

In the petitioner's protest letter dated June 11, 2010, she stated:

This letter is in response to the notices I received regarding the above reporting periods.

I would like to protest the decision that was made on those years and the amount owed. My lack of knowledge is to blame for not notifying you, the State of Idaho. I was audited by the IRS on the above mentioned years, I cooperated to the fullest. I provided as much information possible to explain my case. I went through a divorce in 2006 which affected my abilities entirely to perform at times the slightest duties. I have 2 daughters which I knew I had to support and so I kept working and maintaining myself as well as them.

In 2008 I took all of my paperwork [Redacted] for completion of tax years 2005, 2006, 2007. I trusted that this business would complete my paperwork properly. Because I accept full responsibility and should have read through the paperwork, I chose to deal with the audit on my own. I continue to work and hold a job in order to maintain my household. It is difficult as it is, for me to do this, due to economy etc. Receiving these notices are adding to my overwhelming debt.

I am requesting that you please reconsider your decision and eliminate some if not all of what is owed?

It is difficult for me to pay these amounts. Is there anything you can do to lower any of these fees?

I am hoping that you can assist me?

The ITA sent the petitioners a letter dated June 18, 2010, which stated that ITA would retain the petitioner's file while they awaited the information the petitioner had yet to provide. The ITA requested the petitioner provide the information by July 21, 2010. The ITA stated that 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. The petitioner did not respond to this letter.

On January 26, 2011, 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 March 23, 2011. The petitioner did not respond to either letter.

On May 3, 2011, the policy specialist sent the petitioner a letter in which he stated:

During our phone conversation on April 28, 2011, it appeared that, due to your current circumstances, you may not be able to pay all of the tax, penalty and interest due the state of Idaho. The Idaho State Tax Commission may reduce the amount of a deficiency when the taxpayer can show "extreme financial hardship." Included with this letter is a Financial Statement form for you to complete. The Commission must have the completed form to determine whether financial hardship may be used as a basis for lowering the amount of your income tax deficiency.

I will wait until May 28, 2011 for your completed Financial Statement form. If the Commission has not received the form from you by that date, a decision will be issued on the information in your file.

The petitioner did not provide the requested financial statement forms to the Commission.

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 April 13, 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>
2005	\$ 929	\$46	\$304	\$1,279
2006	816	41	217	1,074
2007	1,018	51	199	<u>1,268</u>
			TOTAL DUE	<u>\$3,621</u>

Interest is calculated through February 22, 2012, and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

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

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.
