

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-903-283-712
	)	
Petitioner.	)	DECISION
	)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued to \_\_\_\_\_ (Petitioner) for taxable year 2017. The Idaho State Tax Commission (Commission) after a review of the matter upholds the Notice issued to Petitioner.

THEREFORE, the Notice dated December 9, 2021, and directed to Petitioner is AFFIRMED.

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>
2017	\$1,116	\$56	\$214	\$1,386

Interest is computed through June 21, 2023.

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

**BACKGROUND**

The Income Tax Audit Bureau (Audit) received information from the Internal Revenue Service (IRS) that changes were made to Petitioner’s 2017 federal income tax return. Audit reviewed Petitioner’s Idaho income tax return and found the same changes were needed on Petitioner’s Idaho return. The IRS made adjustments to Petitioner’s filing status and his claimed number of exemptions. Audit corrected Petitioner’s Idaho return and sent him a Notice. In addition to the IRS changes the Notice corrected the grocery credit.

Petitioner protested the Notice stating,

I received a letter from the Idaho State Tax Commission stating I owe \$1,331 for my 2017 tax return. This has been an ongoing battle for 4 years now. The IRS sent

me a letter stating my account was paid in full and then they keep another tax return. I owed about \$1,800 back to the IRS, after the changes were made. Even if my filing status was changed to Single (still should be HOH, I have two biological children) and the exemptions were dropped to \$16,200, I would still receive a refund from both. and show as other dependents on the federal return. The IRS has taken much more than \$1,800.00. The Idaho return shouldn't have been changed at all. This matter was supposed to be cleared up 2 years ago. I have 2 biological children that I supported. Therefore, HOH status should be fine. I am also writing a letter to the IRS about why this was opened again. I will forward any correspondence I receive.

Audit accepted Petitioner's protest and transferred the matter to the Commission's Tax Appeals Unit (Appeals).

Appeals sent Petitioner a letter that contained two methods for redetermining a protested Notice. Petitioner did not respond to the redetermination letter, nor did he provide any additional information. Therefore, the Commission decided the matter based upon available information.

#### **LAW AND ANALYSIS**

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 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 the taxpayer. In addition, IDAPA 35.01.01 Income Tax Administrative Rule 890.03(1997) provides that negligence penalties may be imposed if taxpayer has not provided the written notice within 60 days of the final determination.

Petitioner's 2017 Federal income tax return was changed by the IRS. Clearly the Idaho Legislature intended any changes made to the taxpayer's federal tax return to also be made on a taxpayer's Idaho state tax return. Petitioner stated his Idaho return should not be changed and that the matter was cleared up two years ago. However, Petitioner provided nothing to show the IRS reversed its adjustments. Therefore, it is the Tax Commission's position that the adjustments made

to Petitioner's federal return must be made to his Idaho income tax return. Audit added penalty and interest to Petitioners' income tax liability. Petitioner received a final federal determination of a deficiency that he did not report to the Commission. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

### **CONCLUSION**

Petitioner's federal income tax return was changed by the IRS. Audit reviewed the changes and determined they were applicable to Petitioner's Idaho income tax return. Petitioner provided no evidence to show the IRS reversed its changes. Therefore, the Commission upholds the Notice issued to Petitioner. The Commission require Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioner did not provide adequate evidence.

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 Postal Service, postage prepaid, in an envelope addressed to:

Receipt No.

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