

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-683-049-984
,)	
)	
Petitioner.)	DECISION
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(Petitioner) protested the Notice of Refund Determination dated May 16, 2022. Petitioner stated she was a resident of California and as such is not required to pay Idaho income tax. The Tax Commission having reviewed the file issues its decision modifying the Notice of Refund Determination.

BACKGROUND

Petitioner filed a 2021 nonresident Idaho individual income tax return. Petitioner reported the income she earned in Idaho but on the amount of tax line, Petitioner entered zero as her tax. Petitioner did not claim the grocery tax credit but claimed a refund of the withholdings made from her wages. During processing, Petitioner’s return was identified as a return with an error. Taxpayer Accounting reviewed Petitioner’s return, corrected the tax calculation, and sent her a Notice of Refund Determination.

Petitioner protested Taxpayer Accounting’s determination stating she was a resident of California. Petitioner stated she worked as a traveling Ultrasound Technologist working outside her permanent residence in California. Petitioner stated most of her assignments are 13-week periods or shorter. Petitioner stated she was assigned to work at _____ Hospital in Idaho Falls from February 2, 2021 to May 1, 2021. Petitioner stated she promptly returned home to California after her Idaho assignment was completed. Petitioner provided a copy of her Idaho contract and her contract after the Idaho contract to show the contract duration and the assignment

location. Petitioner also provided a copy of her California driver's license. Petitioner stated she was never a permanent resident of Idaho and asked that her withholdings be refunded in total.

Taxpayer Accounting acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals). Appeals reviewed Petitioner's case and sent her a letter explaining her appeal rights, what was required of nonresidents that had Idaho source income, and a re-computation of her Idaho tax correcting an error missed during processing and by Taxpayer Accounting. Appeals included an income tax return showing the corrections for Petitioner's review. Appeals asked Petitioner to respond to the correction stating her agreement or her continued disagreement.

Petitioner replied stating she approved of the corrected Idaho income tax return. Petitioner agreed that she incorrectly doubled her Idaho source income. The net result of the correction is that Petitioner is owed a partial refund of her withholdings.

LAW AND ANALYSIS

Idaho Code section 63-3002 states the intent of the Idaho legislature regarding the Idaho income tax act; to impose a tax on residents of Idaho measured by their income from sources wherever derived, and on nonresidents of Idaho measured by their income from sources derived within Idaho. Idaho Code section 63-3030 states that every nonresident individual that has gross income from sources in Idaho in excess of \$2,500 is required to file an Idaho income tax return.

Petitioner stated she is a resident of California. Petitioner worked in Idaho in 2021 and the income she received exceeded the threshold for nonresidents to file an Idaho individual income tax return. Petitioner filed an Idaho return reporting her Idaho income; however, in the preparation of her return, Petitioner doubled her Idaho income. This error was not picked up during processing

or by Taxpayer Accounting. Petitioner also reported her tax as zero thinking that as a resident of California she was not required to pay a tax to Idaho.

Taxpayer Accounting corrected the tax error but not the doubling of income. Appeals discovered the doubled income, corrected it, and reduced the tax accordingly. After explaining that Idaho taxes nonresidents on their Idaho income and showing Petitioner the error made on her return, Petitioner agreed with the adjustment.

CONCLUSION

Petitioner filed a nonresident Idaho income tax return. Petitioner reported the wages she received for the work she did in Idaho. Petitioner incorrectly filled out the nonresident return. Petitioner did not compute a tax and she made an addition to income that should not have been made. Taxpayer Accounting corrected the tax error and the other is corrected through this protest. Both Petitioner and the Tax Commission agree with the result of the final corrected return; Petitioner is owed a refund of her excess withholdings plus interest. *See* Idaho Code section 63-3045. Interest is calculated to November 30, 2022.

THEREFORE, the Notice of Refund Determination dated May 16, 202, directed to
is AFFIRMED as MODIFIED.

IT IS ORDERED that Petitioner receive the following refund and interest:

<u>YEAR</u>	<u>REFUND</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$445	\$8	\$453

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

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

DATED this _____ day of _____ 2022.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2022,
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.
