

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[REDACTED]) DOCKET NO. 0-394-761-216
Petitioners.)
[REDACTED])
[REDACTED]) DECISION
[REDACTED])
[REDACTED]

[REDACTED] (Petitioners) protested the Notice of Refund Determination (Notice) for tax year 2024 dated May 27, 2025. The Tax Commission reviewed the matter and hereby issues its final decision to uphold the Notice.

Background

Petitioners filed a joint income tax return for tax year 2024. The Tax Commission's Revenue Operations Division (RO) issued the Notice on May 27, 2025, reducing Petitioners' Credit for Contributions to Idaho Educational Entities (Idaho Education Credit) from \$190 to \$63. This resulted in a reduced refund of \$808 instead of \$870 as claimed. The Tax Commission issued this reduced refund June 4, 2025, and Petitioners redeemed it June 11, 2025.

On June 4, 2025, RO received an online response to the Notice stating that they felt the amount claimed as donation to educational entities was correct. RO also received copies of receipts for donations totaling \$190. On June 5, RO responded to the online message with information explaining the adjustment in more detail.

On June 30, RO sent Petitioners a letter acknowledging the protest and informing them that the case was being transferred to the Tax Commission's Appeals Unit (Appeals) to continue the redetermination process. Appeals sent Petitioners a letter on July 14 outlining the available options for redetermining a protested Notice. Petitioners did not respond to this letter. Therefore, the Tax Commission issues this decision based on information currently available.

Law & Analysis

Idaho Code section 63-3029A allows taxpayers to claim a credit against Idaho income tax for charitable contributions made during the taxable year to any of the following:

- a nonprofit corporation, fund, foundation, trust, or association organized and operated *exclusively* for the benefit of institutions of higher learning located within the state of Idaho, including a university related research park [emphasis added]
- nonprofit private or public institutions of elementary, secondary, or higher education or their foundations located within the state of Idaho
- Idaho education public broadcast system foundations within the state of Idaho
- the Idaho state historical society or its foundation
- the council for the deaf and hard of hearing
- the developmental disabilities council
- the commission for the blind and visually impaired
- the commission on Hispanic affairs
- the state independent living council
- the Idaho commission for libraries and to public libraries or their foundations and library districts or their foundations located within the state of Idaho
- the Idaho STEM action center
- nonprofit public or private museums or their foundations located within the state of Idaho
- residency programs accredited by the accreditation council for graduate medical education or the American osteopathic association or their designated nonprofit support organizations based in Idaho and devoted to training residents in Idaho
- dedicated accounts within the Idaho community foundation inc. that exclusively support the charitable purposes otherwise qualifying for the tax credit authorized under the provisions of this section

The Idaho Education Credit is limited to the **smallest** of four amounts:

- One-half of the total qualifying donations a taxpayer made during the year
- One-half of a taxpayer's Idaho income tax
- \$500 (\$1,000 for a married couple)
- A taxpayer's Idaho income tax, minus any credit for income tax paid to other states

On their 2024 Idaho income tax return, Petitioners reported \$190 of Idaho Education Credit. Their Idaho income tax was \$125. Mathematically, Petitioners utilized \$125 of the \$190 credit they reported.

Petitioners provided documentation showing donations to The College of Southern Idaho Foundation (\$50), Philanthropies¹ (\$50), Idaho Public Television (\$50), and Boise State Public Radio (\$40). The College of Southern Idaho Foundation, Idaho Public Television, and Boise State Public Radio are described in this list of qualifying organizations. Philanthropies is not. Based on the documents provided, the Tax Commission determined that Petitioners made \$140 in qualifying donations for purposes of claiming and calculating the Idaho Education Credit.

In Petitioners' case, the Idaho Education Credit is limited to the smallest of these:

- One-half of the total qualifying donations ($\$140 \div 2$ or \$70)
- One-half of a taxpayer's Idaho income tax ($\$125 \div 2$ or \$63)
- \$1,000
- Idaho income tax minus credit for income tax paid to other states ($\$125 - \0 or \$125)

The smallest of these is \$63, which is the amount RO determined in the Notice to be allowable. This is less than the amount Petitioners claimed. Therefore, the Tax Commission determined that the adjustment in the Notice is accurate and necessary.

Conclusion

Petitioners disagreed with the reduction of the Idaho Education Credit they claimed on their 2024 Idaho income tax return. Based on available information, Petitioners were eligible for a maximum credit of \$63.

THEREFORE, the Notice dated May 27, 2025, and directed to [REDACTED]

[REDACTED] is hereby UPHELD and MADE FINAL.

As there is no additional tax due, no demand for payment is made.

¹ According to the acknowledgment letter Petitioners provided, "Philanthropies is the authorized fundraising entity of the Church [of Jesus Christ of Latter-Day Saints] for donations beyond tithing and fast offerings."

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

DATED this _____ day of _____ 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2025,
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.

[REDACTED]
[REDACTED]
[REDACTED]

