

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-321-815-552
	)	
Petitioner.	)	DECISION
_____	)	

(Petitioner) protested the Intent to Deny Property Tax Reduction Benefit letter dated July 18, 2022. Petitioner disagreed that she made too much from her job to disqualify her for the property tax reduction (PTR) benefit. The Tax Commission reviewed the matter and issues its decision upholding the intent to deny the PTR benefit. Petitioner is not eligible for the benefit for 2022.

**BACKGROUND**

On April 14, 2022, the Canyon County Assessor (Assessor) received Petitioner’s application for a PTR benefit for the benefit year 2022. Petitioner’s application was incomplete, so Assessor asked Petitioner to provide copies of her federal income tax return and a form of identification. Petitioner provided the information along with a copy of her social security 1099. Assessor reviewed the information and determined Petitioner’s total net income was over the maximum allowed income. Assessor processed Petitioner’s application and sent her a letter stating her estimated PTR benefit would be \$0. Assessor informed Petitioner that the Tax Commission would review his determination and confirm or change the amount of her benefit.

The Property Tax Division (Staff) of the Tax Commission reviewed Petitioner’s application and Petitioner’s federal income tax return. After some minor adjustments, Staff agreed with Assessor’s determination of Petitioner’s total net income. Staff sent Petitioner an intent to deny letter confirming that she would not receive a benefit for 2022.

Petitioner protested stating she had to go back to work at the age of 74 after her husband passed. Petitioner stated social security is wholly inadequate to survive on when you're trying to keep a roof over your head and keep the lights on. Petitioner stated she works full-time on the overnight shift to pay her house payments and pay the bills. Petitioner stated she needs a new roof on her house, work done on the well, and other repairs and maintenance. Petitioner stated she also needs dental work done. Petitioner stated even without a property tax increase she cannot afford the necessary repairs. Petitioner would like to know who will step up and do something to help all those who work hard and are simply trying to survive.

Staff acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals). Appeals sent Petitioner a letter explaining that her income was more than the amount to qualify for the benefit. Appeals gave Petitioner the option of withdrawing her protest or continuing her protest by selecting one of the methods for redetermining the intent to deny letter. Petitioner did not respond. Seeing that Petitioner had the opportunity to further her position, the Tax Commission reviewed the information available and makes its decision as follows.

### **LAW AND ANALYSIS**

All property within the borders of this state is subject to property tax. Idaho Code, Title 63, Chapter 7 provides for property tax relief on a homestead for certain qualifying owners of the homestead. Qualifying owners or claimants cannot have income above a certain amount. For tax year 2022, the maximum allowed income is \$32,230.

Income, for purposes of the PTR benefit, is defined in Idaho Code section 63-701(5) as the sum of federal adjusted gross income, as defined in the Internal Revenue Code and Idaho Code section 63-3004, and to the extent not already included in federal adjusted gross income:

- (a) Alimony,
- (b) Support money,

- (c) Nontaxable strike benefits,
- (d) The nontaxable amount of:
  - individual retirement accounts,
  - pensions and annuities,
  - social security (other than the death benefit),
  - state unemployment insurance,
  - veterans' disability pensions and compensation,
- (e) Tax exempt interest on government securities,
- (f) Worker's compensation, and
- (g) The gross amount of loss of earnings insurance.

In other words, income starts with federal adjusted gross income and makes certain additions.

Petitioner's calculation of total net income began with her social security and ended with her social security. Petitioner did not start with her federal adjusted gross income as reported on her federal income tax return. In addition to her social security, Petitioner had wages and interest income that needed to be included. Petitioner also had non-reimbursed medical expenses and medical insurance premiums not included in the calculation. Put all together, Petitioner's total net income for the 2022 PTR benefit is \$50,592. The maximum allowed income for receiving the PTR benefit is \$32,320, well under Petitioner's total net income.

The determination of the PTR benefit starts with all the income earned by the claimant. Certain deductions are allowed, such as medical expenses and prepaid funeral expenses, to arrive at a total net income figure that is compared to the maximum allowed income prescribed by the law. If the claimant's income is greater than the maximum allowed income, no benefit is allowed. If the income is less than the maximum allowed income, a portion of the maximum benefit is awarded up to \$1,500. In this case, Petitioner's total net income is \$18,272 over the maximum allowed income. Therefore, Petitioner does not qualify for the benefit.

**CONCLUSION**

Petitioner applied for the Property Tax Reduction Benefit with Canyon County. Assessor reviewed Petitioner’s application and estimated her benefit at \$0 because her income was over the maximum amount allowed to receive a benefit. The Tax Commission reviewed Petitioner’s application, as required by law, and finds that Assessor’s determination of the benefit is correct. Petitioner is not eligible for the benefit.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated July 18, 2022, directed to \_\_\_\_\_ is hereby AFFIRMED and MADE FINAL.

An explanation of Petitioner’s 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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