



(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 [REDACTED] [REDACTED]

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

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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