

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23093
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

[Redacted] (taxpayer) protested the Notice of Deficiency Determination dated May 11, 2010, issued by the Income Tax Audit Bureau of the Idaho State Tax Commission for taxable year 2008 in the total amount of \$643. The taxpayer stated he was a victim of identity theft and that he was working with an advocate to get the matter resolved.

The issue in this case is a [Redacted] audit that the Tax Commission followed wherein the [Redacted] ([Redacted]) disallowed two dependent exemptions and changed the filing status of the taxpayer from head of household to single. The taxpayer did not respond to the Tax Commission’s hearing rights letter and has made no further contact with the Tax Commission. Therefore, the Tax Commission hereby issues its decision based upon the information available.

The Income Tax Audit Bureau (Bureau) received information [Redacted] that a change had been made to the taxpayer’s 2008 [Redacted] income tax return. The Bureau reviewed the information and determined the changes made to the taxpayer’s federal return were applicable to the taxpayer’s 2008 Idaho individual income tax return. The Bureau adjusted the taxpayer’s Idaho return and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau’s determination stating that he was a victim of identity theft. [Redacted]. The taxpayer stated he was working with an individual [Redacted], an advocate, to clear up the matter. The Bureau allowed the taxpayer additional time but did not receive anything further from the taxpayer. The Bureau obtained updated information

[Redacted] which showed no further changes to the taxpayer's 2008 [Redacted] return, so the matter was referred for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer did not respond to the Tax Commission's letter, so the matter was decided based upon the information available.

Idaho Code section 63-3002 states it is the intent of the Idaho legislature to make the provisions of the Idaho income tax act identical to the provisions of the Internal Revenue Code relating to the measurement of taxable income, subject only to modifications contained in the Idaho law. It follows then that the intent of the Idaho legislature is to follow a federal determination of taxable income. Further affirmation of the legislature's intent is Idaho Code section 63-3069 which requires taxpayers to immediately send written notice to the Tax Commission upon a final determination of a deficiency in federal tax or be subject to penalty.

The [Redacted] adjusted the taxpayer's [Redacted] return disallowing two dependent exemptions and changing his filing status from head of household to single. These adjustments are applicable to Idaho's income tax return; therefore, the Bureau adjusted the taxpayer's Idaho return to agree with the [Redacted] determination. The taxpayer argued that he was a victim of identity theft. However, adjustments of this type have little to do with identity theft. The [Redacted] adjusted the taxpayer's return because apparently the taxpayer could not prove the dependents claimed met the requirements for dependents. And because the taxpayer had no dependents, he could not file his return as head of household.

Since the taxpayer has not shown that the [Redacted] reversed its adjustments, the Tax Commission finds the adjustments the Bureau made to the taxpayer's 2008 Idaho income tax

return were appropriate and in accordance with the Idaho Code. Therefore, the Tax Commission hereby upholds Bureau's determination.

The Bureau added the penalty of Idaho Code section 63-3069 to the taxpayer's tax deficiency. The Tax Commission reviewed the addition of the penalty and found it appropriate. The Bureau also added interest to the taxpayer's tax. The Tax Commission reviewed that addition and found it appropriate and in accordance with Idaho Code section 63-3045.

WHEREFORE, the Notice of Deficiency Determination dated May 11, 2010, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$577	\$29	\$58	\$664

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

An explanation of the taxpayer'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 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.
