

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18017
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On October 3, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing additional individual income tax, penalty, and interest in the amount of \$1,190 for the tax year 1999.

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.

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. [Redacted]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; . . .

[Redacted] The Bureau issued a Notice of Deficiency Determination to the taxpayers advising them of additional Idaho income tax, penalty, and interest on that income.

In response to the deficiency notice, the taxpayers wrote a letter of protest. They explained they failed to report and pay taxes on [Redacted]'s disability payments because the company failed to send them the proper forms. They said, "By the time we received the first tax problem with the

state for the 1998 period it was 2001 and we made a settlement with the state of Idaho. We would like to do that again if possible.”

The Bureau wrote to the taxpayers to acknowledge their protest [Redacted]. They were advised their file would be transferred to the legal department for further consideration if they did not provide the requested information. The taxpayers did not respond and their file was transferred to the Legal/Tax Policy Division. No further contact was received from the taxpayers.

The taxpayers admit they should have reported the disability income and paid taxes on the payments received in 1999. They even offered that they became aware of their error sometime before 2001 when they settled the amount owing to Idaho for 1998. Yet they did not file a 1999 amended Idaho return to correct that year.

63-3069. Notice of adjustment of federal tax liability.

Upon final determination of any deficiency or refund of federal taxes written notice shall be immediately sent to the state tax commission by the taxpayer.

[Redacted]The Tax Commission finds the NODD is appropriate for taxable year 1999, and no adjustment to the amounts shown therein should be made.

WHEREFORE, the Notice of Deficiency Determination dated October 3, 2003, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following additional tax, penalty, and interest for 1999:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$913	\$46	\$269	\$1,228

Interest has been computed through August 15, 2004.

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 _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2004, 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.
