

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21558
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

[Redacted] (petitioners) protest the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated October 10, 2008, asserting an additional liability for Idaho income tax, penalty, and interest in the total amounts of \$2,361 and \$2,674 for 2005 and 2006, respectively. A timely protest was filed, and the petitioners did not request a hearing.

The petitioners were issued the Notice of Deficiency Determination referred to above pursuant to [Redacted] redetermination of the petitioners' [Redacted]. The information advising the Commission of [Redacted] adjustment was received from the [Redacted] as opposed to having been provided by the petitioners. The Commission finds that the auditor correctly computed the petitioners liability reflecting the adjustments made by the [Redacted].

Idaho Code § 63-3002 states:

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. [Emphasis added.]

The Commission received additional information indicating that the [Redacted] had modified their determination with regard to the petitioners' liability for 2006. However, the petitioners also did not provide the documentation addressing the modification of the [Redacted] determination.

Upon reviewing the latest information received from the [Redacted], the Commission finds that the petitioners' liability for 2006 should be adjusted. It further appears that the petitioners' 2005 liability should be as originally determined by the auditor with the exception of the revision of the interest due.

WHEREFORE, the Notice of Deficiency Determination dated October 10, 2008, is hereby MODIFIED, and as so modified is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest (computed to March 31, 2011):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$1,921	\$96	\$561	\$2,578
2006	1,668	83	384	<u>2,135</u>
			TOTAL DUE	\$4,713

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 _____ 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.
