

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25258
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On September 20, 2012, the Revenue Operations Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing additional tax and interest for taxable years 2009 through 2011 in the total amount of \$1,041.88.

The sole issue for this decision is whether the taxpayer is entitled to a dependency exemption deduction for [Redacted], his child from a prior relationship. As part of his appeal, the taxpayer provided a Judgment and Order of Filiation, Support and Reimbursement, issued by the Third Judicial District Court of Idaho on January 6, 2003. The document states that the taxpayer will receive the tax exemption for the minor child.

The taxpayer responded by telephone to a letter outlining his alternatives for redetermining a protested NODD but did not request a hearing. The taxpayer reiterated in the phone conversation his position that the Judgment and Order was sufficient documentation and that he did not need a Form 8332 to allow him to claim the dependent exemptions for his child. The Commission, having reviewed the file, hereby issues its decision.

Taxpayers may claim dependency exemption deductions for their dependents as defined in Internal Revenue Code (IRC) § 152. Under IRC § 152(a), the term “dependent” means 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 not provided over one-half of the individual's own support for the taxable year. IRC § 152(c)(1)-(3).

However, the dependency exemption, as a general rule, is limited under IRC § 152(e)(1) as follows: if the child received over one-half of his support during the calendar year from his parents who live apart at all times during the last 6 months of the calendar year and the child is in the custody of one or both parents for more than one-half of the calendar year, then the child is treated as the qualifying child of the noncustodial parent if certain requirements are met. The requirements are met if (1) the custodial parent signs a written declaration (in such manner and form as the Secretary may prescribe) that the custodial parent will not claim the child as a dependent for the taxable year, and (2) the noncustodial parent attaches the written declaration to the noncustodial parent's return for the taxable year. IRC § 152(e)(2).

The term "custodial parent" is defined in IRC § 152(e)(4)(A) as the parent having custody for the greater portion of the calendar year. When a request for additional information was sent by the Commission, and the taxpayer was asked if he was the custodial parent, he stated he was not. When asked how many days the child lived with him in each of the taxable years previously mentioned, he responded, zero. Therefore, according to the above code section, the taxpayer would not be considered [Redacted] "custodial parent".

However, section 152(e) allows the noncustodial parent to claim the dependent exemption if certain conditions are met. One condition is that the custodial parent must sign a written declaration that he or she will not claim the child as a dependent. This written declaration may be on Form 8332 or another document that conforms in substance to Form 8332 and is attached to the noncustodial parents return.

A divorce decree or other agreement, if in effect between 1984 and 2008, may replace Form 8332, but it must state all of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of child support.
2. The custodial parent will not claim the child as a dependent for the year.
3. The years for which the noncustodial parent, rather than the custodial parent, can claim the child as a dependent.

The taxpayer provided a copy of his 2003 Judgment and Order of Filiation that states he is entitled to the dependent exemption for his minor child. However, this is where the conformity to Form 8332 ends. The Order does not state the years the exemption is released or that the custodial parent will not claim the child as a dependent for the year.

Although the Order provides that the taxpayer is entitled to the dependency exemption for the child, State courts, by their decisions, cannot determine issues of Federal tax law. 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. The taxpayer's remedy, if any, lies in the State court for enforcement of the Order.

For taxable years 2009 through 2011, the taxpayer is not the custodial parent of [Redacted]. The taxpayer is not entitled to the dependency exemption.

THEREFORE, the NODD directed to [Redacted], dated September 20, 2012, is AFFIRMED.

IT IS ORDERED that the taxpayer pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$311	\$38	\$ 349
2010	329	24	353
2011	336	11	347
		TOTAL DUE	<u>\$1,049</u>

Interest is calculated through March 1, 2013.

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 _____ 2012.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2012, 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.
