

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-067-380-224
)	
Petitioners.)	DECISION
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(Petitioners) protested the Notice of Refund Determination (Notice) issued by the Tax Commission’s Revenue Operations division (Revenue Operations) dated May 24, 2023. The Tax Commission has reviewed the matter and hereby issues its final decision to uphold the Notice. This means Petitioners’ overpayment for tax year 2022 is reduced by \$1,000.

Background

Petitioners filed their 2022 individual income tax return showing “Form 51 estimated payments and amount from 2021 return” of \$4,581. After determining that this amount didn’t match Tax Commission records, Revenue Operations sent a letter requesting copies of checks or electronic confirmation showing estimated payments made to the Tax Commission for tax year 2022. Petitioners responded to this letter with copies of two \$1,000 checks written to and deposited by the Idaho State Tax Commission (check number 169 dated April 13, 2022, and check number 171 dated June 14, 2022), along with copies of Form 51 – *Voucher, Estimated Payment of Individual Income Tax*.

Revenue Operations issued the Notice reducing the total of estimated payments shown on the return and stating, “We completed your return based on the information you provided” and “We refunded your overpayment for last year’s state taxes; you can’t claim it as a prepayment on this year’s return.” Petitioners protested the Notice, sending an email to Revenue Operations explaining that the payments they made via checks numbered 169 and 171 had been deposited by the Tax Commission and questioning why both vouchers for estimated payments for individual income tax were not

accepted.

Revenue Operations responded via email with an explanation that check number 169 had been applied to Petitioners' 2021 taxes instead of their 2022 taxes and was subsequently refunded back to them in October 2022. When Petitioners did not respond, Revenue Operations sent them a letter acknowledging their protest and stating that the case would be forwarded to the Tax Commission's Appeals unit (Appeals) for administrative review.

Appeals sent Petitioners a letter explaining the alternatives available for redetermining a protested Notice. Petitioners did not respond to the letter. Therefore, the Tax Commission decided this matter based on information currently available.

Analysis

A proper decision in this case required a review of not only payment records, but also Petitioners' 2021 and 2022 Idaho income tax returns. On their 2021 tax return, Petitioners requested that their full overpayment of \$2,581 – which was based in part on estimated payments they made during the tax year – be carried forward and applied to their 2022 estimated tax instead of being refunded to them. The April 14, 2022, check for \$1,000 was accompanied by a voucher that was pre-printed to record an estimated payment for either 2020 or 2021. This form was altered by hand to indicate a request that the payment be applied to tax year 2022. It appears that the system responsible for capturing this information did not recognize it, and the \$1,000 was applied as an additional estimated payment for 2021, thereby creating an overpayment of \$3,581 – \$2,581 of which was carried forward and applied to estimated tax for 2022 as requested on the return. This additional overpayment was refunded to Petitioners and was therefore unavailable to claim as an estimated payment for 2022.

Conclusion

The Tax Commission has confirmed that Petitioners' carried-forward overpayment from their 2021 return and estimated payments for tax year 2022 totaled \$3,581 instead of the \$4,581 claimed on their 2022 Idaho return. The Tax Commission finds that the determination by Revenue Operations is correct. Therefore, Petitioners' 2022 overpayment carried forward and applied to their 2023 estimated tax is reduced by \$1,000.

THEREFORE, the Notice dated May 24, 2023, and directed to
is hereby APPROVED and MADE FINAL.

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

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
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.
