

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
 ,) DOCKET NO. 0-072-754-176
)
 Petitioner.) DECISION
)
 _____)

(Petitioner) protested the Notice of Refund Determination dated June 8, 2023. Petitioner disagreed with the disallowance of the Idaho child tax credit for her daughter. The Tax Commission reviewed the matter and hereby upholds the Notice of Refund Determination.

BACKGROUND

Petitioner filed a resident 2022 Idaho individual income tax return. Petitioner claimed the Idaho child tax credit for both her dependent children. During the processing of Petitioner’s return, it was flagged as a return with a potential error. The Taxpayer Accounting Unit (Taxpayer Accounting) reviewed Petitioner’s return and determined that one of Petitioner’s children did not qualify for the child tax credit. Taxpayer Accounting adjusted Petitioner’s return and sent her a Notice of Refund Determination.

Petitioner protested the determination. Petitioner stated she has full legal and sole custody of her children. Petitioner stated that the court gave her the right to claim both children on her tax returns beginning with tax year 2021. Petitioner stated both her children were under the age of 18 when she filed her income tax return. Petitioner provided a copy of the Child Custody order from the court showing she can claim both children.

Taxpayer Accounting reviewed the information and sent Petitioner an email explaining the adjustment further. Taxpayer Accounting told Petitioner that her daughter was over the eligible

age for claiming the child tax credit. To be eligible for the credit Petitioner's daughter had to be age 16 or under on December 31, 2022. Petitioner's daughter turned age 17 on June 30, 2022. Petitioner did not withdraw her protest, so 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 change Taxpayer Accounting made explaining that the Idaho Code defines a qualifying child by using Internal Revenue Code (IRC) section 24(c) which defines a qualifying child as a qualifying child of the taxpayer who has not attained the age of 17. The letter asked Petitioner to withdraw her protest if she agreed with the explanation or to choose an option for redetermining the Notice of Refund Determination if she wanted to continue her appeal. Petitioner did not respond. Seeing that Petitioner had opportunity to further her position, the Tax Commission decided the matter based on the information available.

LAW AND ANALYSIS

Petitioner filed a resident 2022 Idaho income tax return. The information provided on her return gave the birth date of her daughter as June 30, 2005. Idaho Code section 63-3029L provides for a credit for each qualifying child of the taxpayer. Idaho Code section 63-3029L defines a qualifying child as a qualifying child as defined in IRC section 24(c). IRC section 24(c) takes its definition of a qualifying child from IRC section 152(c) but changes the age requirement to a child that has not attained age 17. IRC section 152(c) puts the age of a qualifying child not attaining age 19 or age 24 if a student.

Since the Idaho Code is specific in its definition of a qualifying child for the Idaho child tax credit as being a qualifying child as defined in IRC section 24(c), the age limitation for the Idaho credit is a qualifying child who has not attained the age of 17 during the calendar year.

Because Petitioner's daughter turned 17 on June 30, 2022, Petitioner cannot claim the Idaho child tax credit for her daughter.

CONCLUSION

Taxpayer Accounting adjusted Petitioner's child tax credit claimed on her 2022 Idaho income tax return. Taxpayer Accounting denied the credit for Petitioner's daughter due to her age. Petitioner protested stating she had full legal and sole custody of her daughter and that her daughter was under the age of 18 for the entire year. Petitioner provided documentation substantiating her right to claim the credit.

The Idaho statute providing for the child tax credit defines a qualifying child using the definition found in IRC section 24(c). IRC section 24(c) sets the age limit for a qualifying child at age 16 or under. Because Petitioner's daughter turned 17 in 2022, she is not eligible for the child tax credit. Therefore, the Tax Commission must deny the credit and uphold the Notice of Refund Determination.

THEREFORE, the Notice of Refund Determination dated June 8, 2023, directed to
is AFFIRMED.

Since the adjustment reduced Petitioner's claimed refund, no order for payment is necessary.

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

DATED this _____ day of _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024,
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.
