

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25094
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On April 4, 2012, 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 2007 in the total amount of \$1,191.

On June 5, 2012, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not request a hearing and have not provided any additional information for the Commission to consider. The Commission, having reviewed the file, hereby issues its decision.

The Bureau received information from the [Redacted] that the taxpayers omitted income on their [Redacted] income tax return for taxable year 2007. The [Redacted] determined the income should have been reported on the taxpayers' [Redacted] and corrected the taxpayers' [Redacted] return. The additional income was a taxable distribution from a pension/annuity, along with taxable wages.

The Bureau reviewed the changes the [Redacted] made and determined the taxpayers' Idaho income tax return should be corrected as well. The Bureau adjusted the taxpayers' 2007 Idaho income tax return and sent them an NODD. The taxpayers appealed the Bureau's determination.

The taxpayers stated in their protest that the omitted pension distribution income was from work Mr. [Redacted] performed while he was a resident of [Redacted] State. The taxpayers

also stated that they had only been living in Idaho for about two months when they received the distribution, so they did not believe it was taxable to Idaho.

The Bureau referred the matter for administrative review, and the Commission sent the taxpayers a letter that explained the methods available for redetermining a protested NODD. The taxpayers did not respond.

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 [Redacted] 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 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 changes made to the taxpayers' federal return must be made to the taxpayers' state return.

The Bureau requested additional information from [Redacted] to confirm the changes to the taxpayers' [Redacted] income tax return. The [Redacted] information showed the taxpayers' [Redacted] taxable income included the omitted income. The information the Bureau received from the [Redacted] also showed that the [Redacted] assessed the taxpayers' additional tax and that additional tax has been paid in full by the taxpayers.

The taxpayers have not provided the Commission with a contrary result to the [Redacted] original redetermination. The taxpayers must be granted relief at the [Redacted] level before

relief can be granted at the state level. Therefore, the Commission must uphold the Bureau's adjustment to the taxpayers' 2007 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 April 4, 2012, and directed to [Redacted], is hereby APPROVED 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>
2007	\$947	\$47	\$219	\$1,213

Interest is calculated through January 11, 2013.

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

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.
