

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 31130
[Redacted],)	
)	
Petitioners.)	DECISION
)	
)	
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On November 25, 2013, the Income Tax Audit Division 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 2011 in the total amount of \$6,491.

The taxpayers submitted a timely protest and petition for redetermination. 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 their Schedule A. The Commission found that the auditor correctly recomputed the taxpayers' tax liability pursuant to the [Redacted] redetermination.

The protest letter sent by the taxpayers stated that they had submitted an offer in compromise with the [Redacted], were awaiting the decision, and would advise once they heard from the [Redacted]. The taxpayers' letter went on to say that their assets are minimal and that their health is not great. The taxpayers made no mention of an audit reconsideration or appeal of the [Redacted] audit.

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] income tax return to be reflected on the taxpayers' Idaho income tax return. Therefore, it is the Commission's position that the changes made to the taxpayers' [Redacted] income tax return must be made to the taxpayers' state income tax return.

Following the Idaho Code, the adjustments should be made to the taxpayers' Idaho income tax return. 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 25, 2013, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

IT IS ORDERED that the taxpayers pay the following additional tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$5,841	\$292	\$513	\$6,646

Interest is calculated through September 26, 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 _____ 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.
