

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 24452
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On July 18, 2011, the staff of the Tax Discovery 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 2008 in the total amount of \$3,282.

On September 13, 2011, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Commission’s hearing rights letter, and have not provided any additional information for the Commission’s consideration. The Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from the [Redacted] that the taxpayers omitted income on their [Redacted] income tax return for taxable year 2008. The [Redacted] determined the income should have been reported and corrected the taxpayers’ [Redacted] income tax return. The additional income was non-employee compensation reported to [Redacted] on form 1099-miscellaneous.

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’ 2008 Idaho income tax return and sent them an NODD. The taxpayers appealed the Bureau’s determination.

The Bureau requested additional information from [Redacted] to confirm the changes to the taxpayers' [Redacted] income tax return. The [Redacted] information shows the taxpayers' [Redacted] taxable income included the omitted income. The most current [Redacted] information also shows an open collections account on the additional [Redacted] tax due.

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, and have not provided any documentation from the [Redacted] that shows the [Redacted] NODD was changed. Therefore, the Commission decides the matter based upon the information available and concludes the audit protest with this decision.

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 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 changes made to the taxpayers' [Redacted] return must be made to the taxpayers' state 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 [Redacted] level before

relief can be granted at the state level. Therefore, the Commission must uphold the Bureau's adjustment to the taxpayers' 2008 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 Notice of Deficiency Determination dated July 18, 2011, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$2,819	\$141	\$520	\$3,480

Interest is calculated through August 15, 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 _____ 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.
