

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-035-439-616
)	
Petitioners.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

(Petitioner) filed a protest and petition for redetermination of the Notice of Deficiency Determination (Notice) dated April 25, 2022, issued by the Income Tax Audit Bureau (Audit) of the Idaho State Tax Commission (Tax Commission). The Tax Commission reviewed the matter and upholds the Notice. This means Petitioner owes \$975 of tax, penalty, and interest for tax year 2018.

Audit adjusted Petitioner’s individual income tax return for tax year 2018 to match the changes on his federal return due to a federal audit adjustment and issued a Notice. The federal audit changed Petitioner’s filing status, reduced the amount of expenses on Schedule C, and also reduced the amount of wages reported.

Petitioner filed a protest stating that he disagrees with the adjustments to his return. Petitioner did not provide any reasons for his disagreement, but rather submitted a copy of his federal income information and asked that Audit review it. Audit reviewed the information, determined it was the same information shown in the Notice and that no adjustment was necessary. Audit sent Petitioner a letter acknowledging his protest and informing him the matter was being transferred to the Tax Commission’s Appeals unit (Appeals) for administrative review.

Appeals notified Petitioner of the options available for redetermining a protested Notice, but he did not respond. Appeals then reviewed IRS information for any changes to the federal audit. There were none.

Idaho Code section 63-3002 states the intent of the Idaho Legislature regarding the Idaho Income Tax Act. It states that the Idaho Act is to be identical to the Internal Revenue Code (IRC) as it relates to the measurement of taxable income, in so much that taxable income reported to Idaho is the same as that reported to the IRS, subject to the modifications contained in the Idaho law. Therefore, any changes to Petitioner's federal taxable income should also be made to Petitioner's Idaho taxable income.

Idaho Code section 63-3069 states that upon a final determination of any deficiency or refund of federal taxes, the taxpayer is required to send written notice to the state tax commission within 120 days of the final determination.

The Bureau adjusted Petitioner's 2018 Idaho individual income tax return to agree with the adjustments made by the IRS. Petitioner protested but his specific objection is unclear. Petitioner has the burden of proving a Notice issued by the Tax Commission is incorrect. In the present matter, Petitioner did not meet that burden.

Therefore, the Notice dated August 25, 2022, and directed to _____ is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax and interest (calculated through December 1, 2023):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$798	\$40	\$137	\$975

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

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
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:

Receipt No.
