

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of Protest of	)	
	)	DOCKET NO. 14617
[Redacted],	)	
	)	DECISION
Petitioners.	)	
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On February 8, 2000, the staff of the Tax Discovery Bureau (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayers) for the 1996 taxable year, proposing tax, penalty and interest in the total amount of \$208.

The taxpayers made a timely protest and request for redetermination. The taxpayers did not request a hearing and did not submit additional information for consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Internal Revenue Service (IRS) selected the taxpayers' 1996 federal income tax return for audit. The IRS adjusted the taxpayers' return, thereby increasing the taxpayers' federal taxable income. Idaho Code § 63-3002 states 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." When federal adjustments to a taxpayer's return are applicable to Idaho, the taxpayer's Idaho return is also adjusted. Therefore, pursuant to § 63-3002, the Bureau adjusted the taxpayers' Idaho taxable income for 1996 according to the federal determination and sent the taxpayers a Notice of Deficiency Determination (NODD).

On February 17, 2000, the taxpayers appealed the Bureau's determination and stated that although the IRS had audited their 1996 federal income tax return, the income issue had been resolved, and the IRS had not, in fact, increased their taxable income for that year.

After receiving the taxpayers' letter, [Redacted]. [Redacted]. The Bureau notified the taxpayers of this fact and asked whether the taxpayers desired to continue their protest.

The taxpayers responded that they wished to continue their protest and that they had requested additional information from the IRS, which they would forward to the Tax Commission when it was received. The Tax Commission (Commission) sent the taxpayers a hearing rights letter explaining the process of appeal and request for redetermination. The taxpayers did not respond to the hearing rights letter and did not submit additional information for consideration.

Since the most recent [REDACTED] information indicates that the audit adjustments to the taxpayers' 1996 taxable income remain in effect and the taxpayers have not provided documentation to the contrary, the Commission finds that the Bureau properly adjusted the taxpayers' 1996 Idaho taxable income.

The NODD included additions for penalty and interest in accordance with the provisions of Idaho Code §§ 63-3046(c) and 63-3045. The Commission upholds those additions and finds them appropriate as applied.

WHEREFORE, the Notice of Deficiency Determination dated February 8, 2000, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$160	\$10	\$ 49	<u>\$219</u>

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

An explanation of the taxpayers' right to appeal this decision is included with this decision.

DATED this \_\_\_ day of \_\_\_\_\_, 2001.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

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

[REDACTED]                      Receipt No.: [Redacted]  
[REDACTED]

\_\_\_\_\_  
ADMINISTRATIVE ASSISTANT 1