

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 17431
[Redacted]	)	
[Redacted],	)	DECISION
	)	
Petitioners.	)	
_____	)	

On May 12, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing additional individual income tax, penalty, and interest in the amount of \$2,561 for the tax years 2000 and 2001.

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

Idaho Code § 63-3002 provides:

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; . . .

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. [Redacted]The federal audit resulted in an increase to the amount of income that was reported to Idaho. The Bureau issued a Notice of Deficiency Determination to the taxpayers advising them of additional Idaho income tax, penalty, and interest.

In response to the deficiency notice, the taxpayers wrote a letter of protest. They asked for reconsideration stating they supported family members in [Redacted] during 2000 and 2001. Copies

of money orders and sworn statements from the recipients of the money were enclosed with the letter. The family members claimed they had received “economic and financial support” from the taxpayers during both 2000 and 2001.

[Redacted] The Bureau explained further that Idaho Code requires the State Tax Commission to follow the IRS’s determination of taxable income. [Redacted] The Bureau sent the taxpayers a letter advising them of their right to have their file reviewed by the Tax Commission’s Legal Division. The taxpayers chose to have their file reviewed and an administrative decision issued. The Bureau transferred the taxpayers’ file to the Legal/Tax Policy Division and a letter was sent to advise them of their right to request a hearing or send additional information. No further contact was received from the taxpayers.

Although the taxpayers provided documents showing they sent a portion of their income back to family members in [Redacted] during both 2000 and 2001, they have provided nothing to show they were entitled to claim the recipients of the money as dependents for federal and state income tax purposes.

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. Albertson’s, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

[Redacted] Therefore, the Tax Commission upholds the Notice of Deficiency Determination for taxable years 2000 and 2001.

WHEREFORE, the Notice of Deficiency Determination dated May 12, 2003, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty,

and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$1,036	\$52	\$177	\$1,265
2001	1,163	58	109	<u>1,330</u>
			TOTAL	<u>\$2,595</u>

Interest has been computed through November 15, 2003.

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

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

DATED this \_\_\_\_ day of \_\_\_\_\_, 2003.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2003, 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]

\_\_\_\_\_