

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 24487
[Redacted],	)	
	)	
Petitioners.	)	DECISION
_____	)	

On August 8, 2011, the Income Tax Audit division 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 \$1,406.

On October 7, 2011, a timely protest and petition for redetermination was filed by the taxpayers' accountant. The taxpayers have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

The taxpayers were issued an NODD by the Commission pursuant to [Redacted] redetermination of their income. The Commission received the [Redacted] audit from [Redacted] showing that they had reduced or eliminated various itemized deductions claimed on the taxpayers' Schedule A. The Commission found that the auditor correctly recomputed the taxpayers' income tax liability pursuant to the [Redacted] redetermination.

The protest letter sent by the taxpayers' accountant stated that they were in the process of gathering documentation to submit [Redacted] in support of the deductions claimed on the [Redacted] return. The accountant requested the matter be abated until he had time to review the documentation, and if it was adequate, he would provide a copy to [Redacted] and to the state.

To date, the taxpayers have not provided any documentation to support their deductions nor have they provided any correspondence from [Redacted] that shows the [Redacted] NODD

was changed. Furthermore, a review of [Redacted] records shows none of the additional tax assessed by examination has been abated and that the taxpayers have paid this amount in full.

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 Rule 890.03 states that immediate notification is 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 taxpayers' federal return to be reflected on the taxpayers' Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayers' federal return must be made to the taxpayers' state return.

Following the Idaho Code, the adjustments should be made to the taxpayers' Idaho income tax return. The taxpayers carry the burden to prove the adjustments were incorrect. The Commission's position is that the taxpayers must be granted relief at the [Redacted] level before relief can be granted at the state level.

Since the taxpayers have not provided the Commission with a contrary result to the [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, Notice of Deficiency Determination dated August 8, 2011, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

IT IS ORDERED that the taxpayers pay the following additional tax, penalty, and

interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$1,204	\$60	\$213	\$1,477

Interest is calculated through May 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.  
  
\_\_\_\_\_