

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-721-126-400
)	
Petitioner.)	DECISION
)	

On March 31, 2022, the Property Tax Division (Property Tax) of the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination to (Petitioner). Petitioner objected to the Notice which requested repayment of a 2020 and 2021 Idaho Property Tax Reduction Benefit. The Tax Commission reviewed the case, and this is our final decision. We uphold the Notice for the following reasons.

BACKGROUND

Petitioner timely filed an application for a property tax reduction benefit with Gem County for tax years 2020 and 2021. Gem County sent the applications to the Tax Commission’s Property Tax unit for processing. Property Tax approved the applications and Petitioner received benefits for payments of a portion of the property taxes on her homestead.

Idaho Code sections 63-707 and 708 provide for audit of all claims and recovery of benefits paid in error. During an audit of Petitioner’s applications Property Tax realized Petitioner is only a 50% owner of the property. Because Petitioner had received benefits in both years for a 100% ownership instead of a 50% ownership, Property Tax issued a Notice requesting Petitioner repay a portion of the benefits, plus interest.

Petitioner protested the Notice, stating in part...

- In both 2020 and 2021 I had filed for a circuit breaker on the property taxes. When I filed, I did file as a partial owner. The amount that I was covered for apparently was for the full amount that was allowed for the past two years.

- The other partial owner and I separated, and we sold the property and I moved to Bonners Ferry in September of 2021.
- I am not understanding why I'm being asked to pay back something that I was approved for in the first place. I didn't file my application wrongly. You're saying that it's because you overpaid the amount as full instead of partial.
- I hope you realize that I am not the one who did wrong here. I didn't file wrongly.

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

LAW AND ANALYSIS

Idaho Code section 63-701 describes the conditions that must exist for an applicant to qualify to receive property tax reduction benefits. Section 63-701 in pertinent part states:

(7) "Owner" means a person holding title in fee simple or holding a certificate of motor vehicle title (either of which may be subject to mortgage, deed of trust or other lien) or who has retained or been granted a life estate or who is a person entitled to file a claim under section 63-702, Idaho Code.

Idaho Code section 63-701(7)(c) ...**Any partial ownership shall be considered as ownership** for determining initial qualification for property tax reduction benefits; **however, the amount of property tax reduction** under section 63-704, Idaho Code, and rules promulgated pursuant to section 63-705, Idaho Code, **shall be computed on the value of the claimant's partial ownership.** (Emphasis added)

In the present case, the record shows Petitioner filed her applications for benefits as a partial owner. It is unfortunate that Petitioner provided this information on her application, but property tax paid her benefits as if she had a 100% ownership interest in the property. Nonetheless, Petitioner received a benefit she was not entitled to. The Tax Commission must enforce the law and is not estopped by previous acts or conduct of its agents with reference to the determination

of tax liabilities or by failure to collect the tax, nor will the mistakes or misinformation of its officers estop it from collecting the tax. (See *State of Idaho v. Adams*, 90 Idaho 195, (1965).)

CONCLUSION

The Tax Commission finds the definition of “owner” in Idaho Code section 63-701 to be clear and the Tax Commission must follow the law as written. Additionally, the Tax Commission has an obligation to treat taxpayers alike. Petitioner has a 50% ownership interest in the property and her benefit must be computed on the value of this partial ownership. Repayment of the over-paid portion of the benefit is appropriate.

THEREFORE, the Notice of Deficiency Determination dated March 31, 2022, is APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner repay the following 2020 and 2021 property tax reduction benefits plus interest:

<u>YEAR</u>	<u>BENEFIT PAID</u>	<u>BENEFIT ALLOWABLE</u>	<u>AMOUNT DUE</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$1,282.46	\$641.22	\$641.24	\$2.67	\$643.91
2021	1,354.36	677.21	677.15	2.81	679.96
				TOTAL	\$1,323.87
				DUE	

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 _____ 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.
