

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 25619
[Redacted],	)	
	)	
Petitioners.	)	DECISION
_____	)	

On January 31, 2013, 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 2009 in the total amount of \$706.

On April 4, 2013, a timely protest and petition for redetermination was filed by the taxpayers. The taxpayers did not request a hearing, and have not submitted any additional documentation other than that contained in their appeal. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

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 they had reduced or eliminated various itemized deductions claimed on Schedule A.

The protest letter sent by the taxpayers stated that the [Redacted] did make an adjustment to their [Redacted] return, but it did not change the amount of [Redacted] taxes owed. Because there was no change in the [Redacted] tax owed, the taxpayers believe the NODD showing additional taxes owed to Idaho is in error.

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 Rules 890.03 states that immediate notification is to be 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 the changes made to the taxpayers' [Redacted] return must be made to the taxpayers' state return.

The [Redacted] audit adjustment increased [Redacted] taxable income, and subsequently Idaho taxable income, by \$12,130. The increase in [Redacted] taxable income resulted in a corrected [Redacted] income tax liability of \$1,408. However, the taxpayers did not owe any additional [Redacted] income tax as a result of the audit because they were now able to take advantage of an education credit that was previously unavailable to them. The education credit offset the additional tax owed. Idaho code does not allow for such education credit, therefore, the increase to Idaho taxable income did result in an additional amount of Idaho income tax due.

THEREFORE, The Notice of Deficiency Determination directed to [Redacted], dated January 31, 2013, is APPROVED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$602	\$30	\$88	\$720

Interest is calculated through December 31, 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.