

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39017
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On September 24, 2013, the Income Tax Audit Division (Audit) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioner) proposing additional income tax, penalty, and interest for taxable years 2009 and 2010, in the total amount of \$3,256.

The petitioner submitted a timely protest of the NODD, stating that he was still waiting for an “official” filing of his returns to be processed by the [Redacted] ([Redacted] and once that happened, he would request a transcript of his returns and forward that to the Commission. Audit acknowledged the petitioner’s protest and forwarded the file to the Commission’s Legal/Tax Policy Division for administrative review.

The Commission sent the petitioner a letter on October 17, 2014, that discussed the methods available for redetermining the NODD. The petitioner responded on November 11, 2014, stating he would like to appear for an informal hearing, but was still waiting for information from the [Redacted] and, therefore, requested a hearing date between Christmas and New Year’s. Numerous letters have been exchanged since then, but the petitioner has failed to provide a list of dates in which he is available for a hearing or any additional information for the Commission’s consideration. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NODD.

The petitioner was issued an NODD by the Commission for taxable years 2009 and 2010, pursuant to an [Redacted] redetermination of his income. The Commission received the [Redacted] audit from the [Redacted] showing that they had reduced or eliminated various itemized deductions claimed on Schedule A for taxable year 2009 and adjusted the filing status and number of personal exemptions claimed for taxable year 2010. A recent review of the petitioner's [Redacted] transcript for taxable year 2010 shows the tax assessed by the examination had been abated and the petitioner's filing status and personal exemptions were accepted as filed. For taxable year 2009, the [Redacted] transcript shows no change to the original audit.

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 [Redacted] taxes, written notice shall be immediately 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 petitioner's [Redacted] return be reflected on the petitioner's Idaho return. Therefore, it is the Commission's position the changes made to the petitioner's [Redacted] return must be made to the petitioner's state return.

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

Since the petitioner has not provided the Commission with a contrary result to the [Redacted] original redetermination for taxable year 2009, the Commission must uphold the deficiency as asserted. However, for taxable year 2010, the deficiency is hereby cancelled.

THEREFORE, the Notice of Deficiency Determination dated September 24, 2013, and directed to [Redacted], is hereby MODIFIED, and as modified, is APPROVED and MADE FINAL.

IT IS ORDERED, and this does ORDER, that the petitioner pay the following amount of tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$2,093	\$105	\$426	\$2,624

Interest is calculated through June 8, 2015.

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

An explanation of the petitioner's 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.
