

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23149
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On May 20, 2010, the Income Tax Audit Division 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 \$31,958.

On July 19, 2010, a timely protest and petition for redetermination was filed by the taxpayer’s appointed representative. The taxpayer did not request a hearing, but has submitted additional documentation from [Redacted]. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NODD.

The taxpayer was issued an NODD by the Commission pursuant to an [Redacted] redetermination of her income. The Commission received the [Redacted] audit [Redacted] showing they had reduced or eliminated various itemized deductions claimed on Schedule C.

The protest letter sent by the taxpayer’s representative stated a request for audit reconsideration for taxable year 2006 had been filed with [Redacted]. The taxpayer’s representative requested that additional time be granted by the Commission to allow [Redacted] time to complete the appeals process and send a report.

On February 26, 2013, the taxpayer’s representative provided documentation from [Redacted] that shows the [Redacted] NODD was changed.

Idaho Code § 63-3002 states it is the intent of the Idaho legislature to make the Idaho income tax code identical to the internal revenue code in the way taxable income is determined. Idaho Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by the taxpayer. IDAPA 35.01.01 Income Tax Administrative Rules 890.03 states that immediate notification is to be 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 the taxpayer's federal return to be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's [Redacted] return must be made to the taxpayer's state return.

On February 26, 2013, the taxpayer's representative provided documentation from [Redacted] that shows [Redacted] NODD was changed. The Commission therefore modifies the NODD issued by the Income Tax Audit division to coincide with the report issued by the appeals officer of the [Redacted].

THEREFORE, Notice of Deficiency Determination dated May 20, 2010, is hereby MODIFIED, and as so modified, is AFFIRMED, and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$19,995	\$2,999	\$6,340	\$29,334

Interest is calculated through July 31, 2013.

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 _____ 2013.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2013, 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.