

Taxpayer Accounting reviewed the information and modified its determination as to Petitioner's income. Taxpayer Accounting made no changes to the adjusted child tax credit. Taxpayer Accounting sent Petitioner a letter stating that the Notice of Refund Determination was modified, based upon the information he provided, and asked him to withdraw his protest. Petitioner did not respond. Because Petitioner did not withdraw his protest, Taxpayer Accounting referred the matter to the Tax Commission's Appeals Unit (Appeals).

Appeals reviewed the matter and sent Petitioner a letter that discussed the modification Taxpayer Accounting made and the remaining adjustment to Petitioner's Idaho return. The letter also gave Petitioner the options available for redetermining the remaining adjustment. Petitioner did not respond. Seeing that Petitioner had opportunity to present his position, the Tax Commission decided the matter based on the information available.

LAW AND ANALYSIS

Petitioner filed a part-year resident Idaho return stating he was a resident of Idaho for three months. Petitioner's return reported him as a head of household with one additional dependent.

Idaho Code section 63-3013A defines a part-year resident of Idaho, in part, as an individual who resides in Idaho for more than one (1) day during the taxable year. Petitioner stated he lived in Idaho for three months. Petitioner provided documentation showing he signed a lease agreement for an apartment in Spokane, Washington on April 4, 2018. The lease agreement was for a period of six months. Petitioner also provided a letter from his employer that stated Petitioner was employed in Washington for the entire calendar year of 2018. Considering this information, it is apparent Petitioner was a part-year resident of Idaho in 2018. Therefore, Petitioner was only required to report his income for the three months he resided in Idaho to Idaho. Taxpayer Accounting was correct in adjusting Petitioner's income back to what was reported on his return.

Idaho Code section 63-3029L provides for a credit for Idaho residents and Idaho part-year residents. The credit is for a dependent of the taxpayer who is a qualifying child. For part-year residents, the credit is prorated for the time the child is a resident of Idaho. Based on Petitioner's return, he had a qualifying child for three months in Idaho in 2018. Petitioner claimed the full credit on his 2018 return. As a part-year resident, Petitioner is only allowed a prorated credit for the time the child was a resident of Idaho. Therefore, the adjustment Taxpayer Accounting made to Petitioner's child tax credit is correct.

However, when Taxpayer Accounting corrected Petitioner's child tax credit, Petitioner's Idaho tax was increased. Because Petitioner was a part-year resident of Idaho, Petitioner's grocery credit is limited to his Idaho tax. Since Petitioner's tax increased, his grocery credit should also increase. Therefore, the Tax Commission increased Petitioner's grocery credit to the maximum amount allowed for a three- month part-year resident.

CONCLUSION

Taxpayer Accounting questioned Petitioner's income reported on his 2018 Idaho part-year resident income tax return. Petitioner provided documentation substantiating the income he reported to Idaho. Petitioner also claimed the full child tax credit for his son. Because Petitioner and his son were part-year residents of Idaho, the statute only allows a prorated amount of the child tax credit.

Taxpayer Accounting adjusted Petitioner's return for the child tax credit. The Tax Commission reviewed that adjustment and finds it appropriate and within the statute. The Tax Commission also found that because of the increase to Petitioner's tax, Petitioner is eligible for more of the grocery credit. Therefore, the Tax Commission increased Petitioner's grocery credit by \$19.

THEREFORE, the Notice of Deficiency Determination dated April 12, 2019, and directed to [REDACTED] is AFFIRMED as MODIFIED by this decision.

IT IS ORDERED that the Tax Commission REFUND the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$250	\$6	\$256
		REFUND PAID	<u>236</u>
		REFUND DUE	<u>\$20</u>

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

DATED this 31 day of March 2020.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this 31 day of March 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.

7011 0470 0001 3900 8700

