

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-447-162-368
██████████,	)	
	)	
Petitioner.	)	DECISION
_____	)	

The Idaho State Tax Commission (Tax Commission) reviewed your case and this is our final decision. We uphold the Notice of Deficiency Determination (Notice) dated March 17, 2020. This means **you need to pay \$1,594** of tax, penalty, and interest for tax year 2016. The Tax Commission now DEMANDS immediate payment of this amount.

The Tax Commission’s Tax Discovery Bureau (Bureau) received information from the Internal Revenue Service (IRS) that ██████████ (Petitioner) omitted income from his 2016 federal income tax return. The IRS determined the income should have been reported on Petitioner’s federal income tax return and they adjusted that return to include the missing income. The additional income was Social Security/Railroad retirement income, \$8,286 and forgiven federal indebtedness, \$28,577.

The Bureau reviewed the IRS changes and determined Petitioner’s Idaho income tax return required correction as well<sup>1</sup>. The Bureau adjusted Petitioner’s 2016 Idaho individual income tax return and sent him a Notice.

Petitioner filed a protest and petition for redetermination. Petitioner argued in his protest letter he never received notice from the IRS, nor did he receive the 1099-C from Citi Mortgage. The

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<sup>1</sup> The debt cancellation of \$28,577 was the only addition to Idaho taxable income as an Idaho subtraction is allowed for the Social Security retirement benefits received.  
DECISION - 1  
██████████

Tax Commission sent Petitioner a letter informing him of the options available for redetermination of the Notice. Petitioner did not respond, nor has he provided any information for consideration. Therefore, the Tax Commission issues its decision based on the information contained in the file.

Idaho Code section 63-3002 states that it is the intent of the Idaho Legislature, insofar as possible, to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code section 63-3069 (2000) 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 a taxpayer. Income Tax Administrative Rule 890.03, IDAPA 35.01.01 (1997) provides that negligence penalties may be imposed if a taxpayer has not provided the written notice within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is clear the Idaho Legislature intended any changes made to a taxpayer's federal tax return to be reflected on a taxpayer's Idaho state tax return. Therefore, it is the Tax Commission's position that the adjustments made to Petitioner's federal return must be made to Petitioner's Idaho income tax return per Idaho Code.

Petitioner has the burden of proving the adjustment was incorrect and he has failed to meet that burden. Since Petitioner has not provided the Tax Commission with a contrary result to the federal determination, the Tax Commission must uphold the deficiency as asserted.

Therefore, the Notice dated March 17, 2020, and directed to [REDACTED], is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest computed to  
December 30, 2020:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	\$1,327	\$66	\$201	\$1,594

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2020,  
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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