

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

████████████████████

Petitioners.

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DOCKET NO. 0-068-601-856

DECISION

On March 13, 2020, the Revenue Operations Division (Division) of the Idaho State Tax Commission (Tax Commission) issued a Notice of Determination (Notice) to ██████████ (Petitioners). For tax year 2019, the Division reduced Petitioners' refund from \$448 to \$398. On March 26, 2020, the Division received a timely appeal and petition for redetermination from Petitioners.

On March 30, 2020, the Division issued a second Notice to Petitioners for tax year 2019. The Division determined Petitioners owed \$829 (tax of \$431 plus nonqualifying refund of \$398). On April 7, 2020, the Division received a timely amended appeal and petition for redetermination from Petitioners. The case was transferred to Tax Appeals for administrative review.

Petitioners requested an informal hearing to discuss their case. However, after clarification of the applicable tax laws and facts of the case, Petitioners and Tax Appeals agreed an informal hearing was unnecessary. The Tax Commission, having reviewed the file, hereby issues its decision to affirm the Notice dated March 13, 2020, and to cancel the Notice dated March 30, 2020, for the following reasons.

Petitioners filed a 2019 Idaho individual income tax return reporting they were part-year residents of Idaho and that they spent nine full months in Idaho. However, Petitioners calculated their grocery credit as full-year residents of Idaho instead of prorating their credit based on their number of months in Idaho in accordance with Idaho Code section 63-3024A(9).

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The Division first determined Petitioners were part-year residents and reduced their grocery credit accordingly. However, Petitioners appealed asserting they were full-year residents of Idaho because they spent more than 270 days in Idaho during the year. Consequently, the Division determined Petitioners were full-year residents of Idaho, increased their grocery credit in accordance with Idaho Code section 63-3024A, and increased their income subject to Idaho taxation in accordance with Idaho Code section 63-3013. Petitioners then appealed asserting they were part-year residents of Idaho and provided supporting documentation that they resided in Idaho for only part of the taxable year.

Based on the facts presented, Petitioners were part-year residents of Idaho. After clarification of the applicable tax laws and facts of the case, Petitioners stated they were “unaware of a prorated grocery credit (Idaho Code section 63-3024A(9)). It makes sense that one cannot file as a full-year resident of Idaho simply for the grocery tax credit, but as a part-year resident for the income tax.” Petitioners agreed to withdraw their appeal of the Notice dated March 13, 2020, if the Tax Commission agreed to cancel the Notice dated March 30, 2020.

THEREFORE, the Notice of Deficiency Determination dated March 13, 2020, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

AND

THEREFORE, the Notice of Deficiency Determination dated March 30, 2020, is hereby CANCELED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

NO DEMAND for payment is made or necessary and Petitioners are not due an additional refund.

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

DATED this _____ day of _____, 2020.

IDAHO STATE TAX COMMISSION

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.


