

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-008-706-048
[Redacted] ,)	
)	
Petitioner.)	DECISION
_____)	

This case arises from **[Redacted]** (Petitioner) timely protest of a State Tax Commission (Commission) intent to deny a property tax reduction benefit for 2019. The Commission reviewed the information in the file, and this is our final decision. The Commission upholds the Intent to Deny Veterans Property Tax Benefit letter. This means Petitioner will not receive a benefit for 2019.

Background

On March 15, 2019, Petitioner filed a 2019 Application For 100% Service-Connected Disabled Veterans Property Tax Benefit. During review of the application, the staff noted Petitioner had checked a box indicating she is a 100% service-connected disabled veteran. After review of the application and accompanying documents, the staff sent Petitioner a letter advising her of the intent to deny her the property tax benefit because the documentation provided did not substantiate her status as a 100% service-connected disabled veteran. Petitioner protested the intended action, stating, "...This is the second instance I have had with the system that is maintained by the Idaho State Veteran Department. It DOES NOT fully download the "Award" added to my 70% disability due to unemployability..." Petitioner's file was transferred to the Appeals unit for administrative review.

The issue for decision is whether Petitioner is eligible for a special property tax benefit under Idaho Code section 63-705A.

Law and Analysis

Idaho Code section 63-705A reads as follows:

63-705A.SPECIAL PROPERTY TAX REDUCTION FOR DISABLED VETERANS. (1) For tax year 2019 and thereafter, regardless of any reduction received under section 63-705, Idaho Code, **a veteran with a service-connected disability of one hundred percent (100%)** shall receive a special reduction in property taxes levied on his homestead, as defined in section 63-701, Idaho Code. The special property tax reduction shall be in the amount of one thousand three hundred twenty dollars (\$1,320) or for the amount of the veteran's actual property taxes, whichever is less. If a veteran qualifies for property tax reduction under both this section and section 63-705, Idaho Code, the combined property tax reduction amount may not exceed the actual amount of the veteran's property taxes on his homestead.

(2) An applicant for a special property tax reduction under this section shall comply with all procedural requirements set forth in sections 63-701 through 63-710, Idaho Code, with the exception of any income documentation.

(3) In the event that a qualified veteran applies for the special property tax reduction in this section but then dies, the veteran's surviving spouse is entitled to receive the special property tax reduction in that year and subsequent years, until such time as the surviving spouse remarries, dies, or no longer has property tax levied on the homestead. (Emphasis added)

The code sets out specific eligibility requirements for persons seeking a special property tax reduction, the applicant must be a 100% service-connected disabled veteran. To support her status as a veteran with a 100% service-connected disability, Petitioner included with her application a letter from the Department of Veterans Affairs. The letter states in part, “We are providing this letter to disabled Veterans to use in applying for benefits such as state or local property or vehicle tax relief, civil service preference, to obtain housing entitlements, free or reduced state park annual membership, or any other program or entitlement in which verification of VA benefits is required....” The letter states the following:

VA Benefit Information

You have one or more service-connected disabilities:	Yes
You are being paid at the 100 percent rate because you are unemployable due to your service-connected disabilities:	Yes
You are considered to be totally and permanently disabled due solely to your service-connected disabilities:	Yes

The effective date of when you became totally and permanently disabled due to your service-connected disabilities:

May 13, 2002

The term “service-connected” means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service. *See* 38 U.S. Code § 101.

Total disability ratings for compensation may be assigned when the disabled person is unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities. *See* 38 CFR § 4.16.

An individual who can’t work because of a disability related to their service in the military, a service-connected disability, is called “individual unemployability.” This means the individual may be able to receive disability compensation at the same level as a veteran who has a 100% disability rating.

In the present matter, Petitioner is a veteran, with a 70% service-connected disability, individually unemployable, receiving benefits at the 100% rate. Petitioner’s disability compensation is paid at the same level as a veteran with a 100% service-connected disability, but she is not a veteran with a 100% service-connected disability.

Conclusion

Idaho Code section 63-705A clearly defines the eligibility requirements for the special property tax reduction benefit. 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, 319 P.2d 195 (1957).

Petitioner is not a veteran with a 100% service-connected disability. She does not meet the status requirement for a Veteran's Property Tax Benefit. Therefore, the decision of the Commission to deny Petitioner a 2019 property tax benefit is hereby APPROVED and MADE FINAL.

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

DATED this _____ day of _____ 2020.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2020,
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:

Receipt No.

[Redacted]
