

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

| | | |
|---------------------------------|---|------------------|
| In the Matter of the Protest of |) | |
| |) | DOCKET NO. 19630 |
| [REDACTED], |) | |
| |) | DECISION |
| Petitioner. |) | |
| _____ |) | |

On July 14, 2006, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioner), proposing additional income tax, penalty, and interest for tax year 2000 in the total amount of \$680.

On September 4, 2006, a timely protest and petition for redetermination was filed by the petitioner. The petitioner has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioner was issued a NOD by the Commission [Redacted] of his income. [Redacted]. The Commission received no notification or indication the petitioner appealed the IRS's Notice of Deficiency. TDB, therefore, issued a NOD based on that information and adjusted the petitioner's Idaho return. We find that the auditor correctly recomputed the petitioner's tax liability [Redacted].

The petitioner in his letter of November 12, 2006, stated:

In an attempt to file an amended tax return for Idaho to cover the time period in question I discovered that my state tax return information to another state was destroyed at the end of the four-year statute of limitations defined by the state. Therefore I am unable to comply with your wish that I re-file.

Additionally, the IRS informed me on October 23 that my appeal to their re-determination for the same period is still in process.

On February 26, 2007, the Tax Policy Specialist (policy specialist) sent the petitioner a letter to inform him of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioner on April 16, 2007. The petitioner did not respond to either letter.

Idaho Code § 63-3002 states it is the intent of the Idaho legislature in so far as possible to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code § 63-3069 states, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by the taxpayer. IDAPA 35.01.01.890.03 Income Tax Administrative Rules states immediate notification is within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho legislature intended any changes made to a taxpayer's federal return should be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

Following the Idaho Code, the adjustments should be made to the petitioner's Idaho income tax return. The petitioner carries the burden to prove the adjustments were incorrect.

Since the petitioner has not provided the Commission with a contrary result to the IRS's original redetermination, the Commission must uphold the deficiency as asserted.

WHEREFORE, Notice of Deficiency Determination dated July 14, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioner pay the following tax, penalty, and interest:

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|--------------|
| 2000 | \$490 | \$24 | \$206 | \$720 |

Interest is calculated through November 29, 2007.

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.

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2007, 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]

Receipt No.
