

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23374
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On July 21, 2010, the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing additional tax and interest in the total amount of \$577.33 for taxable year 2009.

The taxpayers filed a timely appeal. They did not request a hearing. The Commission, having reviewed the file, hereby issues its decision.

The sole issue for this decision is whether the taxpayers are entitled to a dependency exemption deduction for [Redacted] and [Redacted], their grandsons.

Taxpayers may claim dependency exemption deductions for their dependents as defined in Internal Revenue Code (IRC) § 152. IRC § 152(a) defines the term “dependent” as a qualifying child or qualifying relative. A qualifying child is defined as an individual who (1) bears a certain relationship to the taxpayer, such as the taxpayer’s child, (2) has the same principal place of abode as the taxpayer for more than one-half of the taxable year, (3) meets certain age requirements, and (4) has provided over one-half of the individual’s own support for the taxable year. IRC § 152(c)(1)(3). A qualifying relative is defined as an individual (1) who bears a certain relationship to the taxpayer, such as the taxpayer’s child or grandchild, (2) whose gross income for the taxable year is less than the exemption amount, (3) with respect to whom the taxpayer provides over one-half of the individual’s support for the taxable year, and (4) who

is not a qualifying child of the taxpayer or of any other taxpayer for the taxable year. IRC § 152(d)(1) and (2).

To claim a dependent exemption under IRC § 152(a), the taxpayers must show they have either a qualifying child or qualifying relative. Regarding a qualifying child, the taxpayers did not show that [Redacted] and [Redacted] principal place of abode was with them for more than one-half the taxable year. As for meeting the requirements for a qualifying relative of the taxpayers, the taxpayers failed to show that they provided more than one-half of [Redacted] and [Redacted] support for taxable year 2009 or that [Redacted] and [Redacted] are not the qualifying children of any other taxpayer for taxable year 2009.

The taxpayers submitted federal Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent signed by [Redacted] and [Redacted] father, [Redacted]. By providing this form, the Commission believes it was [Redacted] intent to allow the taxpayers the dependency exemption for his two children. However, the purpose of form 8332 is for the custodial parent to release a claim to exemption for a child so that the noncustodial parent can claim an exemption for the child. Therefore, the submission of Form 8332 has no bearing on whether or not the taxpayers are entitled to the dependency exemptions for [Redacted] and [Redacted].

Because the taxpayers have failed to establish that [Redacted] and [Redacted] were either a qualifying child or qualifying relative for the purpose of IRC § 152, the Commission finds that the taxpayers are not entitled to the additional dependency exemption deductions for taxable year 2009. And, since the taxpayers are not entitled to the dependency exemptions, they cannot claim the additional grocery credits for [Redacted] and [Redacted] per Idaho Code § 63-3024A.

WHEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated July 21, 2010, is APPROVED, AFFIRMED, and MADE FINAL.

The taxpayers have paid the Notice of Deficiency in full therefore no DEMAND for payment is necessary.

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

DATED this _____ day of _____ 2010.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2010, 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.
