

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-878-956-544
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On April 24, 2014, the Income Tax Audit Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioners) proposing additional income tax, penalty, and interest for taxable year 2010 in the total amount of \$365.

On June 25, 2014, a timely protest and petition for redetermination was filed by the petitioners. The petitioners 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 petitioners were issued an NODD by the Commission pursuant to an [Redacted] redetermination of their income. The Commission received the [Redacted] audit from [Redacted] showing that they had reduced or eliminated various itemized deductions claimed on the petitioners' Schedule A. The Commission found that the auditor correctly recomputed the petitioners' income tax liability pursuant to [Redacted] redetermination.

The protest letter submitted by the petitioners stated, "Our 2010 [Redacted] audit has not yet been completed and cannot deny or confirm these changes at this time." To date, the petitioners have not provided any documentation from [Redacted] that shows the [Redacted] NODD was changed. Furthermore, a review of [Redacted] records shows none of the additional tax assessed by examination has been abated.

Idaho Code § 63-3002 states that 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 federal 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 petitioners' federal return to be reflected on the petitioners' Idaho return. Therefore, it is the Commission's position that the changes made to the petitioners' federal return must be made to the petitioners' state return.

Following the Idaho Code, the adjustments should be made to the petitioners' Idaho income tax return. The petitioners carry the burden to prove the adjustments were incorrect. The Commission's position is that the petitioners must be granted relief at the federal level before relief can be granted at the state level.

Since the petitioners have not provided the Commission with a contrary result to the [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, Notice of Deficiency Determination dated April 24, 2014, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$312	\$16	\$42	\$370

Interest is calculated through February 23, 2015.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed.

DATED this _____ day of _____ 2015.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2015, 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.
