

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 26120
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On November 22, 2013, the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) denying the additional dependency exemption deduction and grocery credit claimed for taxable year 2012, and assessing additional tax and interest for taxable year 2012, in the total amount of \$352.

The taxpayer did not respond to a letter outlining her alternatives for redetermining a protested NODD, nor did she request a hearing. The Commission, having reviewed the file, hereby issues its decision.

The sole issue for this decision is whether the taxpayer is entitled to a dependency exemption deduction for her grandson, [Redacted].

As part of her appeal, the taxpayer stated that [Redacted] and his father lived with her. The protest did not specify when [Redacted] lived with the taxpayer, but it is assumed to be for tax year 2012, since that is the year in question.

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 taxpayer must show he has either a qualifying child or qualifying relative. Regarding a qualifying child, the taxpayer did not show that [Redacted] lived with her for more than half of the taxable year. As for meeting the requirements for a qualifying relative, the taxpayer failed to show that [Redacted] is not a qualifying child of any other taxpayer for the taxable year.

The taxpayer has failed to establish that [Redacted] was a qualifying child or qualifying relative for the purpose of IRC § 152, therefore, the Commission finds that the taxpayer is not entitled to the dependency exemption for her grandson, [Redacted]. Also, because the taxpayer is not entitled to the dependent exemption, the taxpayer cannot claim the additional grocery credit per Idaho Code §63-3024A.

THEREFORE, the Notice of Deficiency Determination dated November 22, 2013, and directed to [Redacted] is APPROVED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$352	\$27	\$379

Interest is calculated through June 2, 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

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.