

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 22814
[Redacted],	)	
	)	
Petitioners.	)	DECISION
_____	)	

[Redacted] (taxpayers) protest the Notice of Deficiency Determination dated February 17, 2010, asserting additional tax, penalty, and interest totaling \$29,244 for taxable year 2002. A timely protest was filed, and the taxpayers did not request a hearing.

The taxpayers were issued a Notice of Deficiency Determination by the Idaho State Tax Commission pursuant to [Redacted] redetermination of the taxpayers' income. The Tax Commission finds that the auditor correctly recomputed the taxpayers' tax liability pursuant to the [Redacted] 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 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.

Following the Idaho Code, the adjustments should be made to the taxpayers' Idaho income tax return. The taxpayers carry the burden to prove the adjustments were incorrect. The

Commission's position is that the taxpayers must be granted relief at the [Redacted] level before relief can be granted at the state level. Since the taxpayers have not provided the Commission with a contrary result to the [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, the Notice of Deficiency Determination dated February 17, 2010, and directed to [Redacted] is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$18,601	\$2,790	\$9,040	\$ 30,431

Interest is calculated through October 3, 2011.

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

An explanation of the taxpayers' 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.  
  
\_\_\_\_\_