

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

In the Matter of the Protest of )  
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 ) DOCKET NO. 2-012-723-200  
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 )  
 ) DECISION  
 )  
 Petitioners. )

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This case arises from a timely protest of a Notice of Refund Determination (Notice) issued to (Petitioners) for taxable year 2020. The Idaho State Tax Commission (Commission) after a review of the matter upholds the Notice issued to Petitioners.

THEREFORE, the Notice dated December 7, 2021, and directed to Petitioners is AFFIRMED.

There is no demand for payment, the Notice issued to Petitioners was for a reduction in a claimed refund.

The Commission upholds the Notice for the reasons discussed below.

**BACKGROUND**

Petitioners filed their Form 40, Idaho Individual Income Tax Return for taxable year 2020 reporting \$76,353 of income and claiming a refund in the amount of \$1,881. The Revenue Operations Division Taxpayer Accounting Section (Accounting) sent Petitioners a request for information letter regarding claimed withholding. Petitioners' claimed withholding was \$79 more than the Commission was able to account for. Accounting with no response from Petitioners, reviewed both Commission and third-party information and issued Petitioners a Notice which lowered their claimed refund to \$1,802. Petitioners protested the Notice claiming the \$79 difference is from a W-2G. Accounting accepted Petitioners' protest and transferred the matter for administrative review.

The Commission reviewed the matter and sent Petitioners a letter providing them with two options available for redetermining a protested Notice. Petitioners elected not to have an informal hearing. The Commission decided the matter based on available information in Petitioners' file.

### **LAW AND ANALYSIS**

Idaho Code requires the issuance of a Notice when there is a deficiency. In addition, deductions/expenses are a matter of legislative grace and only as there is clear provision therefore can any particular deduction be allowed. *New Colonial Ice Co., Inc. v. Helvering*, 292 U.S. 435, 54 S.Ct. 788 (1934). The taxpayer[s] bears the burden of proving that [they are] entitled to the deduction. *Higgins v. C.I.R.*, T.C. Memo. 1984-330 (1984). The burden rests upon the taxpayer to disclose his receipts and claim his proper deductions. *United States v. Ballard*, 535 F.2d 400 (1976). The Commission determined the W-2G issued by \_\_\_\_\_ Casino was lacking vital information and did not provide proof that the withholdings belong to the state of Idaho. The Commission with no information from Petitioners confirming the state withholding reflected on the W-2G from \_\_\_\_\_ Casino belongs to Idaho upholds the Notice.

### **CONCLUSION**

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." *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 in the Notice is incorrect. Here, Petitioners did not provide adequate evidence.

An explanation of Petitioners' 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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