

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-098-501-632
	)	
Petitioner.	)	DECISION
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The Tax Discovery Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to (Petitioner) asserting a combined income tax deficiency of \$7,687 for tax years 2016, 2017, and 2019. Petitioner filed a timely appeal and submitted additional information. The Bureau accepted the information in part and reduced the combined income tax deficiency to \$6,105. Petitioner did not consent to the revised amount.

The only issue for decision is the amount of rollover contributions in 2016. Petitioner did not dispute any other items in tax year 2016 and conceded tax years 2017 and 2019. The Tax Commission has reviewed the file and hereby issues its decision.

Petitioner did not file Idaho individual income tax returns for the referenced tax years. In pertinent part, Petitioner received a \$44,077 retirement distribution from Benefit Trust Company in 2016. The Bureau determined Petitioner rolled over \$15,000 to another eligible retirement plan and the other \$29,077 was a taxable distribution. Petitioner’s primary argument on appeal is she rolled over the entire \$44,077.

Under Internal Revenue Code (IRC) section 402 an individual can exclude from gross income in the year of receipt the amount of an “eligible rollover distribution” from a qualified plan, an individual retirement account (IRA), a 403(a) qualified annuity or 403(b) tax-deferred annuity, and/or governmental section 457 plan, if the distribution is “rolled over” (transferred) to

another eligible retirement plan (which includes qualified plans, IRAs and IRA annuities, 403(a) qualified annuities, 403(b) tax-deferred annuities, and governmental section 457 plans), within 60 days of receipt of the distribution. To qualify for the exclusion, taxpayers must prove they completed the rollover in accordance with IRC section 402.

Petitioner argues she rolled over the entire \$44,077 distribution. However, she has not provided documentation to support her claim. Based on the information available, she only rolled over \$15,000. As a result, the Tax Commission shall uphold the Notice as modified by the Bureau.

The Bureau added interest and penalty to the income tax deficiency. The Tax Commission has reviewed those additions, found both to be appropriate per Idaho Code section 63-3045 and 63-3046, and has updated interest accordingly. Interest is calculated through December 22, 2022 and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

THEREFORE, the Modified Notice of Deficiency Determination dated March 30, 2022, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	\$2,608	\$652	\$523	\$3,783
2017	1,185	296	198	1,679
2019	571	143	71	785
				<u>\$6,247</u>

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

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2022,  
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.

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