

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21753
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On February 26, 2009, the Revenue Operations Division of the Idaho State Tax Commission (Commission) denied a request by [Redacted] (taxpayers) for a refund of Idaho individual income tax in the amount of \$977 for the period ending December 31, 2000; \$985 for the period ending December 31, 2001; \$1,014 for the period ending December 31, 2002; \$1,028 for the period ending December 31, 2003; and \$1,054 for the period ending December 31, 2004. The taxpayers filed a timely protest and petition for redetermination of the refund denials. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

On December 22, 2008, the Commission received for processing amended Idaho individual income tax returns from the taxpayers for taxable years 2001, 2002, 2003, and 2004. On January 8, 2009, an amended return for taxable year 2000 was received by the Commission. Because the time for claiming the refunds shown in the returns had expired, a letter was mailed to the taxpayers advising them of the Commission’s intent to deny the refunds. The taxpayers objected, and a Notice of Deficiency Determination was issued wherein the taxpayers were advised the refund was denied and they had a right to appeal the determination.

Idaho Code § 63-3072(c) defines the time allowed to claim refunds:

Credits and refunds. . . .
(c) 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. However, with regard to remittances

received with an extension of time to file, or a tentative return, a claim for credit or refund of such remittances shall be made within three (3) years from the due date of the return without regard to extensions. (Emphasis added.)

Idaho Code § 63-3035(c) provides:

(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 chapter, the state tax commission shall, after examining the annual return filed by the employee in accordance with this chapter, 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 chapter, 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.)

The period of limitation with respect to claiming a refund or credit of taxes shown in the Idaho income tax return for 2000 expired on April 15, 2004; for 2001 on April 15, 2005; for 2002 on April 15, 2006; for 2003 on April 15, 2007; and for 2004 on April 15, 2008. The Commission did not receive the taxpayers' returns for taxable years 2001 through 2004 until December 22, 2008. Taxable year 2000 was not received until January 8, 2009.

Idaho Code §§ 63-3072 and 63-3035 are clear and unequivocal. The language in these sections "shall be made. . ." is not discretionary, but rather, is mandatory. The Commission finds Idaho Code § 63-3072(c), cited above, is controlling with respect to the taxpayers' refund or credit claim for taxable years 2000 through 2004. No credit or refund can be given.

WHEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated February 26, 2009, that denies the taxpayers a refund is APPROVED, AFFIRMED, and MADE FINAL.

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

DATED this _____ day of _____, 2009.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2009, 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]

Receipt No.