

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-143-819-776
	)	
Petitioner.	)	DECISION
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Taxpayer Accounting sent (Petitioner) a Notice of Refund Determination (Notice) for tax year 2021. He protested, and the case was transferred to the Tax Commission’s Appeals Unit (Appeals). The Tax Commission has reviewed the case and hereby upholds the Notice.

**BACKGROUND**

Petitioner filed his 2021 Idaho income tax return reporting \$20,623 of taxable income but failed to calculate tax from the rates schedules. Instead, Petitioner placed a zero on the tax line and requested a refund of \$100. Taxpayer Accounting adjusted Petitioner’s return and sent him a Notice calculating his tax with interest. Petitioner protested, stating he is an active-duty soldier stationed in Alaska and his income should not be taxed. Petitioner also stated that H&R Block incorrectly filed his return and he will be sending an amended return with the proper deductions. The case was then transferred to Appeals for redetermination. Appeals sent Petitioner a letter explaining the appeals process and his right to a hearing. Petitioner did not respond.

**LAW AND ANALYSIS**

Idaho Income Tax Administration Rule 032 states that active-duty military income that an Idaho resident earns outside of Idaho is not subject to Idaho income tax. To claim this exemption, a taxpayer must deduct their military income on Idaho Form 39R, line 11. Petitioner did not

properly deduct his military income from his return as discussed previously. Petitioner must file an amended return correcting the issue. To this date, Petitioner has failed to do so.

**CONCLUSION**

Petitioner is an Idaho resident and active-duty military member stationed in Alaska. While having a filing requirement in Idaho, he is allowed to deduct his military pay while stationed outside of Idaho. As the return is filed currently, Petitioner owes tax and interest. With no amended return filed, the Tax Commission has deemed the Notice to be a correct representation of Petitioner’s Idaho taxable income.

THEREFORE, the Notice dated May 24, 2022, and directed to \_\_\_\_\_ is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$1,008	\$64	\$1,072

Interest is calculated to November 2, 2023.

An explanation of Petitioner’s 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.

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