

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16711
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On July 9, 2002, the Income Tax Audit Bureau (Audit) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional individual income tax and interest in the total amount of \$4,733 for tax years 1998, 1999, and 2000.

The taxpayer filed a timely appeal and petition for redetermination. He did not request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

Audit selected the taxpayer's 1998, 1999, and 2000 Idaho income tax returns for review. All three years had been filed using a filing status of married filing separate and refunds were issued as follows: \$5 for tax year 1998, \$2,424 for tax year 1999, and \$984 for tax year 2000. Audit reviewed the taxpayer's federal returns and accompanying schedules along with his state returns. Adjustments were made to the taxpayer's Schedule A's and the Idaho capital gains deduction taken in 1998 was disallowed.

The taxpayer appealed the determination and requested consideration. His file was transferred to the Legal/Tax Policy Division for administrative review. Upon receipt of a letter advising the taxpayer of his appeal rights, the taxpayer telephoned the Tax Appeals Specialist. He said he had nothing further to submit and asked the Tax Commission to issue its decision.

Audit reviewed the taxpayer's Schedule A forms and made adjustments to the amounts claimed for medical and dental expenses. The substantiation submitted by the taxpayer showed those expenses had been paid by either the taxpayer's insurance company or Idaho's Medicaid benefit program – not by the taxpayer. Additional adjustments were made for county fees the taxpayer had claimed as property taxes, and a 1998 Idaho capital gains deduction for securities. Idaho Code does not allow an Idaho capital gains deduction for an intangible such as securities. The taxpayer did not contest these adjustments. However, he felt some of his own records were missing.

The taxpayer drives trucks for a large company throughout the Pacific Northwest. He and his wife have six children that his wife cares for in his absence. Because two of these children were terminally ill with cystic fibrosis, great strains were placed on both parents. One of the children passed away on June 13, 2001.

The taxpayer requested consideration regarding the amount determined to be due. In his letter he said, "It will greatly relieve our minds and help us to stay focused on our family and the care of our remaining effected child." However, the Tax Commission is unable to properly evaluate such a request at this time. No evidence has been submitted to establish that an undo financial hardship would be placed on the taxpayer by a decision in support of the auditor's determination.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated July 9, 2002, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax and interest for 1998 through 2000:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$1,295	\$344	\$1,639
1999	1,317	253	1,570
2000	1,394	157	<u>1,551</u>
		TOTAL	<u>\$4,760</u>

Interest is computed through October 15, 2002.

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 _____, 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] _____