

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 24342
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On January 5, 2009, the staff of the Tax Discovery Bureau 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 2005 in the total amount of \$5,492.

On March 9, 2009, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Commission’s hearing rights letter and has provided nothing further for the Commission to consider. The Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from [Redacted] that the taxpayer omitted income on her 2005 [Redacted] income tax return. The [Redacted] determined the income should have been reported on the taxpayer’s [Redacted] income tax return and corrected the taxpayer’s [Redacted] return. The additional income was from dividends, pensions/annuities, rents or royalties, and unemployment compensation.

The Bureau reviewed the changes [Redacted] made and determined the taxpayer’s Idaho income tax return should be corrected as well. The Bureau adjusted the taxpayer’s 2005 Idaho income tax return and sent her an NODD. The taxpayer appealed the Bureau’s determination.

The Bureau referred the matter for administrative review, and the Commission sent the taxpayer a letter that explained the methods available for redetermining an NODD. The taxpayer

did not respond. Therefore, the Commission decided the matter based upon the information available.

Idaho Code section 63-3002 states the intent of the Idaho Legislature regarding the Idaho Income Tax Act. It states that the Idaho Act is to be identical to the Internal Revenue Code as it relates to the measurement of taxable income, in so much as that the taxable income reported to Idaho is the same as that reported to the Internal Revenue Service (IRS), subject to the modifications contained in the Idaho law. The Bureau received information from [Redacted] that showed the taxpayer's [Redacted] taxable income had changed. The change was the result of omitted income. Since the taxpayer was an Idaho resident, she was required to report her income from all sources to Idaho. Therefore, the Bureau corrected the taxpayer's Idaho income tax return to include the omitted income.

In the taxpayer's protest letter, she stated that she was working with an accountant and would be re-submitting her taxes for taxable year 2005. The taxpayer also stated that some items had been attached to her social security number that were not hers. The taxpayer stated she was trying to get the matter resolved and requested a couple of additional months to submit the amended 2005 Idaho income tax return.

Since the taxpayer did not respond to the Commission's letter, the Commission has no additional information on which to make its decision. To date, the Commission has not received an amended Idaho income tax return for taxable year 2005 or any indication from [Redacted] that the original audit has been changed. The time has come for the Commission to decide the matter.

As previously stated, a change was made to the taxpayer's [Redacted] taxable income. Idaho Code section 63-3002 states that Idaho taxable income is to be identical to federal taxable

income. The taxpayer has not provided anything to show that her federal taxable income was reduced to the amount they reported on their Idaho income tax return. In Idaho, it is well established that a Commission deficiency notice is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986); Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Therefore, the Commission must uphold the Bureau's adjustment to the taxpayer's 2005 Idaho income tax return.

The Bureau added interest and penalty to the taxpayer's tax deficiency. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the NODD dated January 5, 2009, 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>
2005	\$4,422	\$221	\$1,480	\$6,123

Interest is calculated through April 20, 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 \_\_\_\_\_ 2011.

IDAHO STATE TAX COMMISSION

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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.

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