

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15588
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On March 23, 2001, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing additional individual income tax and interest in the amount of \$459 for the year ending December 31, 1998.

The taxpayers' accountant filed a timely appeal and petition for redetermination on behalf of the taxpayers. A conference was not requested; however, additional information was submitted. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

The Bureau selected the taxpayers' 1998 Idaho part-year resident individual income tax return for review. When the examination discovered the taxpayers had deducted more interest from the U.S. Government than they had included in their adjusted gross income, a deficiency notice was issued. The taxpayers' accountant responded to the determination with a letter of explanation and corrections to the original return he had prepared.

The Bureau modified its audit report to reflect the changes the accountant submitted and sent the taxpayers a letter and a copy of the amended report that included the opportunity for the taxpayers to withdraw their protest and accept the new tax and interest figures. However, the taxpayers did not respond, and their file was transferred to the Legal/Tax Policy Division for administrative review.

Neither the taxpayers nor their accountant 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. The additional tax shown in the Bureau's modified report was determined from the explanation and amounts furnished by the taxpayers' accountant. Interest was charged pursuant to Idaho Code § 63-3045(6).

Based upon the information in the file and the applicable law, the Tax Commission finds the Notice of Deficiency Determination should be upheld as amended.

WHEREFORE, the Notice of Deficiency Determination dated March 23, 2001, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

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

<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$338	\$76	\$414

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

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

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2002, 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]

Receipt No.[Redacted]

[Redacted]

[REDACTED]

ADMINISTRATIVE ASSISTANT 1