

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 25741
)
)
Petitioner.) DECISION
)
_____)

On February 13, 2013, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional income tax, penalty, and interest for taxable year 2009 in the total amount of \$759.

On April 18, 2013, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Commission’s hearing rights letter. The Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from the [Redacted] that the taxpayer omitted income on his [Redacted] income tax return for taxable year 2009. The [Redacted] determined the income should have been reported and corrected the taxpayer’s [Redacted] income tax return. The additional income was unemployment compensation reported to the taxpayer on Form 1099-G.

The Bureau reviewed the changes the [Redacted] made and determined the taxpayer’s Idaho income tax return should be corrected as well. The Bureau adjusted the taxpayer’s 2009 Idaho income tax return and sent him an NODD. The taxpayer appealed the Bureau’s determination.

The Bureau requested additional information from [Redacted] to confirm the changes to the taxpayer's [Redacted] income tax return. The [Redacted] information shows the taxpayer's [Redacted] taxable income included the omitted income.

The Bureau referred the matter for administrative review, and the Commission sent the taxpayer a letter that explained the methods available for redetermining a protested NODD. The taxpayer did not respond to the letter and has not provided any additional information for the Commission's consideration. Therefore, the Commission decides 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 immediately be 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 taxpayer's federal return must be made to the taxpayer's state return.

The taxpayer has not provided the Commission with a contrary result to the [Redacted] original redetermination. The taxpayer 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 taxpayer's 2009 Idaho income tax return.

The Bureau added interest and penalty to the taxpayer's 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 February 13, 2013, and directed to [Redacted], is hereby AFFIRMED and MADE FINAL.

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|--------------|
| 2009 | \$646 | \$32 | \$94 | \$772 |

Interest is calculated through December 31, 2013.

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.
