

absorbed by the tax liability is lost unless the statute authorizing the credit includes a carryover provision. Nonrefundable credits apply against the tax liability in the following order of priority:

- a. Credit for taxes paid to other states as authorized by section 63-3029, Idaho Code
- b. For part-year residents only, the grocery credit as authorized by section 63-3024A, Idaho Code
- c. Credit for contributions to Idaho educational institutions as authorized by section 63-3029A, Idaho Code
- d. Investment tax credit as authorized by section 63-3029B, Idaho Code
- e. Credit for contributions to Idaho youth facilities, rehabilitation facilities, and nonprofit substance abuse centers as authorized by section 63-3029C, Idaho Code
- f. Credit for equipment using postconsumer waste or postindustrial waste as authorized by section 63-3029D, Idaho Code

Idaho Code section 63-3029L allows a nonrefundable Idaho child tax credit for each qualifying child of the taxpayer. This credit is available only to Idaho residents. Any part-year resident entitled to a credit under this section shall receive a proportional credit reflecting the part of the year in which the part-year resident was domiciled in Idaho.

Accordingly, based on the facts presented, Petitioners' Idaho child tax credit is limited to \$103 under Idaho Code section 63-3029L. In their appeal, Petitioners acknowledge their Idaho child tax credit is limited to \$103.

Additionally, since Petitioners' tax liability is \$47, their nonrefundable credits are limited to \$47. In applying Idaho Code section 63-3029P and Income Tax Administrative Rule 799, the \$47 grocery credit is subtracted, at which point their tax liability is reduced to zero. The \$103 Idaho child tax credit in excess of the tax liability is lost.

On appeal, a deficiency determination issued by the Tax Commission "is presumed to be correct, and the burden is on the taxpayer to show that the Commission's decision is erroneous." *Parker v. Idaho State Tax Comm'n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson's Inc. v. State Dep't of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The

Tax Commission requires Petitioners to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioners did not provide adequate evidence. As a result, the Tax Commission upholds the Notice.

THEREFORE, the Notice dated June 12, 2019, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

NO DEMAND for payment is made since Petitioners' refund was reduced.

An explanation of Petitioners' 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.
