

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 24702
Petitioner.)
DECISION
_____)

On September 15, 2010, 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 2006 in the total amount of \$1,699.

On November 17, 2010, 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] income tax return for taxable year 2006. [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 the sale of securities, interest, and dividends.

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 2006 Idaho income tax return and sent him an NODD. The taxpayer appealed the Bureau's determination.

In his protest letter, the taxpayer stated simply, "I protest this to set it out longer to get my 2008/2009 tax returns completed." Because the taxpayer made no mention of error on the

deficiency, it is assumed the taxpayer was anticipating a refund for taxable years 2008 and 2009 and would use that money to pay the additional tax due for taxable year 2006.

The Bureau requested additional information [Redacted] to confirm the changes to the taxpayer's [Redacted] income tax return. The [Redacted] information shows the taxpayer's [Redacted] taxable income includes the omitted income. The most current [Redacted] information also shows the taxpayer's 2006 [Redacted].

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 Income Tax Act is to be identical to the Internal Revenue Code as it relates to the measurement of taxable income, in so much as the taxable income reported to Idaho is the same as that reported to the IRS, subject to the modifications contained in the Idaho law [Redacted]. Therefore, the Bureau corrected the taxpayer's Idaho income tax return to include the omitted income.

Since the taxpayer did not respond to the Commission's letter, the Commission has no additional information on which to make its decision. 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 his [Redacted] taxable income was reduced to the amount he reported on his 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 2006 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 September 15, 2010, and directed to [Redacted], is hereby AFFIRMED and MADE FINAL.

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>
2006	\$1,345	\$67	\$383	\$1,795

Interest is calculated through August 13, 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

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.
