

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39106
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On September 4, 2014, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioner), proposing additional tax, penalty, and interest in the amount of \$810 for taxable years 2011 through 2013.

The petitioner submitted a timely protest and petition for redetermination. She did not request a hearing and has provided no additional information for the Commission's consideration. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

The Bureau received information that indicated the petitioner had received alimony that was not shown on her income tax returns for taxable years 2011 through 2013. When asked about the alimony payments, the petitioner stated the money she received was not alimony, but rather, her portion of her ex-spouse's military retirement, which she was entitled to under her decree of divorce. The petitioner stated she did not receive a form 1099 for these payments and was told she did not have to report the payments because it was a division of personal property and not income. The file was transferred to the Legal/Tax Policy Division for administrative review and continuation of the appeals process.

The Commission reviewed the matter and sent the petitioner a letter giving her two options for having the NODD redetermined. The petitioner responded, but did not request an

informal hearing. The petitioner stated in her response that she did not have any additional information other than that presently in the file and that she was awaiting a decision from the Commission. The Commission, therefore, decided the matter based upon the information available.

Idaho Code section 63-3002 states that the Idaho taxable income of a resident is computed the same as [Redacted] taxable income, except for specific modifications provided in Idaho law.

[Redacted] taxable income is defined by Internal Revenue Code section 63, which states in part:

Except as provided in subsection (b), for purposes of this subtitle, the term “taxable income” means gross income minus the deductions allowed by this chapter (other than the standard deduction).

Internal Revenue Code section 61 defines gross income:

(a) General definition

Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

Based on the above code sections, the payments received by the petitioner, whether classified as alimony or as her portion of her ex-spouse's retirement, are considered income and should be reported on her tax returns each year in which they are received.

The petitioner has provided nothing that shows that the payments received should not be included in the determination of Idaho income and Idaho income tax for taxable years 2011 through 2013. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated September 5, 2014, is APPROVED and MADE FINAL.

IT IS ORDERED 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>
2011	\$264	\$13	\$30	\$307
2012	309	15	22	346
2013	153	10	8	<u>171</u>
			TOTAL DUE	<u>\$824</u>

Interest is calculated through April 30, 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.
