

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 21112
[Redacted],	)	
	)	DECISION
	)	
Petitioners.	)	
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On November 16, 2007, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners) proposing additional income tax, penalty, and interest for taxable year 2004 in the total amount of \$462.

A timely protest and petition for redetermination was filed by the petitioners. The petitioners have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioners were issued an NOD by the Commission [Redacted]. [Redacted] The TDB, therefore, issued an NOD based on that information and adjusted the petitioners' Idaho return. The Commission finds that the TDB correctly recomputed the petitioners' tax liability [Redacted].

In the petitioners' protest letter dated November 12, 2007, [Redacted] stated:

I am in receipt of your correspondence dated October 25, 2007.

I would like to officially inform you that I would like to request any and all rights to appeal as per your correspondence dated October 25, 2007.

As I stated in my earlier correspondence, the software program I was using to complete my tax returns some how [sic] managed to NOT include printouts of the correct information regarding the securities and Idaho taxable dividends even though it had been included in the return calculation and draft output.

As per my earlier correspondence, I appealed the [Redacted] decision and filed an amended return.

The TDB sent the petitioners a letter dated November 26, 2007, which stated that the TDB would retain the petitioners' file while they awaited the information the petitioners had yet to provide. The TDB requested the petitioners provide the information by December 19, 2007. The petitioners did not respond to this letter. If the petitioners' issues could not be resolved in the TDB, their file would be transferred to the Commission's Legal/Tax Policy division for further review.

The TDB obtained copies of the petitioners' [Redacted] transcripts that were printed on February 2, 2009. The transcripts showed that the [Redacted] seized the petitioners' [Redacted] income tax refund to payoff the petitioners' 2004 assessment in full. [Redacted].

On March 2, 2009, the tax policy specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioners on April 13, 2009. The petitioners' did not respond to either letter.

Idaho Code § 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 § 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 a 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 taxpayer's federal return to be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the petitioners' federal return must be made to the petitioners' state return.

The petitioners have the burden of proving the adjustments were incorrect. The

petitioners would like the Commission to re-audit [Redacted]. [Redacted]. The petitioners have failed to carry the burden in this matter.

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

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

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$377	\$19	\$106	\$502

Interest is calculated through September 30, 2009, and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2009.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2009, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.