BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)))	DOCKET NO. 0-894-206-976
Petitioner.)))	DECISION

On May 12, 2022, the Property Tax Division (Property Tax) of the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to

(Petitioner). Petitioner objected to the Notice which requested a partial repayment of his 2021 Idaho Property Tax Reduction Benefit. We uphold the Notice for the following reasons.

BACKGROUND

All property within the jurisdiction of this state is subject to property tax. A property tax reduction benefit is available to certain qualifying individuals. The benefit is in the form of a payment of all or a portion of the applicant's property tax on the dwelling he/she owns and occupies. The state sales tax funds these payments.

An applicant must meet certain income, ownership, and status requirements to be eligible for a benefit. The issue for this decision is whether Petitioner accurately included all his income on his application.

Petitioner filed an application for 2021 for a property tax reduction benefit with Ada County on April 6, 2021. Ada County sent the application to the Tax Commission's Property Tax unit for processing. Property Tax approved the application and Petitioner received a benefit for payment of a portion of the property taxes on his homestead for 2021.

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.

		IDAHO STATE TAX COMMISSION
DATED this	day of	2023.
An explanation of	f Petitioner's rigi	ht to appeal this decision is enclosed.
No DEMAND for	r payment is requ	uired as the Notice has been paid.

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	2023, sending the same by United States
	Receip	t No.