

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 22786
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On February 8, 2010, the Income Tax Audit Division (ITA) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioner) proposing additional income tax, penalty, and interest for taxable year 2006 in the total amount of \$2,233.

A timely protest and petition for redetermination was filed by the petitioner. The petitioner did not request a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioner was issued an NOD by the Commission [Redacted]. [Redacted] The ITA, therefore, issued an NOD based on that information and adjusted the petitioner's Idaho return. The Commission finds that the ITA correctly recomputed the petitioner's tax liability [Redacted].

In the petitioner's protest letter dated April 13, 2010, she stated:

[Redacted]

The ITA sent the petitioner a letter dated April 13, 2010, which stated that the ITA would retain the petitioner's file while they awaited the information that was not yet currently available to the petitioner. The ITA requested the petitioner provide the information by May 6, 2010. If the petitioner's issues could not be resolved in the ITA, her file would be transferred to the Commission's Legal/Tax Policy Division for further review.

On July 2, 2010, the tax policy specialist (policy specialist) sent the petitioner a letter to inform her of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioner on August 25, 2010. The petitioner did not respond to either letter.

The petitioner's federal transcripts printed May 18, 2010, showed that the [Redacted] seized her 2009 and 2010 income tax refunds to pay the federal assessment in full.

The petitioner can pay the total due in this decision and, if the [Redacted] decides later in favor of the petitioner, she may still gain some relief. In fact, the petitioner can file an amended return with the state. At that time, if the [Redacted] finds the adjustments should be reduced or eliminated, the state would issue a refund to the petitioner.

Idaho Code § 63-3002 states that it is the intent of the Idaho Legislature, insofar as possible, to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by a taxpayer. IDAPA 35.01.01 Income Tax Administrative Rule 890.03 states that immediate written notification is required within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho Legislature intended any changes made to a taxpayer's federal return to be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

The petitioner has the burden of proving the adjustments were incorrect. The petitioner would like the Commission to re-audit [Redacted]. The Commission's position is that the petitioner must be granted relief at the federal level before relief can be granted at the state level. The petitioner has failed to carry the burden in this matter.

Since the petitioner has not provided the Commission with a contrary result [Redacted], the Commission must uphold the deficiency as asserted.

THEREFORE, the Notice of Deficiency Determination dated February 8, 2010, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$1,809	\$90	\$456	\$2,355

Interest is calculated through October 18, 2011.

An explanation of the petitioner'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 I have on this ____ day of _____ 2011, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.
