

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-866-223-616
[REDACTED],)	
)	
Petitioners.)	DECISION

On May 8, 2015, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioners) proposing additional individual income tax, penalty, and interest in the amount of \$500 for taxable year 2013.

The petitioners filed a timely appeal and petition for redetermination. They 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 petitioners' 2013 federal income tax return.

The federal audit changed the number of personal exemptions allowed from five to two. The changes resulted in an increase to the amount of taxable income reported to Idaho. The petitioners 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 petitioners advising them of

additional Idaho income tax, penalty, and interest due as a result of the increase to their taxable income.

In response to the deficiency notice, the petitioners wrote a letter stating that they had filed for an “Audit Reconsideration” with the IRS and were waiting for the final determination. The petitioners asked that the Commission suspend the NODD until they received the results of their appeal with the IRS.

The Bureau sent the petitioners a letter acknowledging their protest and allowing them time to resolve the issue with the IRS. The petitioners were asked to provide a copy of correspondence with the IRS to verify the audit reconsideration was still open, and petitioners were also asked to forward a copy of the final audit report when the matter was resolved. The petitioners provided an IRS letter that confirmed their statement that the matter was not yet resolved, but have provided nothing further.

When the petitioners did not respond to additional requests for a copy of IRS documents and/or additional information, their file was transferred to the Legal/Tax Policy Division for administrative review. A letter was sent to advise the petitioners of their right to request a hearing or send additional information; however, the petitioners did not respond.

The petitioners have provided no information since the initial protest to the determination was submitted. A recent review of IRS records shows no changes to the original audit and that the examination of the tax return is closed.

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 taxpayer 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 petitioners have provided no evidence that the IRS changed the audit that resulted in an increase to their taxable income for taxable year 2013.

THEREFORE, the Notice of Deficiency Determination dated May 8, 2015, is APPROVED and MADE FINAL.

IT IS ORDERED that the petitioners 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	\$454	\$23	\$39	\$516

Interest has been calculated through June 15, 2016.

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 _____ 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.
