

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16237
[REDACTED])	
Petitioner.)	DECISION
)	
)	

On November 30, 2001, the staff of [Redacted] Income Tax Audit Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional income tax and interest for the taxable year 1998 in the total amount of \$1,570.

On December 11, 2001, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but rather submitted additional statements for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

During the process of matching federal information with Tax Commission information, the Income Tax Audit Bureau (Bureau) found that the taxpayer's 1998 Idaho taxable income could not be reconciled with the taxpayer's federal taxable income reported to the Internal Revenue Service (IRS). The Bureau sent the taxpayer three letters asking the taxpayer to explain the difference between the taxable incomes reported to the IRS and that reported to Idaho. The taxpayer did not respond to the Bureau's letters, so the Bureau adjusted the taxpayer's Idaho taxable income to agree with his federal taxable income.

The Bureau sent the taxpayer a Notice of Deficiency Determination, which the taxpayer protested. The taxpayer stated his total income was what was reported on his federal income tax return. However, one of his employers showed only part of his wages as being Idaho wages. He stated he worked in [Redacted] Washington for that employer.

The Tax Commission sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer responded that he did not want to appear in person. He stated that he submitted a copy of the W-2 statement for his employer that showed only a portion of his wages was Idaho wages. The taxpayer said that his employer did not hold out taxes for the full time that he worked for them. He stated that his employer should be held responsible for any taxes that are delinquent.

Idaho Code section 63-3002 states that the Idaho income tax act is to be identical to the federal Internal Revenue Code relating to the measurement of taxable income. Idaho taxable income shall be the identical sum reported to the IRS, subject to modifications contained in the Idaho law. This code section also states the intent to impose a tax on residents of Idaho measured by Idaho taxable income wherever derived.

The taxpayer has made no claim that he was not a resident of Idaho in 1998. The income tax return the taxpayer filed with Idaho was a resident return. Therefore, the taxpayer was required by Idaho Code section 63-3002 to report all his income to Idaho.

The taxpayer stated that [Redacted], a company he worked for, did not make the proper withholdings for the full time that he worked for them. The taxpayer stated that [Redacted] should be held responsible for the tax because they did not properly withhold. The taxpayer stated he did not know why his employer did not withhold on his full wages.

The Tax Commission finds the taxpayer is wrongfully placing the responsibility of the unpaid tax upon his employer. Although the taxpayer's employer had a responsibility to withhold from the taxpayer's wages, the taxpayer has the sole responsibility for his individual income tax. The taxpayer may have recourse against his employer but only if he can show his employer withheld from his wages and did not remit the withholdings to the taxing authorities.

Since the taxpayer has made no claim that his wages were not reportable income to Idaho and the taxpayer held himself out to be an Idaho resident in 1998, the Tax Commission finds the adjustment to the taxpayer's 1998 return appropriate. The Bureau also added interest to the taxpayer's tax in accordance with Idaho Code section 63-3045. The Tax Commission reviewed this addition and found that it was correctly applied.

WHEREFORE, the Notice of Deficiency Determination dated November 30, 2001, is hereby 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>INTEREST</u>	<u>TOTAL</u>
1998	\$1,293	\$328	\$1,621

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 included with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2002, 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]
[Redacted]

Receipt No. [Redacted]

ADMINISTRATIVE ASSISTANT 1