

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-534-087-168
REDACTED	)	
	)	
Petitioners.	)	
	)	DECISION
	)	

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Redacted (Petitioners) protest the Notice of Deficiency Determination (NODD) issued by the staff of the Idaho State Tax Commission (Commission) dated May 18, 2015, asserting additional Idaho income tax, penalty, and interest in the total amount of \$15,984 for 2009.

Although the petitioners filed a 2009 Redacted income tax return in Redacted, they did not file an Idaho income tax return. The staff of the Commission prepared the NODD referred to above from available information which reflected the income originally reported to the Redacted. The information in the file indicates that the determination of the petitioners' Redacted taxable income has not been adjusted by the Redacted since the petitioners' original filing.

The petitioners filed a timely protest. They did not request a hearing and have not provided any additional information for consideration. Therefore, the Commission having reviewed the file, hereby issues its decision based upon the information contained in the file.

The petitioners filed an amended Redacted income tax return substantially reducing the income that the petitioners reported on their original return. The petitioners wish their Idaho liability to be based upon the income reported in this amended Redacted return. After having received the amended return, the Redacted opened an examination of the amended return. The record in the file indicates that the petitioners asked that the Redacted not proceed with the examination. Upon receiving this request from the petitioners, the record indicates that the amended return was disallowed in full.

Idaho Code § 63-3002 sets out the legislative intent:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; to achieve this result by the application of the various provisions of the Federal Internal Revenue Code relating to the definition of income, exceptions therefrom, deductions (personal and otherwise), accounting methods, taxation of trusts, estates, partnerships and corporations, basis and other pertinent provisions to gross income as defined therein, resulting in an amount called “taxable income” in the Internal Revenue Code, and then to impose the provisions of this act thereon to derive a sum called “Idaho taxable income”; to impose a tax on residents of this state measured by Idaho taxable income wherever derived and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state. All of the foregoing is subject to modifications in Idaho law including, without limitation, modifications applicable to unitary groups of corporations, which include corporations incorporated outside the United States. (Underlining added.)

The petitioners have not shown either that the income reflected is not the amount of income reflected in Redacted or, that a provision in the Idaho law allows for the reporting of a different amount to the state of Idaho. The Commission has reviewed the computations of the staff and, finding no errors, finds that the NODD should be affirmed.

WHEREFORE, the Notice of Deficiency Determination dated May 12, 2015, is hereby APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest (computed to March 15, 2016):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$10,964	\$2,741	\$2,563	\$16,268

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.  
  
\_\_\_\_\_