

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 22781
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On January 21, 2010, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted](taxpayers) proposing income tax, penalty, and interest for taxable year 2006 in the total amount of \$2,677.

On March 25, 2010, a timely protest and petition for redetermination was filed by the taxpayers. The taxpayers have not requested a hearing. The Commission, having reviewed the file, hereby issues its decision based on the information in the file.

The Tax Discovery Bureau (Bureau) received information [Redacted]. [Redacted]

[Redacted]. The Bureau adjusted the taxpayers' 2006 Idaho income tax return and sent them a Notice of Deficiency Determination. The taxpayers appealed the Bureau's determination.

In the taxpayers' protest letter, they stated that they were in the process of amending their 2006 [Redacted] income tax return. [Redacted] Idaho Code § 63-3002 states it is the intent of the Idaho legislature 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 the taxpayer. Idaho Income Tax Administrative Rule 890.03 states that immediate notification is 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 the taxpayers' [Redacted] return be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position that changes made to the taxpayers' [Redacted] return must be made to the taxpayers' state return.

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 taxpayers would like the Commission to re-audit what the [Redacted] already audited. Doing this could possibly put the Commission and the [Redacted] at odds thus jeopardizing an important federal-state relationship. The Commission's position is the taxpayer must be granted relief at the federal level before relief can be granted at the state level.

Since the taxpayers 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 January 21, 2010, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$2,173	\$109	\$586	\$2,868

Interest is computed through March 24, 2012.

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 _____ 2012.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2012, 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.