

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21603
[Redacted])	
)	DECISION
Petitioner.)	
_____)	

On November 4, 2008, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination [Redacted] (taxpayer) proposing additional income tax, penalty, and interest for taxable year 2005 in the total amount of \$377.

On December 2, 2008, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has not provided any additional information for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information [Redacted] that the taxpayer failed to include all his income on his [Redacted] income tax return for 2005. The Bureau reviewed the information and found that the taxpayer omitted the same income from his 2005 Idaho individual income tax return. The Bureau corrected the taxpayer's Idaho income tax return and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination. The taxpayer stated he did not receive the income in question. He stated he has been fighting this issue [Redacted] for some time now. The taxpayer stated he did not work [Redacted] in 2005. He was laid off by [Redacted] in October 2004. He stated he also did not receive unemployment compensation in 2005 because he was a student and ineligible to receive unemployment compensation. The taxpayer stated his only employment in 2005 [Redacted] beginning on Memorial Day 2005.

The Bureau obtained updated information [Redacted] and found that there was no change from the audit report the Tax Commission had previously received. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer did not respond. The Tax Commission sent a follow-up letter to the taxpayer, but still, the taxpayer failed to respond. Therefore, the Tax Commission decided the matter based upon the information available.

Idaho Code section 63-3002 states it is the intent of the Idaho Income Tax Act to tax individuals based on a measurement of their income, and that Idaho taxable income is to be identical to federal taxable income, subject to certain modifications contained in the Idaho law. Upon receiving information [Redacted], the Bureau found that the taxpayer's 2005 Idaho individual income tax return did not conform to Idaho Code section 63-3002. The non-conformity was due to the audit adjustment [Redacted] made for unreported income.

The taxpayer argued he did not receive the additional income claimed [Redacted] and that he was fighting the [Redacted] adjustment. [Redacted].

In Idaho, it is well established that a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that 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). The taxpayer did not meet his burden.

[Redacted]. Therefore, the Tax Commission upholds the Bureau's adjustment to include the unreported income.

The Bureau added interest and penalty to the taxpayer's additional Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

WHEREFORE, the Notice of Deficiency of Deficiency Determination dated November 4, 2008, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest (computed to April 7, 2010):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$306	\$ 15	\$ 94	\$415

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 _____ 2010.

IDAHO STATE TAX COMMISSION

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.
