

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-696-922-112
[Redacted])	
)	
Petitioner.)	DECISION
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On March 13, 2015, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to **[Redacted]** (petitioner) proposing additional individual income tax, penalty, and interest in the amount of \$791 for the tax year 2013.

The petitioner filed a timely appeal and petition for redetermination. He did not request a conference. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

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; . . .

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. Pursuant to the authority of Internal Revenue Code § 6103(d), the Commission obtained the results of an Internal Revenue Service (IRS) audit of the petitioner's 2013 federal income tax return.

The federal audit changed the petitioner's filing status from Head of Household to Single and changed the number of personal exemptions allowed from six to one. The changes resulted in an increase to the amount of taxable income reported to Idaho. The petitioner failed to notify

Idaho of the federal determination within the 60-day period required by Idaho Code § 63-3069. The Bureau issued an NODD to the petitioner advising him of additional Idaho income tax, penalty, and interest due as a result of the increase to his taxable income.

In response to the deficiency notice, the petitioner's appointed representative wrote a letter stating that additional documentation supporting the dependent exemptions had been submitted to the IRS for consideration and that they were awaiting a final determination from them. The representative asked that the Commission suspend the NODD until the IRS rendered its final decision.

The Bureau sent the petitioner a letter acknowledging his protest and allowing him time to resolve the issue with the IRS. The petitioner was asked to provide a copy of correspondence with the IRS to verify the federal determination was still open and/or a copy of the Final Federal Determination when the matter was resolved.

When it became apparent the matter would not be resolved timely, the Bureau transferred the petitioner's file to the Legal/Tax Policy Division for administrative review. A letter was sent to advise the petitioner of his right to request a hearing or send additional information. The petitioner did not request an informal hearing but did initially provide documentation that indicated the matter was still pending with the IRS. However, a recent review of the petitioner's federal records does not show any changes to the original audit and appears to indicate the examination is closed. The petitioner was contacted and given the opportunity to provide information to the contrary, but he did not respond.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Commission, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of his argument, the petitioner has

failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The petitioner has provided no evidence that the IRS changed the audit results that increased the petitioner's taxable income.

THEREFORE, the Notice of Deficiency Determination dated March 13, 2015, and directed to **[Redacted]**, is APPROVED and MADE FINAL.

IT IS ORDERED that the petitioner pay the following additional tax, penalty, and interest for 2013:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$722	\$36	\$65	\$823

Interest has been calculated through July 15, 2016.

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 _____ 2016.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2016, 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.
