

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20565
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On July 16, 2007, the Income Tax Audit division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing additional income tax, penalty, and interest for tax year 2004 in the total amount of \$757.

On September 17, 2007, a timely protest and petition for redetermination was filed by the taxpayers' accountant. The taxpayers have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

[Redacted].

The protest letter sent by the taxpayers' accountant requested additional time be granted by the Commission so that notice of the IRS changes could be received. The accountant also stated that once the notice of changes was received from the IRS, an amended return would be filed with the state.

On October 12, 2007, an amended 2004 income tax return was received, via fax, along with a letter from the taxpayers' accountant. The accountant stated in the letter that a signed, hard copy of the amended return would be mailed to the Commission in the next week. To date, the signed, hard copy of the amended 2004 return has not been received.

Idaho Code § 63-3002 states that it is the intent of the Idaho legislature 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 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 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 the taxpayers' federal return be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position the changes made to the taxpayers' federal return must be made to the taxpayers' state return.

Following the Idaho Code, the adjustments should be made to the taxpayers' Idaho income tax return. The taxpayers carry the burden to prove the adjustments were incorrect. [Redacted]

Since the taxpayers have not provided the Commission with a contrary result [Redacted], the Commission must uphold the deficiency as asserted.

WHEREFORE, Notice of Deficiency Determination dated July 16, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$628	\$31	\$156	\$815

Interest is calculated through February 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.
