

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-983-858-688
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

This case arises from [Redacted] (Petitioner) timely protest of the Idaho State Tax Commission (Commission) decision to adjust Petitioner's 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 Petitioner must pay \$665.28.

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

IT IS ORDERED and THIS DOES ORDER that Petitioner repay the following 2015 property tax reduction benefit plus interest.

YEAR	BENEFITS PAID	BENEFITS ALLOWABLE	AMOUNT DUE	INTEREST	TOTAL
2015	\$629.42	\$0.00	\$629.42	\$35.86	\$665.28

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

All property within the jurisdiction of this state is subject to property tax. A property tax reduction benefit is available to certain qualifying individuals throughout the state. The benefit is in the form of payment of a portion or all of an applicant's property tax on the dwelling he/she owns and occupies. The payment is funded by the state sales tax. The amount of property tax reduction depends on income—the greater the income, the smaller the benefit.

Income for purpose of the property tax reduction benefit purposes is defined in Idaho Code § 63-701(5)¹. Idaho Code uses definitions to describe eligibility and income requirements for an applicant to qualify for the property tax reduction benefit. These definitions are not the same definitions used in other sections of the Idaho Code or even in the common dictionary. However, the definitions are very specific. The law must be followed as written. If the law is socially or economically unsound, the power to correct it is legislative, not within the powers of the Tax Commission. *John Hancock Mutual Life Insurance Co. V. Neill*, 79 Idaho 385, 405, 319 P.2d 195, 206 (1957).

Petitioner filed an application with [Redacted] for a 2015 property tax reduction benefit. The Commission approved the application and Petitioner received a benefit for payment of the property tax on his homestead.

Idaho Code §§ 63-707 and 63-708 provide for an audit of all claims and recovery of benefits that have been paid in error. During the audit of Petitioner's application, and records available to the Commission, the staff identified income that had not been included. The omitted income totaled \$218,763 and was comprised of \$212,114 in wages, \$5,083 in miscellaneous income, and \$1,566 in cancelled debt from [Redacted] respectively.

When the \$218,763 of omitted income is added to the net household income reported on

¹ (5) "Income" means the sum of federal adjusted gross income as defined in the Internal revenue Code, as defined in section 63-3004, Idaho Code, and to the extent not already included in federal adjusted gross income: (a) Alimony; (b) Support money; (c) Nontaxable strike benefits; (d) The nontaxable amount of any individual retirement account, pension or annuity, (including railroad retirement benefits, all payments received under the federal social security act except the social security death benefit as specified in this subsection, state unemployment insurance laws, and veterans disability pensions and compensation, excluding any return of principal paid by the recipient of any annuity and excluding rollovers as provided in section 402 or 403 of the Internal Revenue Code); (e) Nontaxable interest received from the federal government or any of its instrumentalities or a state government or any of its instrumentalities; (f) Worker's compensation; and (g) The gross amount of loss of earnings insurance.

the original application the resulting net income for property tax reduction benefit purposes is \$239,191.

The Commission denied Petitioner's Application for Property Tax Reduction for 2015 because Petitioner's income exceeded the maximum amount of \$29,100.

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.
