

on Form W2. When the omitted income was added to that shown in Petitioner's application, his net household income increased which reduced the qualified benefits amount. Therefore, a Notice was issued requesting Petitioner re-pay a portion of the benefits received.

Petitioner protested the Notice, disputing the inclusion of income received from Hartford Life. Petitioner stated the income received was from a disability settlement and according to IRC section 104, the income is not included in gross income.

After receiving Petitioner's protest, Property Tax referred the matter to the Tax Commission's Appeals unit (Appeals) for administrative review. Appeals sent Petitioner a letter informing him of the options available for redetermining a protested Notice. Petitioner did not respond.

LAW AND ANALYSIS

Income for property tax reduction benefit purposes is defined in Idaho Code section 63-701(5):

(5) "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue Code, as defined in section 63-3004, Idaho Code, 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 any individual retirement account, pension or annuity, (including railroad retirement benefits, all payments received under the federal social security act except the social security death benefit as specified in this subsection, state unemployment insurance laws, and veterans disability pensions and compensation, excluding any return of principal paid by the recipient of an annuity and excluding rollovers as provided in section 402 or 403 of the Internal Revenue Code);

(e) Nontaxable interest received from the federal government or any of its instrumentalities or a state government or any of its instrumentalities;

(f) Worker's compensation; and

(g) The gross amount of loss of earnings insurance.

It does not include gifts from nongovernmental sources or inheritances. To the extent not reimbursed, the cost of medical care as defined in section 213(d) of the Internal Revenue Code, incurred or paid by the claimant and, if married, the

claimant's spouse, may be deducted from income. To the extent not reimbursed, personal funeral expenses, including funeral expenses and premiums on funeral insurance, of the claimant and claimant's spouse only, may be deducted from income up to an annual maximum of five thousand dollars (\$5,000) per claim. "Income" does not include veterans disability pensions received by a person described in subsection (1)(e) who is a claimant or a claimant's spouse if the disability pension is received pursuant to a service-connected disability of a degree of forty percent (40%) or more. "Income" does not include dependency and indemnity compensation or death benefits paid to a person described in subsection (1) of this section by the United States department of veteran's affairs and arising from a service-connected death or disability. "Income" does not include lump sum death benefits made by the social security administration pursuant to 42 U.S.C. section 402(i). Documentation of medical expenses may be required by the county assessor, board of equalization and state tax commission in such form as the county assessor, board of equalization or state tax commission shall determine. "Income" shall be that received in the calendar year immediately preceding the year in which a claim is filed. Where a claimant and/or the claimant's spouse does not file a federal tax return, the claimant's and/or the claimant's spouse's federal adjusted gross income, for purposes of this section, shall be an income equivalent to federal adjusted gross income had the claimant and/or the claimant's spouse filed a federal tax return, as determined by the county assessor. The county assessor, board of equalization or state tax commission may require documentation of income in such form as each shall determine, including, but not limited to: copies of federal or state tax returns and any attachments thereto; and income reporting forms such as the W2 and 1099.

Gross income is defined in Internal Revenue Code section 61:

General definition

Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and

(15) Income from an interest in an estate or trust.

In the present matter, Petitioner did not file a federal income tax return, but he did file an Idaho 2022 Form 40 Individual income tax return. Petitioner wrote NRF in for federal adjusted gross income (line 7) and claimed the grocery credit of \$100. Therefore, the starting point for the calculation of income would be the equivalent of federal adjusted gross income. For 2022, Petitioner reported social security income in the amount of \$26,821. When the Hartford Life Form W2 income of \$11,597 is added and the \$3,238 medical expenses are subtracted, Petitioner's total income for the purposes of the property tax reduction benefit is \$35,180. With a net household income of \$35,180, Petitioner's allowable benefit is \$340.

CONCLUSION

Petitioner's 2023 application shows a net household income of \$23,583 and he received a benefit of \$922.30. However, Petitioner's application did not include all income reported to the household. When the omitted income is included, Petitioner's allowable benefit is \$340. He must re-pay \$582.30 plus interest.

THEREFORE, the Notice dated June 18, 2025, and directed to [REDACTED] is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner repay the following 2023 property tax reduction benefit plus interest.

<u>YEAR</u>	<u>BENEFIT PAID</u>	<u>BENEFIT ALLOWABLE</u>	<u>AMOUNT DUE</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$922.30	\$340	\$582.30	\$38.17	\$620.47

DEMAND for immediate payment of the above amount is hereby made and given.

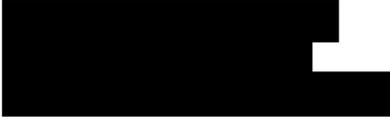
An explanation of Petitioner's right to appeal this decision is enclosed.

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.
