

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23668
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On January 5, 2011, the Revenue Operations Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional tax, penalty, and interest in the total amount of \$454.18 for taxable year 2009.

The taxpayer filed a timely appeal. He requested an informal hearing which was held on March 23, 2011. The Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The sole issue for this decision is whether the taxpayer is entitled to a dependency exemption deduction for his daughter from a previous marriage, [Redacted].

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 taxpayer did not show that [Redacted] principal place of abode was with him for more than one-half of the taxable year. As for meeting the requirements for a qualifying relative of the taxpayer, the taxpayer failed to show that [Redacted] is not the qualifying child of another taxpayer for the taxable year.

As a part of his appeal letter, the taxpayer provided a copy of his divorce decree, dated January 8, 2004, that states he shall claim [Redacted] each year as a federal and state tax exemption. However, the mere fact that the state court granted the taxpayer the right to claim the dependency exemption deduction is immaterial because a state court cannot determine issues of federal tax law. Id. See Commissioner v. Tower, 327 U.S. 280 (1946); Kenfield v. United States, 783 F.2d 966 (10th Cir.1986); Nieto v. Commissioner, T.C. Memo.1992-296. In addition, while the decree does not specifically state that he cannot claim [Redacted] once she turns 18, generally once a child reaches the age of majority they are no longer under the provisions of a divorce decree. [Redacted] turned 18 in taxable year 2007.

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

WHEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated January 5, 2011, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
2009	\$340.96	\$108.96	\$20	\$469.92

Interest is calculated through July 29, 2011.

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.
