

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 19752
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On August 15, 2006, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing additional income tax, penalty, and interest for the taxable year 2003 in the total amount of \$1,773.

On October 17, 2006, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not request a hearing but did provide additional information for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

[Redacted]

The Bureau reviewed the changes the [Redacted] made and determined the taxpayers' Idaho income tax return should be corrected as well. The Bureau adjusted the taxpayers' 2003 Idaho income tax return and sent them a Notice of Deficiency Determination. The taxpayers appealed the Bureau's determination.

The taxpayers stated in their protest that [Redacted] TSP account was cashed out erroneously and without their knowledge. They also stated that in their attempt to resolve the issues surrounding the TSP account, mistakes concerning [Redacted] social security number and date of birth were discovered. The taxpayers claim they have made every attempt to correct the errors and rectify the problem.

The Bureau referred the matter for administrative review, and the Tax Commission sent the taxpayers a letter that explained the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayers did not respond. The Tax Commission sent a follow-up letter to the taxpayers and received, by fax, many pages of additional information. The majority of the information received was copies of correspondence and statements that show the efforts by the taxpayers to correct the error concerning [Redacted] social security number. The taxpayers also included documentation that they have paid the additional tax due for 2003.

Idaho Code section 63-3002 states that it is the intent of the Idaho legislature insofar as possible to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code section 63-3069 states, that 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. Income Tax Administrative Rule 890.03 states that immediate written notification is required 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 taxpayers' federal return be reflected on the taxpayers' Idaho return. Therefore, it is the Tax Commission's position that changes made to the taxpayers' federal return must be made to the taxpayers' state return.

The taxpayers have provided several documents and correspondence from third parties, which confirm the paperwork errors and their numerous attempts to correct them. However, the taxpayers have not provided the Tax Commission with a contrary result to the [Redacted] original redetermination. The taxpayers must be granted relief at the federal level before relief can be granted at the state level.

[Redacted].

Therefore, the Tax Commission must uphold the Bureau's adjustment to the taxpayers' 2003 Idaho income tax return.

The Bureau added interest and penalty to the taxpayers' tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

WHEREFORE, the Notice of Deficiency Determination dated August 15, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$1,477	\$74	\$450	\$2,001
			Amount Paid	( 1,477)
			Total Due	<u>\$ 524</u>

Interest is calculated through January 15, 2009.

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.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 2008, 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]

Receipt No.  
  
\_\_\_\_\_