

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25517
[Redacted],)	
)	
Petitioners.)	DECISION
)	
)	
_____)	

On January 2, 2013, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (taxpayers) proposing additional individual income tax, penalty, and interest in the amount of \$668 for taxable year 2010.

The taxpayers filed a timely appeal and petition for redetermination. They did not request a conference. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the [Redacted] determination of income subject only to modifications contained in Idaho law. Pursuant to the authority of Internal Revenue Code § 6103(d), the Commission obtained the results of an [Redacted] ([Redacted]) audit of the taxpayers' 2010 [Redacted] income tax return.

The [Redacted] audit changed the number of personal exemptions allowed from four to two. The changes resulted in an increase to the amount of taxable income reported to Idaho.

The taxpayers failed to notify Idaho of the [Redacted] determination within the 60-day period required by Idaho Code § 63-3069. The Bureau issued an NODD to the taxpayers advising them of additional Idaho income tax, penalty, and interest due as a result of the increase to their taxable income.

In response to the deficiency notice, the taxpayers submitted a letter stating they had filed for an “Audit Reconsideration” with the [Redacted] and were waiting for the final determination.

The Bureau sent the taxpayers a letter acknowledging their protest and informing them that their file was being transferred to the Legal/Tax Policy Division for continuation of the appeals process. A letter was sent to advise the taxpayers of their right to request a hearing or send additional information. The taxpayers did not request a hearing, but did provide a letter from the [Redacted] stating the matter was not yet resolved.

The Commission requested, on numerous occasions, copies of correspondences the taxpayers received from the [Redacted] indicating the final results of the audit reconsideration, or clarification that the matter was still under review. The taxpayers did not respond. A recent review of the taxpayers’ [Redacted] records shows no change to the original audit.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm’n, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson’s, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided no evidence that the [Redacted] changed the audit results that increased the taxpayers’ taxable income.

THEREFORE, the Notice of Deficiency Determination dated January 2, 2013, is AFFIRMED and MADE FINAL.

IT IS ORDERED that the taxpayers pay the following additional tax, penalty, and interest for taxable year 2010:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$594	\$30	\$62	\$686

Interest has been calculated through February 28, 2014.

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.
