

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 14298
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On October 1, 1999, the Tax Discovery Bureau of the Idaho State Tax Commission (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional individual income tax, penalty, and interest in the total amount of \$3,607 for the tax years ending December 31, 1995 and December 31, 1996.

The taxpayer filed a timely appeal and petition for redetermination. He did not request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination subject only to modifications contained in Idaho law. [Redacted]. Because those records showed an increase in the amount of income that was reported to Idaho, a Notice of Deficiency was issued.

In response to the deficiency notice, the taxpayer wrote a letter saying in part, “ I was incarcerated for the time in question.” He included a letter from the [Redacted] Sheriff’s office stating the taxpayer was held at the [Redacted] Detention Center from April 19, 1999, until his

release on May 9, 1999.

The Bureau wrote a letter back to the taxpayer to acknowledge his protest and to point out the differences in the years shown in the Sheriff's letter and the years in question. In addition, the Bureau advised the taxpayer of the changes to his taxable income [Redacted].

Again, the taxpayer responded by sending a copy of the letter from the [Redacted] Sheriff. However, this copy of the [Redacted] Sheriff's letter had been changed by writing over the last nine in "1999" with a "5" making the time the taxpayer was detained as April 4, 1995 until May 9, 1995. A copy of a letter from the taxpayer to the IRS that was also included explained there had been an error in the year that was identified in the original letter.

Along with the copy of the IRS letter was a copy of a letter from [Redacted] stating the company employed the taxpayer from August 28, 1994 through March 6, 1997 and a copy of a marriage license.

The taxpayer's letter to the IRS said he was working in Idaho and detained by the [Redacted] Sheriff during the time he was shown as working in California. He said he had never worked in California. He stated he was married and lived with his wife, his sister, her child, and other family members in Idaho during the years addressed in the notice.

The Bureau wrote back to the taxpayer and explained that the time the taxpayer was incarcerated was short and did not keep him from working as verified by the letter from [Redacted]. The Bureau further explained that [Redacted].

When no further communications were received, the Bureau transferred the taxpayer's file to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter from the Legal/Tax Policy Division that outlined his appeal rights. Nothing further has been received from the taxpayer.

Pursuant to Idaho Code, the Tax Commission has chosen to follow the federal determination of income subject only to modifications in Idaho law. The Tax Commission received a current report [Redacted]. However, the other adjustments to the tax returns filed by the taxpayer for 1995 and 1996 remained unchanged from the earlier reports. It is unclear why the taxpayer filed as head of household instead of married if he was indeed married in 1995 and 1996 as he claimed in his letter to the IRS.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Based upon the information in the file and the applicable law, the Tax Commission finds the Notice of Deficiency Determination should be amended to reflect removing the 1995 California wages from the taxpayer's taxable income. The balance of the determination is upheld as asserted.

WHEREFORE, the Notice of Deficiency Determination dated October 1, 1999, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1995	\$ 915	\$46	\$378	\$1,339
1996	1,188	59	393	<u>1,640</u>
			TOTAL	<u>\$2,979</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2001.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this ____ day of _____, 2001, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

ADMINISTRATIVE ASSISTANT 1