

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-327-010-304
[Redacted])	
)	
Petitioner.)	DECISION
_____)	

This case arises from your timely protest of a State Tax Commission (Commission) decision adjusting your property tax reduction benefit for 2015. The Commission reviewed the information in the file and this is our final decision. The Commission upholds the Notice of Deficiency Determination (Notice). This means **you must pay \$583.36.**

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

Background

All property within the jurisdiction of this state is subject to property tax. A property tax reduction benefit is available to certain qualifying individuals. The benefit is in the form of a payment of all or a portion of the applicant’s property tax on the dwelling he/she owns and occupies. State sales tax funds these payments. The amount of the property tax reduction depends on income--the greater the income, the smaller the benefit.

[Redacted] (Petitioner) filed an application for a property tax reduction benefit with [Redacted] County. The Commission approved the application and Petitioner received a benefit for payment of the property tax on her homestead.

Idaho Code §§ 63-707 and 63-708 provide for an audit of all claims and the recovery of benefits that have been paid in error. During review of Petitioner’s application, and records available to the Commission, the staff discovered income that had not been included. The omitted income was from interest and dividends, along with the capital gains from the sale of an asset.

The Commission issued a Notice on April 3, 2017, requesting Petitioner repay a portion of the benefit received plus interest. Petitioner, with the assistance of her daughter, protested the Notice. The file was transferred to the Appeals unit for administrative review.

Income for property tax reduction benefit purposes is defined in Idaho Code § 63-701(5). A complete copy is attached to this decision.

Analysis

In the present case, Petitioner included only railroad retirement income of \$13,587 on the application. However, Commission records show the following additional income reported under Petitioner's social security number:

- 1009-Int and 1009-Div income totaling \$7,641
- Capital gains reported on 1099-Div totaling \$9,210

According to the letter from Petitioner's daughter, this income should not be included in her mother's application because it is actually her income; she simply added her mother's name to her accounts. While this very well may be the case, the fact remains that income reported under Petitioner's social security number was omitted from her application for the property tax reduction benefit. The Commission has no choice but to include it in the calculation of Petitioner's benefit.

When the \$13,587 [Redacted] retirement income is added to the interest income of \$7,641 and the capital gains of \$9,210, and medical expenses of \$1,619 are deducted, the resulting net income for property tax reduction benefit purposes is \$28,819. Petitioner qualifies to receive a maximum property tax reduction benefit of an amount not to exceed **\$150**.

THEREFORE, the Notice dated April 3, 2017, is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner repay the following 2015 property tax reduction benefit plus interest:

<u>BENEFIT</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$551.92	\$31.44	\$583.36

An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2017.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2017, 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.
