

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 38943
)
)
Petitioners.) DECISION
)
_____)

On January 28, 2014, the staff of the Tax Discovery Bureau (Bureau) 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 \$420.

The taxpayers filed a timely appeal and petition for redetermination. However, they did not respond to the Commission’s hearing rights letter and have provided nothing further for the Commission’s consideration. The Commission, having reviewed the file, hereby issues its decision.

The Bureau received information from the [Redacted] that the taxpayers omitted income on their [Redacted] income tax return for taxable year 2010. The [Redacted] determined the income should have been reported and corrected the taxpayers’ [Redacted] income tax return. The additional income was from forgiveness of [Redacted] indebtedness, reported to the taxpayers on Form 1099-C.

The Bureau reviewed the changes the [Redacted] made and determined the taxpayers’ Idaho income tax return should be corrected as well. The Bureau adjusted the taxpayers’ 2010 Idaho income tax return and sent them an NODD. The taxpayers protested the Bureau’s determination. The taxpayers stated in their appeal letter that the [Redacted] had requested additional documentation, which they have provided. The taxpayers believed

the [Redacted] had accepted the documentation and that they did not owe the additional amount of tax shown in the NODD. The Bureau referred the matter for administrative review.

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

The taxpayers have not provided the Commission with a contrary result to the [Redacted] original redetermination. Therefore, the Commission must uphold the Bureau's adjustment to the taxpayers' 2010 Idaho income tax return.

The Bureau added interest and penalty to the taxpayers' 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 January 28, 2014, and directed to [Redacted] and [Redacted], is hereby AFFIRMED and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$362	\$18	\$50	\$430

Interest is calculated through December 15, 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.
