

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 23430
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On August 5, 2010, the Income Tax Audit Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional income tax, penalty, and interest for taxable year 2007 in the total amount of \$1,298.

On October 4, 2010, a timely protest and petition for redetermination was submitted by the taxpayer. The taxpayer has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

The taxpayer was issued an NODD by the Commission pursuant to an [Redacted] redetermination of his income. The Commission received [Redacted] audit from the IRS showing that they had reduced or eliminated various itemized deductions claimed on the taxpayer's Schedule A. The Commission found that the auditor correctly recomputed the taxpayer's income tax liability pursuant to the [Redacted] redetermination.

The taxpayer submitted a timely appeal. The taxpayer's letter stated he formally disputed the determination and that he had a new tax accountant who was working on fixing the taxpayer's federal and state tax forms.

To date, the taxpayer has not provided any documentation from the IRS that shows the federal NODD was changed. A review of [Redacted] records does not indicate that a request for audit reconsideration was made by the taxpayer. [Redacted] records also show that the

taxpayer's account had additional tax due as a result of the 2007 [Redacted] audit and that additional tax had been paid.

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 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 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.

Following the Idaho Code, the adjustments should be made to the taxpayer's Idaho income tax return. The taxpayer carries the burden to prove the adjustments were incorrect. The Commission's position is that the taxpayer must be granted relief at the federal level before relief can be granted at the state level.

Since the taxpayer has not provided the Commission with a contrary result to the [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, the NODD dated August 25, 2010, and directed to [Redacted], is hereby AFFIRMED.

IT IS ORDERED 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>
2007	\$1091	\$55	\$223	\$1,369

Interest is calculated through May 15, 2012.

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 \_\_\_\_\_ 2012.

IDAHO STATE TAX COMMISSION

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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.

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