

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 26038
[Redacted],	)	
	)	
Petitioner.	)	DECISION
_____	)	

On August 27, 2013, 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 of \$349 for taxable year 2012.

The taxpayer filed a timely protest, naming [Redacted] as representative. The file was transferred to the Legal/Tax Policy Division for review. The taxpayer did not request an informal hearing. The Commission 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 the dependency exemption deduction for [Redacted], [Redacted]child from a previous marriage. As part of her protest, the taxpayer provided portions of a medical claim, a notarized Affidavit of Residence, a Consent to Termination of Parental Rights issued by the Seventh Judicial District Court on February 21, 2008, and [Redacted]high school transcript.

A taxpayer may claim a dependency exemption deduction for his or her 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) the child has not provided over one-half of his or her own support for the taxable year.

In her response to a request for information from the Commission, the taxpayer contends that she is the only parent able to claim the child as a dependent. She states that she “was the only legal parent” and that the dependent lived 275 days with her, adding that the dependent “lived with me until after he graduated from high school in 2012. He moved to [Redacted] when summer was over and came back home every weekend.” The notarized statement by the dependent, dated September 5, 2013, states, in part, that the dependent lived with his mother “until my departure on August 15, 2012”. The representative’s protest letter states that the dependent received medical insurance and a home “until he moved in with his father”.

To claim a dependent exemption under IRC section 152(a), the taxpayer must show she has either a qualifying child or qualifying relative. Regarding a qualifying child, the taxpayer provided a signed document from the dependent stating he lived with her until his departure on August 15, 2012. Information obtained from a third party substantiates this, with the exception that the dependent moved his place of abode in June, rather than August. This timeframe is supported by Tax Commission records that show the dependent began working in [Redacted] in June. Based on this information, the dependent’s principal place of abode would not be with the taxpayer for more than one-half the taxable year and, therefore, would not meet the requirements of a qualifying child. Since the available information of the case was in conflict with the taxpayer’s statement, she was given the opportunity to show it was incorrect. The taxpayer provided a list of dates she and the father claimed the dependent stayed in their respective homes. The taxpayer did not provide any additional records.

As for meeting the requirements for a qualifying relative of the taxpayer, the taxpayer failed to provide any records establishing the total amount of support the dependent received in 2012, and the amount she provided. Nor did she show that the dependent was not the qualifying child or relative of another taxpayer for the taxable year.

For taxable year 2012, the taxpayer did not support her claim for the dependency exemption. Based on Commission and third party records, it is determined that the dependent moved to [Redacted] in June, where he lived for the remainder of the year. It is determined that the taxpayer is not entitled to the dependency exemption.

THEREFORE, the Notice of Deficiency Determination directed to [Redacted] dated August 27, 2013, is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>CREDITS</u>	<u>TOTAL</u>
2012	\$803	\$33	-\$457	\$379

Interest is calculated through June 30, 2014.

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 \_\_\_\_\_ 2014.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2014, 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.

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