



## **LAW AND ANALYSIS**

Idaho Code section 63-708 provides for an audit of all claims and recovery of benefits paid in error. During an audit of Petitioner's 2021 application, Property Tax re-examined his 2020 income tax return. According to his tax return, Petitioner received unemployment compensation of \$18,252. The Internal Revenue Code allowed for a \$10,200 deduction of these unemployment expenses. Idaho did not conform to this deduction, so the income must be added back to his income calculation on the application. Property Tax added this income to his application and sent him a Notice, requesting re-payment of a portion of the benefits received plus interest.

Petitioner protested the Notice, stating the \$10,200 was already added back on his Idaho return, so he was confused why it was added back again on his property tax reduction application. After receiving Petitioner's protest, Property Tax forwarded the matter to the Tax Commission's Appeals unit for administrative review. Appeals sent Petitioner a letter informing him of the options available for redetermining a protested Notice. Petitioner responded but did not request an informal hearing or provide any additional documentation for consideration.

Idaho Code section 63-701(5) defines income as – “the sum of federal adjusted gross income as defined in the Internal Revenue Code, as defined in section 63-004, Idaho Code, and to the extent not already included in federal adjusted gross income.” The law is clear - the \$10,200 was not included in his federal adjusted income and needed to be added back on his application.

## **CONCLUSION**

Petitioner did not include unemployment benefits received during the year for his 2021 Property Tax Reduction application. His application was audited, and a portion of the benefits received were requested to be repaid with interest. The Tax Commission has determined that the adjustment was appropriate and should be upheld.

No DEMAND for payment is required as the Notice has been paid.

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.

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