

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of Protest of)	
)	DOCKET NO. 14697
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On January 21, 2000, the Tax Discovery Bureau of the Idaho State Tax Commission (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional individual income taxes, penalties, and interest in the amount of \$204 for the year ending December 31, 1996.

The taxpayer filed a timely appeal and petition for redetermination. She 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 a greater amount of taxable income than the income reported to Idaho, a Notice of Deficiency was issued.

In response to the deficiency notice, the taxpayer’s husband wrote a letter dated March 2, 2000, wherein he protested the determination and asked for additional time to allow the IRS an opportunity to respond to his protest to the federal determination. The stay was granted and

the taxpayer's file was put in abeyance for period of time.

On June 9, 2000, the Bureau telephoned the taxpayer. During that conversation the taxpayer explained that nothing in the IRS determination had changed. The taxpayer and her husband decided to go ahead and pay the additional federal taxes with hopes of a refund of the money if the IRS altered its position. The taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review.

A federal audit of the taxpayer's 1996 taxable income resulted in an additional \$2,006 of income. The taxpayer's husband objected on behalf of his wife. He wrote a letter to the IRS and included an executed Power of Attorney that allowed him to speak on her behalf at the federal level. The Power of Attorney did not give the Tax Commission permission to interact with the taxpayer's husband instead of her.

The taxpayer's husband said the taxpayer had no knowledge of the money having been paid toward her student loans by the U.S. Army Reserve during 1996. He said the taxpayer had not been notified of such a payment and was not aware that her student loan balance was reduced in 1996. Furthermore, he said his wife had transferred from the U.S. Army Reserve to the Idaho National Guard in 1995 making her ineligible for the payment by the U.S. Army Reserve in 1996. He offered nothing that would substantiate the claim.

Pursuant to Idaho Code, the Tax Commission has chosen to follow the federal determination of income subject only to modifications in Idaho law. The taxpayer has presented no proof of the loan balance before or after 1996. There is no evidence that would suggest the U.S. Army Reserve did not make a payment toward the taxpayer's outstanding student loan obligation. A payment that was made on the taxpayer's behalf is income to the taxpayer. The taxpayer has presented no evidence that would dispute the IRS record of her income. Neither the taxpayer nor her husband has

contacted the Tax Commission since her file was transferred to the Legal Division in September 2000. A letter outlining her appeal rights remains unanswered.

On January 16, 2001, the Tax Commission received the latest report of the taxpayer's federal adjusted gross income for 1996. The \$2,006 loan payment was still included in the total.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Commission, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of her argument, the taxpayer has failed to meet her burden of proving error on the part of the deficiency determination. Albertsons, 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 upheld as asserted.

WHEREFORE, the Notice of Deficiency Determination dated January 21, 2000, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following taxes, penalties, and interest for 1996:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$157	\$10	\$48	\$215

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 BY MAIL

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