

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16246
[REDACTED])	
)	DECISION
Petitioner.)	
_____)	

On August 15, 2001, the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination to [Redacted] (petitioner), proposing additional income tax, penalty, and interest for the taxable year 1999 in the total amount of \$419. The petitioner filed a timely protest and petition for redetermination. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Commission’s Tax Discovery Bureau (hereafter “TDB”) made adjustments to the petitioner’s 1999 Idaho income tax liability [Redacted]. The following adjustments were made [Redacted]:

- The petitioner’s filing status was changed from head of household to single.
- The number of allowable personal exemptions was reduced from three to one.
Thus, the deduction was reduced from \$8,250 to \$2,750.
- The standard deduction was reduced from \$6,350 to \$4,300.

[Redacted].

Idaho Code section 63-3002 states the intent of the Idaho Legislature for the Idaho income tax act. It states in pertinent part,

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; . . .

[Redacted].

In addition to the adjustments made in recalculating the petitioner's Idaho taxable income, TDB reduced the Idaho Code section 63-3024A grocery credit claimed by the petitioner from \$45 to \$15 and TDB imposed an \$18 negligence penalty. The negligence penalty was imposed by TDB in accordance with Idaho Code section 63-3046(a) due to petitioner's failure to report the final federal determination as required by Idaho Code section 63-3069.

In the petitioner's protest letter, the petitioner maintains that he did support his ex-girl friend and her daughter for the year at issue; however, the petitioner has failed to provide documentation to support his position. If a material fact upon which a deduction depends is not proved, the taxpayer, upon whom the burden rests, must bear his or her misfortune. *Burnet v. Houston*, 283 U.S. 223 (1931). Furthermore, the U.S. Supreme Court has stated:

Whether and to what extent deductions shall be allowed depends upon legislative grace; and only as there is clear provision therefor can any particular deduction be allowed. . . . Obviously, therefore, a taxpayer seeking a deduction must be able to point to an applicable statute and show that he comes within its terms.

New Colonial Ice Co. v. Helvering, 292 U.S. 435, 440 (1934); *see also Appeal of Sunny Ridge Manor, Inc.*, 106 Idaho 98, 675 P.2d 813 (1984); *Bistline v. Bassett*, 47 Idaho 66, 272 P. 696 (1928).

WHEREFORE, the Notice of Deficiency Determination dated August 15, 2001, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax, penalty, and interest (calculated through September 30, 2002):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	\$358	\$18	\$62	\$438

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

An explanation of the petitioner's 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 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]

Receipt No. [Redacted]

ADMINISTRATIVE ASSISTANT 1