

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18621
[Redacted])	
)	DECISION
Petitioners.)	
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[Redacted] (petitioners) protest the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated December 29, 2004. The Notice of Deficiency Determination asserted additional liabilities for Idaho income tax and interest in the total amount of \$1,674 for 2000.

Information in the file indicates that the auditor requested additional documentation to support the deductions for expenses claimed by an S Corporation in which the petitioners held an interest. The requested documentation was not provided to the auditor. Therefore, the auditor reduced the deductions claimed by the S Corporation. This increased the income attributed to the petitioners and produced the deficiency referred to above. During the administrative appeal, the petitioners did not provide the additional documentation.

Taxpayers bear the burden of proof with regard to deductions. The U. S. Supreme Court addressed this issue as follows:

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., Inc. v. Helvering, 292 U.S. 435, 440, 54 S.Ct. 788, 790 (1934).

The petitioners in this matter have not provided the requested documentation. Therefore, they have failed to carry their burden of proof. Accordingly, the Commission affirms the deficiency.

WHEREFORE, the Notice of Deficiency Determination dated December 29, 2004, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax and interest (computed to March 15, 2007):

YEAR	TAX	INTEREST	TOTAL
2000	\$1,342	\$498	\$1,840

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 included with this decision.

DATED this _____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2006, 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]
[REDACTED]

Receipt No.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
