

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 15886
[Redacted],	)	
	)	DECISION
Petitioner.	)	
_____	)	

This case arises from a timely protest of a State Tax Commission staff (staff) decision adjusting property tax reduction benefits for 2001. This matter was submitted for a decision based on the documents in the file. The State Tax Commission has reviewed the file and makes its decision.

The amount of property tax reduction benefits depends on the household income--the greater the income, the smaller the benefit. The staff adjusted the petitioner's eligibility for property tax reduction benefits by reducing the benefit amount from an amount not to exceed \$840 to zero. The petitioner submitted a timely appeal.

[Redacted] (petitioner) filed a property tax reduction application on or about February 21, 2001. In that application, the petitioner listed herself and two other persons as household members. However, she showed only herself as having income. The petitioner indicated she did not provide personal care for another adult and no adult living with her provided care for her.

The property tax reduction program is a benefit program for certain qualifying applicants based on certain criteria, one of which is income. The household, household income, and income for property tax reduction purposes are defined in Idaho Code § 63-701 as follows:

(3) **"Household" means the claimant and any person or persons who live in the same dwelling,** and share its furnishings, facilities, accommodations or expenses. The term includes any person owing a duty of support to the applicant pursuant to section 32-1002, Idaho Code, unless the person qualifies as a "nonhousehold member" pursuant to subsection (6) of this section. The term does not

include bona fide lessees, tenants, or roomers and boarders on contract. "Household" includes persons described in subsection (9)(b) of this section.

(4) **"Household income" means all income received by all persons of a household** in a calendar year while members of the household.

(5) **"Income" means the sum of federal adjusted gross income** as defined in the internal revenue code, as defined in section 63-3004, Idaho Code, and to the extent not already included in federal adjusted gross income, alimony, support money, income from inheritances, nontaxable strike benefits, the nontaxable amount of any individual retirement account, pension or annuity, (including railroad retirement benefits, all payments received under the federal social security act, state unemployment insurance laws, and veterans disability pensions and compensation, excluding rollovers as provided in section 402 or 403 of the internal revenue code), nontaxable interest received from the federal government or any of its instrumentalities or a state government or any of its instrumentalities, worker's compensation and the gross amount of loss of earnings insurance. It does not include capital gains, gifts from nongovernmental sources or inheritances. To the extent not reimbursed, cost of medical care as defined in section 213(d) of the internal revenue code, incurred by the household may be deducted from income. "Income" does not include veterans disability pensions received by a person described in subsection (1)(e) who is a claimant or a claimant's spouse, provided however, that the disability pension is received pursuant to a service-connected disability of a degree of forty percent (40%) or more. Documentation of medical expenses may be required by the county assessor, board of equalization and state tax commission. "Income" shall be that received in the calendar year immediately preceding the year in which a claim is filed. Where a claimant does not file a federal tax return the claimant's federal adjusted gross income, for purposes of this section, shall be an income equivalent to federal adjusted gross income had the claimant filed a federal tax return. (Emphasis added.)

When it was confirmed that one of the other household members received income during 2000, the staff sent the petitioner a letter. The letter advised the petitioner of the intent to include that income in the total 2000 household income. Because of that change, the petitioner no longer qualified to receive the benefits.

In response, [Redacted] who identified himself as the petitioner's Personal Representative,

sent a letter of protest. In that letter, he explained that his mother had broken her hip in 1999 and was in a care facility for some time. He said when she came home [Redacted] moved in with her and stayed until the end of July 2000, and in September [Redacted] moved into the petitioner's home in order to attend school.

The petitioner's file was transferred to the Legal/Tax Policy Division for administrative review, and a letter was sent to the petitioner wherein her appeal rights were explained. On October 10, 2001, [Redacted] telephoned the Tax Appeals Specialist to discuss the issues involved. He said he did not realize the law providing for the benefits required household members' income to be included in total income. He said [Redacted] worked from mid-February 2000 until she moved from his mother's home at the end of July. He said [Redacted] did not work at all while she lived with the petitioner.

Idaho Code § 63-701 requires all income received by all members of a household **while they are members of the household** to be included in the calculation of total net household income. One of the household members received income while she was a member of that household. However, she lived there only seven months during 2000 and did not have income for six weeks of those seven months. Looking at the records of the Idaho Department of Employment confirms the exact amount of money [Redacted] was paid for that period of time. The staff's decision is amended to include only the income received by household members while members of the petitioner's household.

The petitioner is entitled to receive a property tax reduction benefit not to exceed \$300 for 2001.

The State Tax Commission is aware there is some potential this decision could cause a hardship to the property tax reduction applicant in certain circumstances. The proper jurisdiction to handle such hardship situations falls with the county commissioners pursuant to Idaho Code

§ 63-711.

WHEREFORE, the decision of the State Tax Commission staff to deny property tax reduction benefits is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2000, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

\_\_\_\_\_  
ADMINISTRATIVE ASSISTANT 1