BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 22154
[Redacted]	)	
	)	DECISION
Petitioner.	)	
	)	

On June 27, 2009, the Taxpayer Accounting Section of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional tax and interest for taxable year 2007 in the total amount of $1,860.

The taxpayer filed a timely appeal and petition for reconsideration. The taxpayer did not request a hearing and has only submitted the information presented in her protest letter. The Commission, having reviewed the file, hereby issues its decision.

On June 10, 2008, the taxpayer filed her 2007 Idaho individual income tax return. The return showed the taxpayer's name, social security number, filing status, and exemptions. Every line item on the return was blank, but it was signed by the taxpayer. A copy of the taxpayer's federal return and W-2 statements accompanied the blank Idaho return along with a note from the taxpayer that stated, in part, "Please review my tax form and if I owe anything please let me know." Taxpayer Accounting verified the Idaho withholdings from the taxpayer's W-2s, allowed her a grocery credit of $35, and issued the taxpayer a refund in the amount of $1,995.

Subsequently, the taxpayer's 2007 return was reviewed, and it was determined that the taxpayer's return was incorrectly prepared. Taxpayer Accounting corrected the taxpayer's return and sent her a Notice of Deficiency Determination.

The taxpayer protested the determination stating she provided all her tax information to the Commission. She assumed when she received the refund it was correct since she asked the Commission to complete her return.

Idaho Code § 63-3002 states the intent of the Idaho Legislature regarding the Idaho Income Tax Act. [Redacted]

It is unfortunate the taxpayer was issued a refund to which she was not entitled. Nevertheless, the Commission must enforce the law and is not estopped by mistakes of returns. (See State of Idaho v. Adams, 90 Idaho 195, (1965).)

From the cited Idaho Code section, it is apparent the Idaho Legislature intended for the taxpayer's federal income tax return figures to be reflected on the taxpayer's Idaho income tax return. Therefore, it is the Commission's position that the taxable income reported on the taxpayer's federal return must be reported on the taxpayer's state return.

Therefore, the Commission must uphold the determination made by Taxpayer Accounting.

WHEREFORE, the Notice of Deficiency Determination dated June 27, 2009, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

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

YEAR	TAX	INTEREST	TOTAL
2007	$1,732	$194	$1,926

Interest is calculated through March 30, 2010.

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 _____ 2009.

IDAHO STATE TAX COMMISSION

_____
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.

_____