

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

In the Matter of the Protest of )  
 )  
[REDACTED], ) DOCKET NO. 21275  
 )  
 ) DECISION  
Petitioner. )  
 )  
\_\_\_\_\_ )

On April 23, 2008, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioner) proposing additional income tax, penalty, and interest for taxable year 2004 in the total amount of \$251.

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

The petitioner was issued an NOD by the [Redacted]. [Redacted].

The TDB sent the petitioner a letter on March 3, 2008, that explained to the petitioner why he owed additional income tax for taxable year 2004 and requested that the petitioner pay the tax due or call the TDB. The petitioner did not respond to this letter.

In the petitioner's protest letter dated June 17, 2008, he stated:

I recently received a letter from the Idaho State Tax Commission stating that I am deficient on my 2004 state tax return. This is not real and being as it is 2008 I hardly see the relevance of this shenanigan. However, if the State of Idaho, of which I am no longer a resident, deems it fit to waste all this time, energy, and paper than I will play along.

I have spoken with a representative [Redacted] and I was told that my account is in good standing with no deficiencies. I was also informed that this issue has nothing to do with the Federal government and is merely a state matter. This perplexed me as to why I was told by a Ms. [Redacted], "tax specialist," to call [Redacted] in the first place.

The intention of this letter is to appeal this ridiculous notice of deficiency determination. Also to inform the Idaho State Tax Commission that this may be a result of inadvertent error on my behalf, but I know that once this situation is rectified I will no longer be considered deficient and we will all be able to sleep soundly again.

I would appreciate more detailed information as to how I ought to go about appealing this "NODD" more thoroughly.

On July 9, 2008, the TDB sent a letter to the petitioner that stated they checked [Redacted] for the petitioner's 2004 taxes. The TDB stated [Redacted] assessed the petitioner additional taxes for 2004 and then seized \$466.60 of his 2006 refund to pay the balance owed in full. The TDB stated that since [Redacted] the petitioner on the additional \$2,667 of income from the sale of securities as reported by [Redacted], this money was also taxable to the state the petitioner resided in at that time. The TDB stated that since the petitioner filed a full year resident Idaho income tax return for 2004, all income earned by the petitioner during that year was taxable to Idaho.

On August 29, 2008, the petitioner sent a letter to the TDB in which he stated:

I honestly don't know what to tell you. The people that would have any information regarding this ridiculous tax issue are my

grandparents and father. None of which will return my phone calls or help me find a way to prove that I don't owe any money. I have no clue how to get a hold of any paperwork that will prove my point.

I will be visiting Boise at the end of September, perhaps then we could meet in person so I can attempt to re-file my tax return at that point. I know I don't owe the Idaho state tax commission a thing, the [Redacted] basically stole money from me before I could even attempt to defend myself. Regardless, I have no money to give. I am a full time student paying for school out of my own pocket. This is a hugely unnecessary headache in my life.

The petitioner did not contact the TDB when he was in Boise, so his file was transferred to the Commission's Legal/Tax Policy division for further review.

On November 7, 2008, the tax policy specialist (policy specialist) sent the petitioner a letter to inform him of the alternatives for redetermining a protested NOD.

The petitioner called the policy specialist in November 2008 after receiving a hearing rights letter from the policy specialist. During the phone conversation, the petitioner requested information concerning the unreported income for taxable year 2004 asserted in the NOD.

On December 10, 2008, the policy specialist sent the petitioner 1099 statements for the unreported income that was reported by [Redacted] for the sale of securities. The policy specialist enclosed all of the petitioner's income available to the Commission for taxable year 2004. The petitioner's 2004 Idaho and [Redacted] individual income tax returns were also included with the letter.

A follow-up letter was sent to the petitioner on March 30, 2009.

The petitioner called on April 16, 2009, asking what he needed to do to resolve this matter. The policy specialist explained to the petitioner that he needed to find out his basis in the securities from [Redacted].

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.

[Redacted].

The petitioner has the burden of proving the adjustments were incorrect. [Redacted]. The Commission's position is that the petitioner must be granted relief at the federal level before relief can be granted at the state level. The petitioner has failed to carry the burden in this matter.

Since the petitioner has not provided the Commission with a contrary [Redacted] the Commission must uphold the deficiency as asserted.

WHEREFORE, the Notice of Deficiency Determination dated April 23, 2008, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$200	\$10	\$55	\$265

Interest is calculated through September 8, 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 petitioner's 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 on this \_\_\_\_\_ day of \_\_\_\_\_, 2009, 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.