

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15125
)	
[Redacted],)	DECISION
)	
)	Petitioner(s).
_____)	

On August 11, 2000, the Income Tax Audit Bureau of the Idaho State Tax Commission (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing additional individual income taxes, penalties, and interest in the amount of \$913 for the year ending December 31, 1998.

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

Idaho Code § 63-3002 provides:

63-3002. 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; to achieve this result by the application of the various provisions of the Federal Internal Revenue Code relating to the definition of income, exceptions therefrom, deductions (personal and otherwise), accounting methods, taxation of trusts, estates, partnerships and corporations, basis and other pertinent provisions to gross income as defined therein, resulting in an amount called "taxable income" in the Internal Revenue Code, and then to impose the provisions of this act thereon to derive a sum called "Idaho taxable income"; **to impose a tax on residents of this state measured by Idaho taxable income wherever derived** and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state. All of the foregoing is subject to modifications in Idaho law including, without limitation,

modifications applicable to unitary groups of corporations, which include corporations incorporated outside the United States. (Emphasis added.)

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. [Redacted]. Because [Redacted] the taxpayers received more taxable income than was shown in the return filed with Idaho, a Notice of Deficiency Determination was issued.

In response to the deficiency notice, [Redacted] telephoned the auditor. She said the taxpayers did not report the additional income to Idaho because it was earned in the state of Washington. She said an accountant told them that Idaho could not tax income that was earned in Washington. In a letter dated October 10, 2000, [Redacted] asked for a redetermination of the taxpayers' 1998 income taxes. The taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review.

Neither of the taxpayers responded to a letter that advised them of their appeal rights. In fact, the taxpayers have not contacted the Tax Commission since they asked for a redetermination.

Where a statute is clear and unambiguous, the expressed intent of the legislature must be given effect. State Department of Law Enforcement v. One 1995 Willys Jeep, 100 Idaho 150 (1979). A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of their argument, the taxpayers have failed to meet their 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 August 11, 2000, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following taxes and interest for 1998:

<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$819	\$106	\$925

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

An explanation of 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]

[Redacted]

[Redacted]