

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 26039
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On September 4, 2013, the Revenue Operations Division of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] and [Redacted] (taxpayers) proposing additional tax and interest of \$1,046 for taxable year 2012.

The taxpayers filed a timely protest and the file was transferred to the Legal/Tax Policy Division for review. The taxpayers did not request an informal hearing, so the Commission hereby issues its decision based upon the information contained in the file.

The sole issue for decision is whether the taxpayers are entitled to a dependency exemption deduction for their married child, [Redacted]. In their protest, the taxpayers state that [Redacted] and his wife, [Redacted], lived with them for most of taxable years 2011 and 2012, but [Redacted][Redacted] was not claimed because she had earned income.

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) has not provided over one-half of the individual’s own support for the taxable year.

The dependency exemption, as a general rule, is limited under IRC § 152(b)(2) as follows: An individual shall not be treated as a dependent of a taxpayer under subsection (a) if such individual has made a joint return with the individual's spouse under section 6013 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

For taxable year 2012, the taxpayers' son, [Redacted] and his wife, filed a joint tax return. The return was not filed strictly to claim a refund of taxes withheld, so the taxpayers are not allowed to claim their son.

THEREFORE, the Notice of Deficiency Determination directed to [Redacted] and [Redacted] dated September 4, 2013, is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$1,036	\$39	\$1,075

Interest is calculated through May 30, 2014.

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 _____ 2014.

IDAHO STATE TAX COMMISSION

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.
