

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
[Redacted])	DOCKET NO. 1-785-857-024
)	
Petitioner.)	DECISION
_____)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued by the Revenue Operations Division (Accounting) to [Redacted] (Petitioner) for taxable year 2017. The Idaho State Tax Commission (Commission) after a thorough review of the matter upholds the Notice issued to Petitioner.

THEREFORE, the Notice dated June 20, 2018, and directed to Petitioner, is AFFIRMED.

There is no DEMAND for payment, because the Notice did not result in an assessment of additional taxes.

The Commission upheld the decision made by Accounting for the reasons discussed below.

BACKGROUND

During a review of Petitioner’s data, Accounting discovered Petitioner’s Idaho individual income tax return for taxable year 2017 did not include all of his taxable income.

Accounting sent Petitioner a Tax Computation Change letter for taxable year 2017. Accounting issued Petitioner a Notice when he did not pay the Tax Computation Change letter amount. Petitioner protested the Tax Computation Change letter using language commonly associated with tax protesters claiming he has not received any wages. Accounting accepted Petitioner’s protest and transferred the matter for administrative review.

The Commission sent Petitioner a letter giving him two alternatives for redetermining a protested Notice. Petitioner did not request a hearing but did submit additional comments which were thoroughly reviewed. The Commission decided the matter based upon available information.

LAW AND ANALYSIS

Idaho Code requires that federal taxable income reported to the state of Idaho match the federal taxable income reported to the IRS. It is the intent¹ of the Idaho Legislature to follow the federal determination of income subject only to modifications contained in Idaho law. There are no modifications in Idaho law that would allow Petitioners to exclude the adjustments by Accounting.

CONCLUSION

The Commission upheld the adjustments made by Accounting to Petitioner's Idaho individual income tax return for taxable year 2017. 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." See *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

¹ Idaho Code § 63-3002 states in part, 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; to achieve this result by the application of the various provisions of the Federal Internal Revenue Code relating to the definition of income, exceptions therefrom, deductions (personal and otherwise), accounting methods, taxation of trusts, estates, partnerships and corporations, basis and other pertinent provisions to gross income as defined therein, resulting in an amount called "taxable income" in the Internal Revenue Code, and then to impose the provisions of this act thereon to derive a sum called "Idaho taxable income"; to impose a tax on residents of this state measured by Idaho taxable income wherever derived and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state.

in the Notice is incorrect. Here, Petitioner did not provide adequate evidence. As a result, the Commission upheld the Notice.

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

DATED this _____ day of _____ 2019.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2019,
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.
