

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-642-964-992
[Redacted])	
)	
Petitioner.)	DECISION
_____)	

On October 16, 2019, the staff of the Property Tax Division (staff) of the Idaho State Tax Commission (Tax Commission) sent an Intent to Deny Property Tax Reduction Benefit letter (Intent to Deny Benefit) to **[Redacted]** (Petitioner) informing him of the denial of his application for a benefit for 2019. The staff received, from Petitioner’s son, a timely protest of the intended action and referred the matter to the Tax Commission’s Appeals (Appeals) unit for administrative review.

Appeals sent Petitioner a letter on December 12, 2019, outlining his options for redetermination of the Intent to Deny Benefit letter. Neither Petitioner nor a duly appointed representative responded. The Tax Commission, having reviewed the file, upholds the Intent to Deny Benefit letter for the reasons that follow.

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 an applicant’s property tax on the dwelling he/she owns and occupies. The state sales tax funds these payments. The amount of property tax reduction depends on income--the greater the income, the smaller the benefit.

Petitioner filed an application for a property tax reduction benefit on April 11, 2019. The application showed some income information and expenses, but the federal adjusted gross income line showed, “est. \$0”. Petitioner indicated, by checking a box, he had filed for an extension of

time to submit his federal income tax return. However, Petitioner has yet to file a 2018 federal income tax return.

Idaho Code section 63-701(5) defines income for the property tax reduction benefit:

(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 an annuity and excluding rollovers as provided in 26 U.S.C. 402 or 403, and excluding the nontaxable portion of a Roth individual retirement account distribution, as provided in 26 U.S.C. 408A;

(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.

It does not include gifts from nongovernmental sources or inheritances. To the extent not reimbursed, the cost of medical care as defined in section 213(d) of the Internal Revenue Code, incurred or paid by the claimant and, if married, the claimant's spouse, may be deducted from income. To the extent not reimbursed, personal funeral expenses, including prepaid funeral expenses and premiums on funeral insurance, of the claimant and claimant's spouse only, may be deducted from income up to an annual maximum of five thousand dollars (\$5,000) per claim.

"Income" does not include veterans disability pensions received by a person described in subsection (1)(e) of this section who is a claimant or a claimant's spouse if the disability pension is received pursuant to a service-connected disability of a degree of forty percent (40%) or more. "Income" does not include dependency and indemnity compensation or death benefits paid to a person described in subsection (1) of this section by the United States department of veterans affairs and arising from a service-connected death or disability. "Income" does not include lump sum death benefits made by the social security administration pursuant to 42 U.S.C. 402(i). Documentation of medical expenses may be required by the county assessor and state tax commission in such form as the county assessor or state tax commission shall determine. "Income" shall be that received in the calendar year immediately preceding the year in which a claim is filed. Where a claimant and/or the claimant's spouse does not file a federal tax return, the claimant's and/or the claimant's spouse's federal adjusted gross income, for purposes of this section, shall be an income equivalent to federal adjusted gross

income had the claimant and/or the claimant's spouse filed a federal tax return, as determined by the county assessor. The county assessor or state tax commission may require documentation of income in such form as each shall determine, including, but not limited to: copies of federal or state tax returns and any attachments thereto; and income reporting forms such as the W-2 and 1099.

For property tax reduction benefit purposes, the calculation of income starts with federal adjusted gross income and then makes certain additions and deductions. In this case, the Tax Commission has no record of Petitioner's 2018 individual income tax return. The Tax Commission is unable to determine whether Petitioner qualifies for the property tax reduction benefit, or the amount of the benefit, without complete income information for 2018. Petitioner must be denied the 2019 property tax reduction benefit.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated October 16, 2019, 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]
