

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-705-094-656
██████████ ██████████	)	
	)	
Petitioner.	)	DECISION
_____	)	

██████████ ██████████ (Petitioner) protested the Intent to Change Property Tax Reduction (PTR) Benefit letter dated July 18, 2024. Petitioner disagreed with the inclusion of additional income to her application. The Idaho State Tax Commission (Tax Commission) reviewed the matter and issues its decision upholding the Intent to Change PTR Benefit from \$1,500 to \$1,290.

**BACKGROUND**

Petitioner applied for a PTR benefit with Madison County Assessor’s office. The Assessor’s office sent the application to the Tax Commission’s Property Tax Division (Property Tax) for review and processing. Property Tax reviewed Petitioner’s application and sent her a letter informing her of the intent to reduce her property tax reduction benefit for 2024 due to unreported pension/annuity income. Petitioner protested the intent letter stating the only income she received was from social security and adjusting her PTR benefit places an unfair financial burden on her.

Property Tax referred the matter to the Tax Commission’s Appeals Unit (Appeals) for administrative review. Appeals sent Petitioner a letter giving her options available for redetermining a protested Intent to Change letter. Petitioner did not respond.

**LAW AND ANALYSIS**

All property within the jurisdiction of Idaho is subject to property tax. A Property Tax Reduction Benefit is available to certain qualifying individuals throughout the state. The benefit is in the form of payment of a portion or all an applicant’s property tax on the dwelling he/she

owns and occupies. The state's sales tax funds these payments. The amount of property tax reduction depends on income-the greater the income, the smaller the benefit.

Income for the Property Tax Reduction Benefit, is defined in Idaho Code section 63-701(5) as follows:

(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 26 U.S.C. 402 or 403, and excluding the nontaxable portion of a Roth individual retirement account distribution, as provided in 26 U.S.C. 408A;
- (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 and 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 prepaid 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) of this section 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 veterans 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. 402(i). Documentation of medical expenses may be required by the county assessor and state tax commission in such form as the county assessor or state tax commission shall determine. For purposes of this chapter only and in the case of a claimant who owns and whose homestead is a certified family home as defined in section 39-3502, Idaho Code, "income" does

not include payments that the claimant received as an enrolled medicaid provider from the medical assistance program. "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 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 W-2 and 1099.** (Emphasis added)

In the present case, Petitioner's application shows only social security income of \$13,164. However, according to income records available to the Tax Commission, Petitioner also received a distribution from [REDACTED] reported on Form 1099-R (pension, annuity, or IRA), which meets the statutory definition of "income" for the purpose of the property tax reduction benefit and must be included in her application. When pension/retirement income of \$5,000 is added to Petitioner's social security income of \$13,164, her net household income is \$18,164.

### CONCLUSION

Petitioner filed an application for a 2024 property tax reduction benefit but did not include all income as required by statute. When the omitted income is added to that reported on her application, Petitioner's net household income is \$18,164, which qualifies her for a benefit not to exceed \$1,290.

THEREFORE, the Intent to Change Property Tax Reduction Benefit letter dated July 18, 2024, is APPROVED and MADE FINAL.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2024,  
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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