

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25568
[Redacted],)	
)	
Petitioners.)	DECISION
)	
)	
_____)	

On January 16, 2013, the Income Tax Audit Division (Audit) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (taxpayers) proposing additional income tax, penalty, and interest for taxable year 2010, in the total amount of \$3,741.

On March 1, 2013, a timely protest and petition for redetermination was filed by the taxpayers' appointed representative. The taxpayers did not request a hearing, but have provided additional documentation for the Commission's consideration. 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] ([Redacted] redetermination of their income. The Commission received the [Redacted] audit from the [Redacted] showing they had increased the taxpayers' taxable income through adjustments to the taxpayers' Form 1040, Schedule C, and Schedule A.

The appeal letter sent by the taxpayers' appointed representative stated that the taxpayers were in the appeals process with the [Redacted] for taxable years 2005 through 2010, and they requested the Commission hold off any further action until the [Redacted] appeals process was final.

On April 17, 2014, the [Redacted] issued its final determination, which was forwarded to the Commission on June 19, 2014. The [Redacted] report made no changes to the original audit.

The Commission discussed the possibility of appealing the [Redacted] decision to the United States Tax Court with the taxpayers' representative. The representative stated the taxpayers would not be pursuing the matter further.

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 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 Commission upholds the NODD issued by Audit, which coincides with the [Redacted] adjustments made by the [Redacted].

THEREFORE, Notice of Deficiency Determination dated January 16, 2013, and directed to [Redacted] and [Redacted], is hereby APPROVED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$3,323	\$166	\$468	\$3,957

Interest is calculated through February 3, 2015.

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 _____ 2014.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2014, 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.
