

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 22643
[Redacted],	)	
	)	
Petitioners.	)	DECISION
_____	)	

The petitioners protest the Notice of Deficiency Determination dated January 19, 2010 asserting additional tax, penalty, and interest totaling \$25,299 and \$12,493 for 2006 and 2007, respectively. A timely protest was filed and the petitioners did not request a hearing.

The petitioners were issued a Notice of Deficiency Determination by the Idaho State Tax Commission (Commission) pursuant to an Internal Revenue Service redetermination of the petitioners' income. The Commission finds that the auditor correctly recomputed the petitioners' tax liability pursuant to the Internal Revenue Service redetermination.

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 petitioners 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.

The petitioners have not provided the Commission with a contrary result to the Internal Revenue Service redetermination. Therefore, the Commission must uphold the deficiency as asserted.

WHEREFORE, the Notice of Deficiency Determination dated January 19, 2010, 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 December 31, 2010):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$18,993	\$2,849	\$4,176	\$26,018
2007	9,899	1,485	1,484	<u>12,868</u>
				<u>\$38,886</u>

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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