

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 2-081-522-688
	)	
	)	
Petitioner.	)	DECISION
_____	)	

The Tax Commission’s Tax Discovery Bureau (Bureau) issued (Petitioner) a Notice of Deficiency Determination (Notice) for tax year 2018. Petitioner protested, and the case was transferred to the Tax Commission’s Appeals Unit (Appeals). The Tax Commission has reviewed the matter and issues its decision upholding the Notice.

**BACKGROUND**

The Internal Revenue Service (IRS) issued Petitioner a CP2000 Notice for tax year 2018. A CP2000 Notice is a letter sent by the IRS to inform a taxpayer the income or payment information received from third parties, such as employers or financial institutions, does not match the information reported on their tax return. The IRS adjusted Petitioner’s 2018 tax return in the following ways:

- Increase of taxable wages by \$4,763
- Addition of Pension/Annuities not previously reported of \$10,962
- Reduction of Student Loan Interest Deduction of \$633

These adjustments increased his federal adjusted gross income by \$16,358. Since the Idaho income tax return begins with federal adjusted gross income, any changes made to Petitioner’s federal return must also be made to his Idaho return. Based on this information, the Bureau sent Petitioner a Notice to make the above adjustments to his Idaho return. Petitioner protested, stating there was not enough time to resolve the issue with the IRS as he has been on active duty with the

Idaho National Guard for the past four years. The matter was then transferred to Appeals, where a letter was sent to Petitioner explaining the appeals process and his right to a hearing. Petitioner did not respond. After no response, the Tax Commission issues its decision.

### **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 a taxpayer. Income Tax Administrative Rule 890.03, IDAPA 35.01.01 provides that negligence penalties may be imposed if a taxpayer has not provided the written notice within 120 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 June 3, 2022, and directed to \_\_\_\_\_ is hereby  
APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest computed to April 25, 2023:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$863	\$43	\$122	\$1,028

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 \_\_\_\_\_ 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.

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