

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted]) DOCKET NO. 23053
)
) DECISION
Petitioners.)
_____)

On April 23, 2010, the Income Tax Audit Division (ITA) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners) proposing additional income tax, penalty, and interest for taxable year 2006 in the total amount of \$722.

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

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

In the petitioners' protest letter received by fax on June 25, 2010, the petitioners stated:

I would like you to grant me the opportunity to protest the Notice of Deficiency Determination for the 2006 tax year. I have additional documents that I would like to provide that I believe will reduce or satisfy the monies you are seeking from me, i.e. Health Insurance premiums and out-of-pocket expenses for medical bills.

The ITA sent the petitioners a letter dated June 28, 2010, which stated that ITA would retain the petitioners' file while they awaited the information the petitioners had yet to provide. The ITA requested the petitioners provide the information by July 28, 2010. If the petitioners' issues could not be resolved in the ITA, their file would be transferred to the Commission's Legal/Tax Policy Division for further review.

On August 25, 2010, the tax policy specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioners on January 6, 2011. The petitioners did not respond to either letter.

The [Redacted] transcripts printed August 30, 2011, showed that the petitioners are still making payments to the [Redacted] for their 2006 tax liability.

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 immediately be 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 petitioners' federal return must be made to the petitioners' state return.

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

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

WHEREFORE, the Notice of Deficiency Determination dated April 23, 2010, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$579	\$29	\$151	\$759

Interest is calculated through December 31, 2011.

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 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.
