

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

In the Matter of the Protest of )  
[Redacted], ) DOCKET NO. 21024  
 )  
 )  
Petitioners. ) DECISION  
 )  
\_\_\_\_\_ )

On March 6, 2008, the Income Tax Audit division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing additional income tax, penalty, and interest for taxable year 2003 in the total amount of \$2,712.

On March 13, 2008, a timely protest and petition for redetermination was filed by the taxpayers. [Redacted]. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NODD.

[Redacted]

The protest letter sent by the taxpayers stated a request for audit reconsideration for taxable year 2003 had been filed [Redacted]. The taxpayers requested that additional time be granted by the Commission to allow [Redacted] send a report.

The Income Tax Audit division acknowledged the taxpayers protest on March 18, 2008, and granted the taxpayers an extension of time, until July 7, 2008, to provide additional information [Redacted]. Five subsequent requests for information were made by the audit division between August 2008 and May 15, 2009. A copy of the final audit report was not received. On June 9, 2009, the file was transferred to the Legal and Tax Policy section for continuation of the appeals process.

[Redacted] Idaho Code § 63-3002 states that 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 to be 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 the taxpayers' [Redacted] return to be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position that changes made to the taxpayers' [Redacted] return must be made to the taxpayers' state return.

[Redacted]

WHEREFORE, Notice of Deficiency Determination dated March 6, 2008, is hereby MODIFIED, and as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$1,196	\$60	\$462	\$1,718

Interest is calculated through August 30, 2010.

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 \_\_\_\_\_ 2010.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2010, 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.

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