

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23277
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On July 8, 2010, the Income Tax Audit Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing additional income tax, penalty, and interest for taxable year 2007 in the total amount of \$1,104.

On August 25, 2010, a timely protest and petition for redetermination was submitted by the taxpayers. The taxpayers have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

The taxpayers were issued an NODD by the Commission pursuant to an Internal Revenue Service (IRS) redetermination of their income. The Commission received the [Redacted] audit from [Redacted] showing that they had reduced or eliminated various itemized deductions claimed on the taxpayers' Schedule A. The Commission found that the auditor correctly recomputed the taxpayers' income tax liability pursuant to [Redacted] redetermination.

The taxpayers, through their appointed representative, submitted a timely appeal. The letter stated that they were working with [Redacted] and that [Redacted] had not yet made a final determination on the additional information that was sent to them. The letter also stated that once a final notice was sent [Redacted] the information would be forwarded to the Commission.

To date, the taxpayers have not provided any documentation from [Redacted] that shows the [Redacted] NODD was changed. A review of [Redacted] records does not indicate that a

request for audit reconsideration was made by the taxpayers. [Redacted] records also show that the taxpayers' account had additional tax due as a result of the 2007 [Redacted] audit and that payments were currently being made on the additional tax due.

Idaho Code § 63-3002 states that 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 be immediately sent to the State Tax Commission by the taxpayer. IDAPA 35.01.01 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' federal return to be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayers' federal 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 Commission's position is that the taxpayers 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 to [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, the NODD dated July 8, 2010, and directed to [Redacted], is hereby AFFIRMED.

IT IS ORDERED 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>
2007	\$931	\$47	\$191	\$1,169

Interest is calculated through May 15, 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.
