BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	DOCKET NO. 0.967.722.240
)	DOCKET NO. 0-867-722-240
Petitioner.)	DECISION

dated April 17, 2024. Petitioner argues he should get credit for the property taxes he paid in 2023 on his Idaho individual income tax return. The Tax Commission reviewed the matter and hereby upheld the Notice for the reasons stated below.

BACKGROUND

Petitioner filed a 2023 part-year resident Idaho individual income tax return claiming a credit for estimated tax payments. During processing, a potential error was identified on his return. Taxpayer Accounting reviewed Petitioner's 2023 return and found that the Tax Commission had no record of estimated tax payments for 2023. Taxpayer Accounting corrected Petitioner's 2023 return and sent him a Notice.

Petitioner protested and sent in evidence of his payment of delinquent property taxes for 2021 and 2022. He stated he was going through a divorce when he found out his ex-wife took the money he set aside for the property taxes. When he found out that the property taxes were not paid, he immediately paid them on January 25, 2023. Petitioner figured that since he did not get credit for his property taxes in the years that they were due, he would take credit for them in the year that he paid them, which was his 2023 income tax return.

Taxpayer Accounting reviewed the information provided and acknowledged Petitioner's protest. Taxpayer Accounting then referred the matter to the Tax Commission's Appeals Unit

(Appeals). Appeals sent Petitioner a letter explaining that payment of property taxes is not payment of income taxes, therefore, they cannot be claimed as estimated tax payments on his income tax return. Appeals asked Petitioner to withdraw his protest if the explanation resolved the issue, and if not, to let Appeals know how he wanted to proceed with his protest. Petitioner did not respond. Seeing that Petitioner had the opportunity to further argue his position but chose not to, the Tax Commission decided the matter based upon the information available.

ANALYSIS AND FINDINGS

Petitioner filed his 2023 Idaho income tax return reporting an estimated tax payment. Taxpayer Accounting searched the Tax Commission's records and found no estimated tax payments for Petitioner for tax year 2023. Petitioner provided documentation of the payments made to Canyon County for property taxes.

Petitioner argued he paid his 2021 and 2022 property taxes in 2023 so he did not get the benefit of a property tax credit in 2021 or 2022. Because he did not get the benefit in those years, Petitioner claimed the credit on his 2023 Idaho income tax return.

Property taxes can be a deduction from adjusted gross income, they are claimed as an itemized deduction on an individual's income tax return. See Internal Revenue Code section 164. Property tax payments are not considered as estimated income tax payments. Petitioner provided no other documentation to show he paid estimated tax payments to the Tax Commission. The rule is well established that the failure of a party to introduce evidence within his possession and which, if true, would be favorable to him, gives rise to the presumption that if produced it would be unfavorable. *Wichita Terminal Elevator Co. v. C.I.R.*, 6 T.C. 1158 (1946). Since Petitioner provided no substantiation that would allow property taxes to be estimated tax payments or provide

any documentation showing payment to the Tax Commission of the amount entered, the Tax Commission must reduce Petitioner's estimated tax payments to \$0.

CONCLUSION

Petitioner filed his Idaho income tax return claiming estimated tax payments for tax year 2023. Tax Commission records and the documentation Petitioner provided do not support estimated income tax payments. Consequently, the Tax Commission must uphold the adjustment made to Petitioner's 2023 Idaho individual income tax return.

THEREFORE, the Tax Commission AFFIRMS the Notice of Refund Determination dated April 17, 2024, directed to

Since the Tax Commission reduced Petitioner's refund, no ORDER for payment is required.

An explanation of	f Petitioner's righ	nt to appeal this decision is enclosed.
DATED this	day of	2024.
		IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this a copy of the within and foregoing DECIS mail, postage prepaid, in an envelope addr	SION was served by	y sending the same by Ur	2024, ing the same by United States	
	Recei	ipt No.		