

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 24762
Petitioner.)
DECISION
_____)

[Redacted] (petitioner) protests the Notice of Deficiency Determination (NODD) issued by the auditor for the Idaho State Tax Commission (Commission) dated November 3, 2011, asserting an additional liability for Idaho income tax and interest in the total amount of \$3,314 for taxable years 2003 through 2009.

The petitioner was contacted due to her failure to file Idaho income tax returns for the years in question. After such contact, the petitioner filed Idaho income tax returns for those years. The auditor, having reviewed said returns, made several adjustments to the Idaho taxable income reported by the petitioner. The adjustments were all to various itemized deductions. These adjustments made it more beneficial for the petitioner to be allowed the standard deduction for each of the years, since it was greater than the allowable itemized deductions.

MEDICAL DEDUCTIONS

The petitioner claimed numerous deductions for expenditures for over the counter drugs, toothpaste, mouthwash, and such with no additional documentation indicating that it was consumed at the direction of a doctor, or that it was for the treatment of any particular ailment. Accordingly, these items were disallowed by the auditor. The Commission finds that the petitioner has failed to carry her burden of proof that she was entitled to more medical expense than was allowed by the auditor.

CHARITABLE CONTRIBUTIONS

A charitable contribution deduction isn't allowed unless the taxpayer can prove that she is entitled to it. It appears that the petitioner is claiming cash contributions to charitable organizations, including an unidentified church. A taxpayer is required to produce a cancelled check, receipt, or other reliable evidence to prove the entitlement to the deduction. Treasury Regulation 1.170-13(a) provided the following:

(a) Charitable contributions of money made in taxable years beginning after December 31, 1982.

(1) In general. If a taxpayer makes a charitable contribution of money in a taxable year beginning after December 31, 1982, the taxpayer shall maintain for each contribution one of the following.

(i) A cancelled check.

(ii) A receipt from the donee charitable organization showing the name of the donee, the date of the contribution, and the amount of the contribution. A letter or other communication from the donee charitable organization acknowledging receipt of a contribution and showing the date and amount of the contribution constitutes a receipt for purposes of this paragraph (a).

(iii) In the absence of a canceled check or receipt from the donee charitable organization, other reliable written records showing the name of the donee, the date of the contribution, and the amount of the contribution.

The petitioner also submitted numerous cash register receipts marked "charitable" or "church," apparently indicating that the items were purchased for the charitable organization. However, none of those receipts was accompanied by the required documentation. Treasury Regulation 1.170A-13(b)(1) provided:

(b) Charitable contributions of property other than money made in taxable years beginning after December 31, 1982.

(1) In general. Except in the case of certain charitable contributions of property made after December 31, 1984, to which paragraph (c) of this section applies, any taxpayer who makes a charitable contribution of property other than money in a taxable year beginning after December 31, 1982, shall maintain for each contribution a receipt from the donee showing the following information:

(i) The name of the donee.

- (ii) The date and location of the contribution.
- (iii) A description of the property in detail reasonably sufficient under the circumstances. Although the fair market value of the property is one of the circumstances to be taken into account in determining the amount of detail to be included on the receipt, such value need not be stated on the receipt.

Accordingly, none of these claimed charitable contributions are allowed.

Upon completing a review of the documentation submitted by the petitioner, the Commission finds that the petitioner has not carried her burden of proof that she is entitled to more deductions than those allowed by the auditor.

THEREFORE, the Notice of Deficiency Determination dated November 3, 2011, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax and interest (calculated to July 31, 2013):

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$291	\$145	\$ 436
2004	291	128	419
2005	392	151	543
2006	396	127	523
2007	405	99	504
2008	460	83	543
2009	436	57	493
			<u>\$3,461</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner'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.
