

did not withdraw their protest, Audit forwarded the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioners a letter informing them of the options available for redetermining a protested Notice. Petitioners did not respond.

LAW AND ANALYSIS

Idaho Code section 63-3022A, allows certain taxpayers to deduct specific types of retirement benefits if statutory requirements are met. The statute states the following:

(A) If you are age 65 or older, or if you are disabled and age 62 or older certain retirement benefits may be deducted from your income. (1) Retirement annuities paid by the United States of America to a retired civil service employee or the un-remarried widow of a retired civil service employee. (2) Retirement benefits paid from the firemen's retirement fund of the state of Idaho to a retired fireman or the un-remarried widow of a retired fireman. (3) Retirement benefits paid from the policeman's retirement fund of a city within this state to a retired policeman or the un-remarried widow of a retired policeman. (4) Retirement benefits paid by the United States of America to a retired member of the military services of the United States or the un-remarried widow of such member.

Petitioners were Idaho residents in 2023 and 2024 and received retirement income from the Commonwealth of Massachusetts. Although Mr. [REDACTED] meets the age requirement, the benefits received were not paid by any of the qualifying entities listed in Idaho Code section 63-3022A. Therefore, Petitioners are not eligible for the retirement benefits deduction claimed on their Idaho returns.

CONCLUSION

Petitioners claimed a retirement benefits deduction for tax years 2023 and 2024 but did not receive qualifying benefits. Because they did not meet both statutory requirements, the deduction must be removed.

Audit added interest and penalty to Petitioners' tax deficiency. The Tax Commission reviewed those additions and found them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice dated July 23, 2025, and directed to [REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest calculated per Idaho Code section 63-3045:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$2,151	\$108	\$155	\$2,414
2024	2,206	110	26	<u>2,342</u>
			Total	\$4,756

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

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

DATED this _____ day of _____ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2026,
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.
