

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[REDACTED],) DOCKET NO. 39237
Petitioner.) DECISION
_____)

On July 30, 2014, the Income Tax Audit division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional income tax, penalty, and interest for taxable year 2011 in the total amount of \$859.

A timely protest and petition for redetermination was filed by the taxpayer. The taxpayer has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NODD.

The taxpayer was issued an NODD by the Commission pursuant to an Internal Revenue Service (IRS) redetermination of their income. The Commission received the federal audit from the IRS showing that they had reduced the number of personal exemptions claimed on the taxpayer's return for 2011 and had changed the filing status from Head of Household to Single. The Commission found that the auditor correctly recomputed the taxpayer's Idaho income tax liability pursuant to the IRS redetermination.

The taxpayer protested the NODD. The protest was acknowledged and the taxpayer was asked to provide documentation showing any changes to the original audit by the IRS, or any other information he would like the Commission to consider.

To date, the taxpayer has not provided any documentation from the IRS that shows the federal NODD was changed. A review of IRS records shows no changes to the original audit adjustments.

Idaho Code § 63-3002 states 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 federal 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 taxpayer's federal return to be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

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

Since the taxpayer has not provided the Commission with a contrary result to the IRS's original redetermination, the Commission must uphold the deficiency as asserted.

THEREFORE, the Notice of Deficiency Determination dated July 30, 2014, and directed to [Redacted], is hereby APPROVED and MADE FINAL.

IT IS ORDERED that the taxpayer 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	\$753	\$38	\$119	\$910

Interest is calculated through June 30, 2016.

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

An explanation of the taxpayer'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.
