

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-081-953-792
	)	
	)	
Petitioners.	)	DECISION

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The Central Processing Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Refund Determination (Notice) to

(Petitioners) reducing their refund by \$918. Petitioners filed a timely appeal and petition for redetermination. The issue in this case is the amounts of pass-through income and pass-through payments. Petitioners and the Tax Appeals Unit participated in an impromptu informal hearing. The Tax Commission has reviewed the file and hereby issues its decision.

**BACKGROUND**

Petitioners filed a joint income tax return as nonresidents of Idaho for tax year 2021. In pertinent part, they reported the following on their Idaho individual income tax return:

Income		
Pensions and annuities (Form 43, Line 15)	13,252	
Schedule E income (Form 43, Line 16)	<u>13,252</u>	
Total income (Form 43, Line 20)		26,504
Payments		
Income tax paid by entity (Form 43, Line 68)	918	
Income tax withheld by entity (Form 43, Line 68)	<u>918</u>	
Total payments (Form 43, Line 70)		1,836

The Bureau was able to verify the income tax withheld by entity but was unable to verify the income tax paid by entity. The Bureau requested Petitioners provide documentation supporting the income tax paid by entity. Petitioners provided documentation supporting the income tax

withheld by entity but not for the income tax paid by entity. Therefore, the Bureau disallowed the income tax paid by entity and issued a Notice.

### **PETITIONERS' POSITION**

Petitioners appealed contending their total income should only be \$13,252 and their total payments should only be \$918. Thus, suggesting the duplication of income and payments. However, at the same time they disputed the disallowance of the income tax paid by entity, indicating they did not realize the duplication of income and payments.

### **DECISION**

Petitioners' total income is \$13,252 and their total payments are \$918. Based on the information available, the Tax Commission finds Petitioners inadvertently duplicated their pass-through income and pass-through payments. They did not realize the duplication error and did not understand the Bureau's adjustment until the Tax Appeals Unit asked them to verify the amount of pass-through income and pass-through payments, and to clarify their appeal position.

The Tax Commission has recalculated Petitioners' income tax liability and finds Petitioners are due an additional refund of \$586.

Therefore, the Notice of Refund Determination dated May 31, 2022, is hereby **MODIFIED**, in accordance with the provisions of this decision and is **AFFIRMED** and **MADE FINAL**.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

**IDAHO STATE TAX COMMISSION**

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2022,  
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.

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