

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 23993
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On April 15, 2011, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional individual income tax and interest in the amount of \$454 for taxable year 2008.

The taxpayer filed a timely appeal and petition for redetermination. He did not request a conference. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

Idaho Code section 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination subject only to modifications contained in Idaho law. Pursuant to the authority of the Internal Revenue Code § 6103(d), the Commission received a transcript of the taxpayer's 2008 [Redacted] income records. Because the amount of income reported to the [Redacted] for taxable year 2008 was more than the amount reported to Idaho, the Bureau sent the taxpayer a questionnaire to complete.

The questionnaire explained that each of the two returns reported a different amount of taxable income for taxable year 2008. The taxpayer did not respond. The Bureau issued an NODD that calculated the taxpayer's Idaho tax responsibility based on the amount of income reported on the taxpayer's [Redacted] return. The taxpayer appealed the NODD stating that the reason the income amounts were different was because he did not reside or work in Idaho until March 11, 2008. After receiving the additional information, the Bureau adjusted the NODD to reflect the taxpayer's part-year resident status and sent the taxpayer a modified audit report along with a letter requesting the taxpayer withdraw his appeal if he was in agreement with the revised amount of tax due. The taxpayer did not respond. The taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review.

The policy specialist reviewed the taxpayer's case and sent him a letter that gave him two options for having the NODD redetermined. The taxpayer did not respond. The Commission, therefore, issues its decision based on the information presently in the file.

Review of the taxpayer's file verified he filed an Idaho resident income tax return for taxable year 2008 even though he moved into the state during March of that year. The taxpayer received income from both Idaho and the state of [Redacted]. In the Idaho resident tax return the taxpayer filed, he reported only his Idaho income but deducted the full amount of his personal exemption and standard deduction.

The Bureau's determination correctly determined the taxpayer's Idaho income tax liability based on his status as a part-year resident. The Idaho taxable income was determined by deducting the Idaho percentage of the standard deduction and exemption from the Idaho source income. The grocery credit claimed by the taxpayer was based on his eight months as an Idaho resident, therefore, no adjustment to the grocery credit was made or necessary.

THEREFORE, the NODD dated April 15, 2011, is MODIFIED and, as MODIFIED, is AFFIRMED and MADE FINAL.

IT IS ORDERED that the taxpayer pay the following tax and interest for taxable year 2008.

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$160	\$23	\$183

Interest is computed through June 25, 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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