

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21137
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On May 13, 2008, [Redacted] (taxpayer) protested the Notice of Deficiency Determination dated May 6, 2008 for taxable year 2005 asserting additional income tax, penalty, and interest in the total amount of \$1,234. The taxpayer disagreed that the [Redacted] had made a final determination on his 2005 federal income tax return. The Tax Commission, having reviewed the file and the additional information the taxpayer provided, hereby issues its decision.

BACKGROUND

The Income Tax Audit Bureau (Bureau) received information from the [Redacted] that a change was made to the taxpayer's [Redacted] return. The Bureau reviewed the changes the [Redacted] made and determined the taxpayer's Idaho income tax return should be adjusted. The Bureau adjusted the taxpayer's Idaho income tax return and sent him a Notice of Deficiency Determination. The taxpayer appealed the Bureau's determination stating he was disputing [Redacted]. He stated that the matter was sent to [Redacted] [Redacted]. The Bureau acknowledged the taxpayer's protest and put the matter on hold pending the [Redacted] review.

The Bureau continued corresponding with the taxpayer and obtained documentation verifying the matter was [Redacted] [Redacted]. After a significant amount of time passed with no updates, the Bureau obtained an [Redacted] [Redacted] of the taxpayer's [Redacted] return. The Bureau found that the taxpayer's claim was disallowed and that the [Redacted] [Redacted].

The Bureau contacted the taxpayer, and he stated the matter was still under [Redacted] [Redacted]. Considering this, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter stating that his case was transferred for administrative review and that the matter would be put on hold pending a final [Redacted] determination, provided he could show the matter was still being considered by the [Redacted]. The taxpayer provided copies of letters from the [Redacted] [Redacted] stating that the taxpayer's case was assigned to her but that it would be quite some time before his case would get any attention. Since the taxpayer could show the matter was still being reviewed by the [Redacted], the Tax Commission postponed any further action.

From time to time, the Tax Commission sent the taxpayer a letter requesting an update on the [Redacted] [Redacted]. In most cases, the taxpayer did not respond to the Tax Commission's letters, and after two years of waiting for a final resolution from the taxpayer, the Tax Commission obtained another [Redacted] from the [Redacted]. The [Redacted] showed an [Redacted] was made to the [Redacted] [Redacted] and that the matter was likely resolved with the [Redacted]. The Tax Commission sent the taxpayer a letter requesting a copy of the final [Redacted] determination so the matter could be resolved with the state. The taxpayer responded with a copy of the corrections and/or adjustments the [Redacted] made to its original [Redacted].

LAW AND ANALYSIS

Idaho Code section 63-3002 states the intent of the Idaho Legislature regarding the Idaho Income Tax Act. It states that the Idaho Act is to be identical to the Internal Revenue Code as it relates to the measurement of taxable income, in so much as that the taxable income reported to Idaho is the same as that reported to the [Redacted], subject to the modifications contained in the

Idaho law. Therefore, any changes to the taxpayer's federal taxable income should also be made to the taxpayer's Idaho taxable income.

CONCLUSION

The taxpayer's [Redacted] and adjusted by the [Redacted]. The [Redacted] was subsequently modified through the [Redacted] [Redacted]. Since the [Redacted] made its redetermination and the taxpayer has apparently agreed with the redetermination, the taxpayer's 2005 Idaho income tax return should be adjusted to agree with the [Redacted].

THEREFORE, the Notice of Deficiency Determination dated May 6, 2008, and directed to [Redacted] is hereby MODIFIED, in accordance with the provisions of this decision and is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$521	\$26	\$168	\$715

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2011.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2011, 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.
