in this state for other than a temporary or transitory purpose." A.R.S. § 43-
6 104(19)(a). An "individual" is a "natural person." A.R.S. § 43-104(12).

7 Appellant argues that he is not an Arizona resident subject to the jurisdiction of the State.
8 However, he admits that he resides in Arizona. He has produced no evidence indicating he was in
9 Arizona for a temporary or transitory purpose in tax year 1992. Therefore, the Board finds that he was a
10 resident of Arizona and liable for the tax at issue.

11 Further, Appellant has not proven that his failure to file an Arizona return was due to reasonable
12 cause; therefore, the penalty may not be abated. A.R.S. § 42-1125. The interest imposed may not be
13 abated because it represents a reasonable rate on the tax due and owing and is made part of that tax by
14 statute. See A.R.S. § 42-1123; see also *Biles v. Robey*, 43 Ariz. 276, 30 P.2d 841 (1934).

15 CONCLUSIONS OF LAW

16 1. Appellant is liable for the tax at issue. See A.R.S. § 43-1011; 104(19)(a) and (12). *State Tax*
17 *Comm'n v. Kieckhefer*, 67 Ariz. 102, 105, 191 P.2d 729, 732 (1948).

18 2. Appellant has not proven that his failure to file an Arizona return was due to reasonable cause;
19 therefore, the penalty may not be abated. A.R.S. § 42-1125.

20 3. Because the interest at issue is made a part of the tax by statute and represents a reasonable
21 interest rate on the tax due, it may not be abated. A.R.S. § 42-1123; *Biles v. Robey*, 43 Ariz. 276, 286, 30
22 P.2d 841 (1934).

23 ORDER

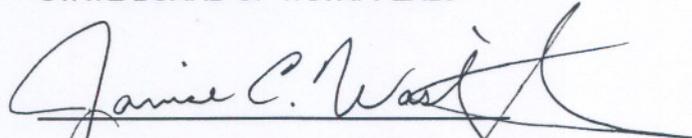
24 THEREFORE, IT IS HEREBY ORDERED that the appeal is denied, and the final order of the
25 Department is affirmed.

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1 This decision becomes final upon the expiration of thirty (30) days from receipt by the taxpayer,
2 unless either the State or taxpayer brings an action in superior court as provided in A.R.S. § 42-1254.

3 DATED this 11th day of February, 2002.

4 STATE BOARD OF TAX APPEALS

5 
6 Janice C. Washington, Chairperson

7
8 JCW:ALW

9 CERTIFIED

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11 mailed or delivered to:

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