

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 25319
[REDACTED],	)	
	)	
Petitioners.	)	DECISION
	)	
_____	)	

On September 6, 2012, the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing additional tax and interest in the amount of \$733.91 for taxable year 2011.

The taxpayers filed a timely appeal. They did not request a hearing. 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 taxpayers are entitled to dependency exemption deductions for three children whom they provide foster care.

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 stated, in response to a request for information that the children resided with them for 164 days in taxable year 2011. Therefore, they would not meet requirements for a qualifying child. 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 the children's support for taxable year 2011 or that the children were not the qualifying children of another taxpayer for the taxable year.

Because the taxpayers have failed to establish that the three children were either qualifying children or qualifying relatives for the purpose of IRC § 152, the Commission finds that the taxpayers are not entitled to dependency exemption deductions for the children for taxable year 2011. And since the taxpayers are not entitled to the dependency exemptions, they cannot claim additional grocery credits for them per Idaho Code § 63-3024A.

THEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated September 6, 2012, is APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$722	\$26	\$748

Interest is calculated through April 10, 2013.

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

An explanation of the taxpayers' 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.  
  
\_\_\_\_\_