

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23191
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On June 30, 2010, [Redacted] (taxpayer), [Redacted] protested the denial of the refund claimed on the 2003 amended Idaho individual income tax return she filed. The taxpayer stated her amended return was submitted to the Tax Commission within the statute of limitations for filing an amended return after a final [Redacted] determination. The Tax Commission, having reviewed the file, hereby issues its decision.

BACKGROUND

The taxpayer timely filed her 2003 Idaho individual income tax return. On December 28, 2009, the taxpayer filed an amended 2003 Idaho individual income tax return claiming a refund in the amount of \$515. The taxpayer's amended return was identified during processing as being past the statute of limitations for issuing a refund. The Taxpayer Accounting Section (Taxpayer Accounting) sent the taxpayer a letter stating her refund request was denied because it was past the statute of limitations for issuing a refund. The taxpayer disagreed stating her refund claim was well within the statute of limitations for final [Redacted] determinations. Taxpayer Accounting reviewed the information, sent the taxpayer a Notice of Deficiency Determination, and referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The Tax Commission also asked the taxpayer to provide documentation to show that the [Redacted] had

made a final [Redacted] determination on her 2003 [Redacted] income tax return. The taxpayer chose to provide additional information as well as the information the Tax Commission requested.

The Tax Commission received copies of the taxpayer's original [Redacted] and state 2003 income tax returns and documentation that the [Redacted] made a final determination on the taxpayer's [Redacted] amended return. The Tax Commission also received additional updated information [Redacted] verifying the amended return, examination of the amended return, and adjustment to the amended return.

LAW AND ANALYSIS

Idaho Code section 63-3072(b) states in pertinent part:

. . . 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.

The Idaho Code clearly states the time requirements for filing a return requesting a refund of taxes paid. The taxpayer filed her 2003 return on April 15, 2004. The statute of limitations closed on that return April 15, 2007. The taxpayer filed her 2003 amended Idaho income tax return on December 28, 2009, well after the statute of limitations ended.

The taxpayer provided documentation showing she filed a 2003 [Redacted] amended return on October 11, 2005. The taxpayer also provided documentation showing her amended [Redacted] return was partially accepted by an [Redacted] appeals officer on December 17, 2009. Other information the Tax Commission obtained [Redacted] showed an examination of the taxpayer's 2003 return prior to the amended return being filed and after the amended return was filed.

Idaho Code section 63-3072(d) states:

Notwithstanding any other provisions of this section, when Idaho taxable income and/or tax credits for any taxable year have been adjusted as a result of a final federal determination, the period of limitations for claiming a refund or credit of tax, penalties, or interest shall be reopened and shall not expire until the later of one (1) year from the date of delivery of the final federal determination to the taxpayer by the internal revenue service, three (3) years from the due date of the return, without regard to extensions, or three (3) years from the date the return was filed. For purposes of this subsection, the term "final federal determination" shall mean the final resolution of all issues which were adjusted by the internal revenue service. When the final federal determination is submitted, the taxpayer shall also submit copies of all schedules and written explanations provided by the internal revenue service. . . .

The taxpayer provided a copy of a letter dated December 11, 2009, from the [Redacted] stating that her claim was partially allowed. The taxpayer also provided a copy of her adjusted amended [Redacted] income tax return showing what was adjusted [Redacted]. The taxpayer's initial amended claim was received by the [Redacted] on October 18, 2005. Four years later, after examining the taxpayer's return, the [Redacted] agreed in part to the taxpayer's amended return. Therefore, as provided in Idaho Code section 63-3072(d), the taxpayer had one year from the date of the delivery of the final [Redacted] determination to amend her Idaho income tax return for taxable year 2003 for the issues adjusted on her [Redacted] income tax return.

CONCLUSION

Since the taxpayer filed her 2003 amended Idaho income tax return shortly after receiving the [Redacted] determination on her 2003 amended [Redacted] income tax return, she was well within the statute of limitations concerning a final [Redacted] determination. Therefore, the Tax Commission finds the taxpayer is entitled to the refund claimed.

THEREFORE, the Notice of Deficiency Determination dated July 27, 2010, is hereby CANCELLED.

IT IS ORDERED and THIS DOES ORDER that the taxpayer receive the following refund of tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$(860)	\$(364)	\$(1,224)

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

DATED this _____ day of _____ 2011.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2011, 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.
