

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 25298
[Redacted],	)	
	)	
Petitioners.	)	DECISION
_____	)	

On March 9, 2012, 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 \$918.

On May 16, 2012, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Commission’s hearing rights letter and have provided nothing further for the Commission to consider. The Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from [Redacted] that the taxpayers omitted income on their federal income tax return for 2008. The [Redacted] determined the income should have been reported, and corrected the taxpayers’ [Redacted] income tax return. The additional income was from a taxable retirement distribution and from 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’ 2008 Idaho income tax return and sent them an NODD. The taxpayers appealed the Bureau’s determination.

The protest letter sent by the taxpayers stated they had mistakenly filed a resident Idaho return for taxable year 2008, and that they would be submitting an amended return shortly changing their filing status to that of a non-resident. The taxpayers also stated that they did not believe the \$3,795 reported as wages was taxable income, but rather reimbursed moving expenses.

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 amended [Redacted] return has not been filed, and the taxpayers have paid in full 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 additional documentation for the Commission's consideration, nor have they submitted an amended Idaho income tax return for taxable year 2008. Therefore, the Commission decided the matter based upon the information available.

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 federal taxes, written notice shall be immediately 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 taxpayer's federal return be reflected on the taxpayer's 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 [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 March 9, 2012, 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	\$771	\$39	\$137	\$947

Interest is calculated through May 22, 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.

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.

---