

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 21336
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On August 21, 2007, 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 tax year 2004 in the total amount of \$1,055.

On October 16, 2007, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Tax Commission's hearing rights letter and have provided nothing further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from [Redacted]. [Redacted].

[Redacted]. The Bureau adjusted the taxpayers' 2004 Idaho income tax return and sent them a Notice of Deficiency Determination. The taxpayers appealed the Bureau's determination.

In their protest letter, the taxpayers did not give a legal or factual reason why the Notice of Deficiency Determination was in error, they simply stated they thought it was unfair and unjust. The taxpayers also included a copy of a 2004 W-2, but credit for withholding was taken on the original return.

[Redacted]. 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 Notice of Deficiency Determination. The taxpayers did not respond. The Tax Commission sent a

follow-up letter to the taxpayers but still received no response from them. Therefore, the Tax Commission decided the matter based upon the information available.

Idaho Code § 63-3002 states the intent of the Idaho Legislature regarding the Idaho Income Tax Act. It states that the Idaho Income Tax Act is to be identical to the Internal Revenue Code as it relates to the measurement of taxable income, insomuch as the taxable income reported to Idaho is the same as that reported to the Internal Revenue Service, subject to the modifications contained in the Idaho law. [Redacted]. Since the taxpayers did not respond to either of the Tax Commission's letters, the Tax Commission has no additional information on which to make its decision. As previously stated, a change was made to the taxpayers' [Redacted] taxable income. Idaho Code § 63-3002 states that Idaho taxable income is to be identical to federal taxable income. The taxpayers have not provided anything to show that their [Redacted] taxable income was reduced to the amount they reported on their Idaho income tax return. In Idaho, it is well established that a Tax Commission deficiency notice is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986); Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Therefore, the Tax Commission must uphold the Bureau's adjustment to the taxpayers' 2004 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 §§ 63-3045 and 63-3046, respectively.

WHEREFORE, the Notice of Deficiency Determination dated August 21, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$836	\$42	\$207	\$1085

Interest is calculated through February 1, 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.

\_\_\_\_\_