BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 22250
[Redacted]	)	
	)	DECISION
Petitioner.	)	
	)	

[Redacted] (petitioner) protests the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated August 25, 2009, asserting additional liability for Idaho income tax, penalty, and interest in the total amount of $351 for 2007.

The only adjustment made by the auditor in this matter was to include unreported income in the amount of $5,684 in the computation of the petitioner's Idaho taxable income. The petitioner filed an amended return acknowledging that he had received the income in question, but claimed cost of goods sold in the amount of $945 and vehicle expenses in the amount of $4,620 related to the production of this income. The auditor then asked for the petitioner's documentation for the vehicle expenses. The petitioner did not supply this information.

The auditor adjusted the petitioner's Idaho taxable income by increasing it by the amount of the unreported income ($5,684) and issued the Notice of Deficiency Determination referred to above. The petitioner has not supplied additional information during this administrative appeal. Therefore, the Commission now decides this matter based upon the information in the file.

With regard to deductions, the burden of proof is on the petitioner to show a provision of law allowing a deduction sought and to show that he comes within the parameters of that provision. New Colonial Ice Co., Inc. v. Helvering, 292 U. S. 435, 440 (1934). The auditor asked for the documentation to support the petitioner's claimed deduction for vehicle expenses. This was not furnished by the petitioner. Therefore, this amount was properly denied by the auditor.

The petitioner also claimed cost of goods sold in the amount of $945. This was not questioned by the auditor. Therefore, this amount should have been allowed in the computation of the petitioner's Idaho taxable income. The Commission further finds that the petitioner should be allowed a deduction for one-half of the self-employment tax attributable to the additional income reportable by the petitioner pursuant to section 164(f)(1) of the Internal Revenue Code.

WHEREFORE, the Notice of Deficiency Determination dated August 25, 2009, is hereby MODIFIED, and as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax, penalty, and interest (computed to May 31, 2010):

YEAR	TAX	PENALTY	INTEREST	TOTAL
2007	$215	$11	$22	$248

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:

Receipt No.

[Redacted]

_____