

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

In the Matter of the Protest of )  
[Redacted], ) DOCKET NO. 24494  
 )  
 )  
Petitioners. ) DECISION  
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\_\_\_\_\_ )

On August 30, 2011, the staff of the Tax Discovery Bureau (Bureau) 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 2006 in the total amount of \$485.

The taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Commission's hearing rights letter and have provided nothing further for the Commission to consider. The Commission, having reviewed the file, hereby issues its decision.

The Bureau received information from [Redacted] that a change was made to the taxpayers' 2006 [Redacted] income tax return. The Bureau reviewed the change and found that the taxpayers' [Redacted] income was increased for taxable year 2006. The Bureau determined that the increase in income should have been reported on the taxpayers' Idaho income tax return. The Bureau corrected the taxpayers' Idaho income tax return and sent them an NODD.

The taxpayers protested the Bureau's determination. The taxpayers stated in their protest letter that the unemployment compensation included in their income is incorrect because they both worked in taxable year 2006. The taxpayers also stated the NODD was in error because it was issued with a filing status of Married, filing joint, and they have always filed Married, filing separate.

The Bureau referred the matter for administrative review. The Commission reviewed the taxpayers' case and sent them a letter that gave them two options for having the NODD redetermined. The taxpayers did not respond. Therefore, the Commission decided the matter based upon the information available.

Idaho Code section 63-3002 states that it is the intent of the Idaho legislature insofar as possible to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code section 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. IDAPA 35.01.01.890.03 Income Tax Administrative Rule states that immediate written notification is required 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 a taxpayers' [Redacted] return be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position that the change made to the taxpayers' [Redacted] return must be made to the taxpayers' Idaho return.

The taxpayers have not provided the Commission with a contrary result to the [Redacted] original redetermination. The taxpayers must be granted relief at the federal level before relief can be granted at the state level. Therefore, the Commission must uphold the Bureau's adjustment to the taxpayers' 2006 Idaho income tax return.

The Bureau added interest and penalty to the taxpayers' 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 August 30, 2011, and directed to [Redacted], is hereby AFFIRMED and MADE FINAL.

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>
2006	\$371	\$19	\$107	\$497

Interest is calculated through September 28, 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

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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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