

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20740
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On September 19, 2007, the Income Tax Audit division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional income tax, penalty, and interest in the amount of \$1,240 for tax year 2003 and \$2,214 for tax year 2004.

On November 5, 2007, a timely protest and petition for redetermination was filed by the taxpayer for tax year 2004 only. Therefore, tax year 2003 will not be mentioned further in this decision. The taxpayer has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

[Redacted].

In the taxpayer's protest letter, he stated that he accepted the adjustments made for tax year 2003. The taxpayer also requested the Commission re-examine tax year 2004 since the federal auditor did not look at the documentation and records he provided in support of the expenses claimed.

[Redacted] Idaho Code § 63-3002 states 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 §§ and the Administrative Rule, it is apparent the Idaho legislature intended any changes made to the taxpayer's federal return be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that 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 taxpayer's Idaho income tax return. The taxpayer carries the burden to prove the adjustments were incorrect. [Redacted] The Commission's position is the taxpayer must be granted relief at the federal level before relief can be granted at the state level.

[Redacted] WHEREFORE, Notice of Deficiency Determination dated September 19, 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	\$1,819	\$91	\$457	\$2,367

Interest is calculated through March 1, 2009.

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 _____, 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.
