

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 22183
[Redacted]	)	
	)	DECISION
Petitioner.	)	
_____	)	

[Redacted] (petitioners) protest the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated July 6, 2009. The Notice of Deficiency Determination asserted additional Idaho income tax, penalty, and interest in the total amounts of \$8,881 and \$2,885 for 2005 and 2006, respectively.

The petitioners received the Notice of Deficiency Determination referred to above due to a redetermination of the petitioners' income by the [Redacted]. The Commission finds that the auditor correctly determined the liability of the petitioners pursuant to the redetermination of their income. Idaho Code § 63-3002 stated:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; to achieve this result by the application of the various provisions of the Federal Internal Revenue Code relating to the definition of income, exceptions therefrom, deductions (personal and otherwise), accounting methods, taxation of trusts, estates, partnerships and corporations, basis and other pertinent provisions to gross income as defined therein, resulting in an amount called "taxable income" in the Internal Revenue Code, and then to impose the provisions of this act thereon to derive a sum called "Idaho taxable income"; to impose a tax on residents of this state measured by Idaho taxable income wherever derived and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state. All of the foregoing is subject to modifications in Idaho law including, without limitation, modifications applicable to unitary groups of corporations, which include corporations incorporated outside the United States.

The petitioners filed an amended return for 2005 carrying a net operating loss back to offset a portion of the amount of the liability asserted. The audit staff found the amended return properly reflected the petitioners' liability for 2005. The amended return was accepted as filed. Therefore, we needn't further address petitioners' liability for 2005.

For 2006, the petitioners object to the amounts asserted, but have not provided the Commission either a modified determination of their income from [Redacted] or evidence that they are pursuing an appeal of their [Redacted] liability.

WHEREFORE, the Notice of Deficiency Determination dated July 6, 2009, as it applies to 2006, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest (computed to June 15, 2010):

YEAR	TAX	PENALTY	INTEREST	TOTAL
2006	\$2,396	\$120	\$461	\$2,977

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 \_\_\_\_\_ 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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