

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

In the Matter of the Protest of )  
[Redacted], ) DOCKET NO. 25425  
 )  
 )  
Petitioners. ) DECISION  
 )  
\_\_\_\_\_ )

On November 5, 2012, 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 years 2008 and 2009 in the total amount of \$7,844.

On December 14, 2012, a timely protest and petition for redetermination was filed by the taxpayers. 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 an [Redacted] redetermination of their income. The Commission received the [Redacted] audit from the [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 was a copy of a letter they had sent to the [Redacted], requesting an in person meeting to review documentation to support the disallowed deductions. The protest was acknowledged and the taxpayers' were granted additional time to complete the appeals process with the [Redacted] and send a report.

To date, the taxpayers have not provided any documentation from the [Redacted] that shows the [Redacted] NODD was changed. A review of [Redacted] records shows no changes to the original audit adjustments.

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 [Redacted] taxes, written notice shall immediately be 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' [Redacted] return to 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.

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, the Notice of Deficiency Determination dated November 5, 2012, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

IT IS ORDERED and this does ORDER that the taxpayers pay the following amount of tax, penalty and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$3,561	\$178	\$667	\$4,406
2009	3,008	150	413	<u>3,571</u>
			TOTAL DUE	<u>\$7,977</u>

Interest is calculated through September 20, 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

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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.

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