

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted]) DOCKET NO. 1-559-709-696
)
)
)
) DECISION
Petitioners.)

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued by Revenue Operations Division (Revenue Operations) to [Redacted] (Petitioners) for taxable year 2016. The Idaho State Tax Commission (Commission) after a thorough review of the matter upholds the Notice issued to Petitioners.

Revenue Operations added interest to Petitioners' income tax liability. The Commission reviewed that addition and found it appropriate and in accordance with Idaho Code § 63-3045.

THEREFORE, the Notice dated July 27, 2017, and directed to Petitioners, is AFFIRMED.

IT IS ORDERED that Petitioners pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	\$395	\$27	\$422

Interest computed through February 18, 2019.

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

The Commission upheld the decision made by Revenue Operations for the following reasons.

BACKGROUND

During a review of Petitioners' data, Revenue Operations questioned Petitioners' eligibility to claim the qualified retirement benefit deduction they took on their Idaho part-year resident & nonresident income tax return for taxable year 2016. Revenue Operations sent Petitioners a request for information letter. Revenue Operations also sent Petitioners a tax computation change letter, which Petitioners protested. Revenue Operations accepted Petitioners protest and sent them a Notice. Revenue Operations then transferred the matter for administrative review.

The Commission sent Petitioners a letter giving them two alternative methods available for redetermining a protested Notice. Petitioners did not request a hearing nor did they provide additional information. The Commission decided the matter based upon available information.

LAW AND ANALYSIS

Petitioners claimed a retirement benefit deduction on their 2016 Idaho tax return for taxable year 2016 in the amount of \$15,048. Idaho Coe § 63-3022A specifies the retirement benefits that qualify for the deduction are:

- (1) Federal Civil service retirement system
- (2) Foreign service retirement and disability system
- (3) Offset program of the civil service retirement system or foreign service retirement and disability system.
- (4) Firemen's retirement fund of the state of Idaho
- (5) Certain retirement benefits paid to retired Idaho city police officers
- (6) Retirement benefits paid by the United States of America to a retired

member of the military services

In this case, based on the information available to the Commission, the retirement benefits claimed by Petitioner are not allowed by Idaho Code.

CONCLUSION

The Commission upholds the adjustments made by Revenue Operations to Petitioners' Idaho part-year resident & nonresident income tax return for taxable year 2016. On appeal, a deficiency determination issued by the Commission "is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous." *Parker v. Idaho State Tax Comm'n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson's Inc. v. State Dep't of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Commission requires Petitioners to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioners did not provide adequate evidence. As a result, the Commission upheld the Notice.

An explanation of Petitioners' right to appeal this decision is enclosed.

DATED this _____ day of _____ 2018.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2018,
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.

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2018,
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.
