

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18125
[Redacted])	
)	DECISION
Petitioners.)	
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On June 24, 2004, the Revenue Operations Division (RevOp) of the Idaho State Tax Commission denied a request by [Redacted] (taxpayers) for refund of Idaho individual income tax in the amount of \$980 for the period ending December 31, 2000.

The taxpayers filed a timely protest and petition for redetermination of the refund denial. They did not request a hearing. The Tax Commission has reviewed the file, is advised of its contents and hereby issues its decision.

On April 26, 2004, RevOp received the taxpayers' 2000 Idaho Part-Year Resident & Nonresident Income Tax Return. The return was submitted for processing creating a computer-generated letter that was mailed to the taxpayers. The letter advised the taxpayers that the refund shown in the return was being denied because the time to claim the refund had expired.

In a letter dated June 15, 2004, the taxpayers objected to the denial of their refund. The taxpayers were mailed a deficiency notice to allow them an opportunity to appeal the Tax Commission's decision to withhold the refund. The taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review.

Idaho Code § 63-3035(e) limits the time for an employee to claim a credit or refund of monies that have been deducted from wages as follows:

Idaho Code § 63-3035 . . .(e) Amounts deducted from wages of an employee during any calendar year in accordance with the provisions of this section shall be considered to be in part payment of the tax imposed on such employee for his tax year which begins within such calendar year and the return made by the employer under this subsection (e) shall be accepted by the state tax commission as evidence in favor of the employee of the amount so deducted from his wages. Where the total amount so deducted exceeds the amount of tax on the employee, based on his Idaho taxable income, or where his income is not taxable under this act, the state tax commission shall, after examining the annual return filed by the employee in accordance with this act, but not later than sixty (60) days after the filing of each return, refund the amount of the excess deducted. **No credit or refund shall be made to an employee who fails to file his return, as required under this act, within three (3) years from the due date of the return, without regard to extensions, in respect of which the tax withheld might have been credited.** In the event that the excess tax deducted is less than one dollar (\$1.00), no refund shall be made unless specifically requested by the taxpayer at the time such return is filed. (Emphasis added.)

Idaho Code 63-3072(c) provides for a limit on the time to claim a refund of overpaid income

taxes:

Except as provided in subsection (e) of section 63-3035, Idaho Code, a claim for credit or refund of tax, penalties, or interest paid **shall be made within the later of three (3) years of the due date of the return, without regard to extensions, or three (3) years from the date the return was filed.** (Emphasis added.)

The period of limitation with respect to claiming a refund or credit of the taxes shown in the taxpayers' 2000 Idaho income tax return expired on April 15, 2004. The taxpayers did not file a claim for credit or refund until April 20, 2004, the post-mark date on the envelope used to mail the tax return.

In his letter of protest, [Redacted] states that he cannot help the postal program and the length of time required for a letter to be delivered. He points out the date on the letter he received from RevOp and the date the letter was actually delivered to him.

Idaho Code § 63-217 establishes the “received date”:

FILING OF MATERIAL BY MAIL OR PRIVATE DELIVERY SERVICES. (1) Any report, claim, return, statement or other document or payment dealing in any way or in any manner whatsoever with taxation which is required or authorized to be filed or made to the state of Idaho, or to any political subdivision thereof, which is:

(a) Transmitted through the United States mail, **shall be deemed filed or made and received by the state or political subdivision on the date shown by the post office cancellation mark stamped upon the envelope or other appropriate wrapper containing it.** For purposes of this title, a postage meter cancellation shall not be deemed a post office cancellation mark. (Emphasis added.)

The taxpayers’ 2000 Idaho nonresident return was deemed filed on the date shown in the post office cancellation mark, April 20, 2004.

Idaho Code §§ 63-3072 and 63-3035 are clear and unequivocal. The language in these sections "shall be made. . ." is not discretionary, but rather it is mandatory. The Tax Commission finds Idaho Code § 63-3072(c) and § 63-3035(e), cited above, are controlling with respect to the taxpayers’ refund claim for tax year 2000. The withholding is allowed to offset the tax due for 2000; however, no credit or refund will be given.

WHEREFORE, the Notice of Deficiency Determination directed to [Redacted], dated June 24, 2004, that denies the taxpayers a refund is APPROVED, AFFIRMED, and MADE FINAL.

An explanation of the taxpayers' right to appeal this decision is included with this decision.

DATED this ____ day of _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2004, 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:

[Redacted]
[Redacted]
[Redacted]
[Redacted]

Receipt No.