

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23526
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On July 15, 2010, the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing additional tax and interest in the amount of \$156.35 for taxable year 2009.

The taxpayers filed a timely appeal. They did not request a hearing. The Tax Commission, having reviewed the file, hereby issues its decision modifying the Notice of Deficiency Determination.

The sole issue for this decision is whether the taxpayers are entitled to dependency exemption deductions for [Redacted], Mr. [Redacted] sons from a previous marriage.

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. In the present case, there are two dependency exemptions at issue. The taxpayers have provided sufficient documentation to support their entitlement of the exemption for [Redacted]. However, concerning the exemption for [Redacted] the taxpayers have failed to show [Redacted] was either a qualifying child or qualifying relative. Regarding a qualifying child, the taxpayers did not show that [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] support for the taxable year, that [Redacted] gross income for the taxable year was less than the exemption amount, or that he was not the qualifying child of the taxpayer or any other taxpayer for the taxable year.

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

WHEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated July 15, 2010, is hereby MODIFIED, and as MODIFIED, APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers receive the following refund, and interest:

<u>YEAR</u>	<u>REFUND</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	(\$26)	(\$1)	(\$27)

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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.
