

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████████

Petitioner.

DOCKET NO. 0-810-292-224

DECISION

██████████ (Petitioner) protested the Notice of Refund Determination (Notice) dated November 18, 2024. Petitioner disagreed with the Revenue Operations adjustment to the refund claimed on his 2021 Idaho resident income tax return. The Tax Commission reviewed the matter and affirms the Notice.

BACKGROUND

Petitioner filed his 2006 through 2011 Idaho resident income tax returns timely and filed his 2013 through 2015 Idaho resident income tax returns late, on August 5, 2016. Petitioner paid the tax due amount shown on his 2013 through 2015 Idaho returns, along with self-assessed penalty and interest. On March 22, 2024, Petitioner submitted amended Idaho returns for tax years 2013 through 2015, changing his filing status to non-resident in 2013, part-year resident in 2014 and non-resident in 2015, requesting a refund for each of the three years, totaling \$3,668.

Petitioner filed his 2021 Idaho return reporting no wages, claiming estimated payments and amount applied from 2020 of \$3,668, and a refund of \$3,758. During the processing of Petitioner's return, Revenue Operations researched Tax Commission records but could not locate any estimated payments or refund carryforwards from the prior year. Revenue Operations corrected Petitioner's 2021 Idaho return and sent him a Notice, disallowing the estimated payment and reducing his refund.

Petitioner protested the Notice, stating:

After months of deliberation and review over [REDACTED] [REDACTED] residency status for years 2013-2015, an official working at ISTC stated that he would be eligible for a refund. [REDACTED] was required to pay ISTC while he was misclassified as an Idaho Resident when he was instead a Washington resident. These payments, stemming from being taxed as an Idaho resident, were \$3,668.

When working with ISTC to resolve this issue, they had the amount credited to [REDACTED] [REDACTED] account, it was then advised to file a return claiming the amount. Since [REDACTED] is disabled, we filed a 2021 return while also claiming federal stimulus money that was never received.

Following submission of the return, as requested by an official working at ISTC, the refund was denied citing that no refund is due when in fact, it was requested by someone within ISTC to file this way.

We reject the determination and seek a refund for the amounts paid in while wrongly assessed as an Idaho resident. The residency status has since been corrected and resolved and there is no reason ISTC shall continue to hold monies that were paid to ISTC due to an error.

Revenue Operations acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reached out to Petitioner to explain the adjustment made to his 2021 Idaho return and the alternatives available for redetermining a protested Notice. Petitioner stated he would discuss the matter with his accountant and decide what to do. Appeals gave Petitioner ample time to respond and he did not. Appeals called Petitioner and left multiple messages requesting a return call. Again, Petitioner did not respond.

Seeing that Petitioner had opportunity to validate his claim, the Tax Commission decided the matter based upon the information available.

ANALYSIS AND FINDINGS

Prior to January 1, 2022, Idaho Code section 63-3072(b) and (c) provided that a claim for *credit or refund* shall be made within the later of three (3) years from the due date of the return,

without regard to extensions, or three (3) years from the date the return was filed, for the taxable year with respect to which the tax was withheld or paid.(Emphasis added)

With the passage of HB 715 retroactive to January 1, 2022, Idaho Code section 63-3072(b) and (c), as amended, provides that a claim for *credit* shall be made within the later of ten (10) years from the due date of the return, without regard to extensions, or ten (10) years from the date the return was filed, for the taxable year in respect to which the tax was withheld or paid. The three-year statute of limitations still applies to a claim for *refund*. (Emphasis added)

In the present matter, Petitioner filed a 2021 Idaho return requesting a refund of the tax he paid with his 2013 through 2015 Idaho returns. Based on the revised statute, Petitioner may be entitled to a credit of his overpayments for these tax years, but not a refund.

The language of the statute is clear that “a claim for credit shall be made within ten (10) years from the due date of the return . . . for the taxable year with respect to which the tax was withheld or paid” or otherwise within ten (10) years from the date the return was filed, and a claim for refund must be made within three (3) years. Idaho Code section 63-3072(b)–(c).

CONCLUSION

Petitioner filed his 2013 through 2015 Idaho returns as an Idaho resident and paid the tax due shown on returns. He later amended these returns, claiming a different residency status and requesting refunds. Petitioner filed a 2021 Idaho return claiming a refund for the tax he paid for tax years 2013 through 2015. Consistent with the statute, Petitioner’s tax payments of \$3,668 may not be refunded but are available to him as a credit to claim against future tax due. The Tax Commission must follow the statute as written.

THEREFORE, the Notice of Refund Determination dated November 18, 2024, is hereby APPROVED, AND MADE FINAL.

Petitioner's refund was denied, therefore, no DEMAND for payment is made or necessary.

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

DATED this ____ day of _____, 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2025,
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.


