

STATE OF ALABAMA
DEPARTMENT OF REVENUE,

§

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

§

v.

§

DOCKET NO. INC. 89-135

MOHAMMAD DADKHAH
1209-B Willow Run Road
Birmingham, AL 35209,

§

§

Taxpayer.

§

ORDER

The Revenue Department assessed income tax against Mohammad Dadkhah ("Taxpayer") for the calendar year 1987. The Taxpayer appealed to the Administrative Law Division and a hearing was scheduled for July 28, 1989. The Taxpayer contacted the Administrative Law Division prior to the hearing date and stated that he would not attend the hearing, but submitted a written statement in support of his position. The hearing proceeded with the Department represented by assistant counsel Gwendolyn B. Garner. The following findings of fact and conclusions of law are hereby entered based on the evidence and arguments presented by the parties.

FINDINGS OF FACT

The Department audited the Taxpayer's 1987 Alabama income tax return and requested that the Taxpayer present verifying records for the following deductions: (1) moving expenses, (2) a casualty loss, (3) medical and dental expenses, (4) a charitable contribution, (5) four dependent deductions. The Taxpayer failed to provide any records in support of the above deductions, and thus the deductions

were disallowed. The preliminary assessment in issue was entered as a result of the above disallowed deductions.

The Taxpayer filed a response with the Administrative Law Division in which he claimed that he did not keep some of the pertinent records and that the records that he did keep were lost either during a move or as the result of a burglary. The Taxpayer further argued that the claimed deductions are reasonable and that he should not be required to provide substantiating records, especially concerning whether he provided at least fifty percent of the support for his two children and two stepchildren. However, no records were provided or offered by the Taxpayer in support of the deductions.

CONCLUSIONS OF LAW

All taxpayers are required to maintain and produce adequate records to establish the right to all claimed deductions. U.S. v. Wodtke, 627 F.Supp. 1034. If a taxpayer fails to provide adequate records, all unsupported deductions must be denied in full. Webb v. C.I.R., 394 F.2d 366.

In the present case, the Taxpayer is responsible for providing adequate records to verify all claimed deductions. In light of the Taxpayer's refusal and/or inability to provide supporting records, the deductions in issue were properly disallowed by the Department.

The above considered, the Department is hereby directed to make the preliminary assessment in issue final, with statutory interest.

Entered this 31st day of July, 1989.

BILL THOMPSON
Chief Administrative Law Judge