

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)) DOCKET NO. 0-676-086-784
))
))
Petitioners.)) DECISION
_____))

The Central Processing Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) (Petitioners) for tax year 2021. Petitioners filed a timely appeal and petition for redetermination of the Notice.

The issue in this case is whether Petitioners qualify for the Idaho child tax credit. Petitioners did not request a hearing or submit additional documentation during the appeals process. The Tax Commission has reviewed the file and hereby issues its decision to affirm the Bureau’s Notice.

Petitioners filed a nonresident Idaho individual income tax return for the referenced tax year, indicated ten months in Idaho, and claimed a \$216 Idaho child tax credit. The Bureau requested Petitioners provide information regarding their residency status but did not receive a response. The Bureau disallowed the Idaho child tax credit and issued a Notice. Petitioners appealed and provided the following statement:

For the entire year of 2021, my employer had me working at a job site in Idaho on the construction of a new home. For each 40-hour work week, I spent four nights in Idaho, then returned to Washington. According to the 183-day rule, since I stayed in Idaho for more than 183 days, I am considered a state resident for tax purposes, entitling me to qualify for the Idaho Child Tax Credit of \$216.

Idaho Code section 63-3029L provides Idaho residents may claim a child tax credit for each qualifying child and defines qualifying child. A part-year resident is entitled to a proportional

credit reflecting the part of the year in which the resident was domiciled in Idaho. Nonresidents do not qualify for the credit.

Idaho Code section 63-3013 defines the term “resident” as any “any individual who: (a) Is domiciled in the state of Idaho for the entire taxable years, or (b) Maintains a place of abode in this state for the entire taxable year and spends in the aggregate more than two hundred seventy (270) days of the taxable year in this state.” These two tests are often referred to as the “domicile” test and the “statutory residency” test.

The term domicile means the place where an individual has his true, fixed, permanent home and principal establishment, and to which place he has the intention of returning whenever he is absent. An individual can have several residences or dwelling places, but he legally can have but one domicile at a time.

The Tax Commission finds Petitioners do not qualify for the Idaho child tax credit. Based on the information available they were not domiciled in Idaho, and they did not spend more than 270 days of the taxable year in Idaho.

Petitioners’ principal argument on appeal appears to be that _____ was a statutory resident of Idaho under a 183-day rule. Many states use a 183-day rule to determine residency for tax purposes. However, Idaho uses a 270-day rule to determine residency under Idaho Code section 63-3013. Petitioners have not shown that they satisfied the statutory resident test. Therefore, the Tax Commission holds Petitioners do not qualify for the Idaho child tax credit.

THEREFORE, the Notice of Deficiency Determination dated September 13, 2022, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$216	\$3	\$219

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 _____ 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.
