

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-573-817-856
	)	
Petitioner.	)	DECISION
<hr style="width: 45%; margin-left: 0;"/>	)	

(Petitioner) protested the Notice of Refund Determination (Notice) dated April 25, 2023. The Tax Commission reviewed the matter and hereby issues its final decision upholding the Notice. This means Petitioner needs to pay \$77 of tax and interest for tax year 2022. The Tax Commission DEMANDS immediate payment of this amount.

**Background**

Petitioner filed an Idaho income tax return for tax year 2022, reporting Idaho taxable income of \$3,490 and tax based on this amount of \$0. The Tax Commission’s Revenue Operations Division (RO) issued the Notice on April 25, 2023, to correct the amount of tax based on Petitioner’s reported taxable income, as well as correct the calculation of Petitioner’s reported refund.

On May 22, 2023, RO received a protest of the Notice, specifically disagreeing with the assessment of tax for taxable scholarships and grants. The protest letter states, “The federal 2022 return has a portion of my scholarships and grants that have been treated as being used for non-qualifying purposes, allowing for the Hope Credit per US Department of Education instructions” and “Under Idaho law scholarships and grants are taxable only to the extent that they exceed tuition and have been used for nonqualifying purposes.”

On May 24, 2023, RO sent a letter acknowledging the protest and informing Petitioner that the matter was being forwarded to the Tax Commission's Appeals unit (Appeals) for administrative review.

On June 20, 2023, Appeals sent Petitioner a letter outlining two options for redetermining a protested Notice. Petitioner did not respond to this letter. Therefore, the Tax Commission decided this matter based on the information currently available.

### **Law and Analysis**

Idaho Code section 63-3002 states, "the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law." The definition of income (and exceptions therefrom) for Idaho purposes is the same as that contained in Federal Internal Revenue Code, unless there is a specific modification contained in Idaho Code. Idaho Code does not contain any provision exempting scholarship income from taxation in Idaho. Therefore, whatever amount is reported as taxable to the internal revenue service must be reported as taxable to Idaho, as well. The Tax Commission finds no reason to believe that Petitioner's calculation of Idaho taxable income of \$3,490 is incorrect.

Idaho Code section 63-3024(a) and Idaho Income Tax Administrative Rule 075.01 relate to the calculation of tax measured by the Idaho taxable income of an individual, trust, or estate. Neither makes any exception to the calculation.

Petitioner has failed to provide adequate evidence to establish that the amount asserted in the Notice is incorrect.

**Conclusion**

Based on available information, Petitioner’s Idaho taxable income was calculated correctly on his 2022 return. Petitioner has not provided any evidence or compelling argument that the Notice issued by RO is incorrect.

THEREFORE, the Notice dated April 25, 2023, and directed to \_\_\_\_\_ is hereby  
AFFIRMED 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>
2022	\$75	\$2	\$77

Interest is calculated through December 11, 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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