

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-982-254-592
)	
Petitioner.)	DECISION
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On May 9, 2022, the Revenue Operations Division (Rev Ops) of the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to (Petitioner) denying his request for a refund of Idaho individual income tax for tax year 2017. Because Rev Ops was denying the issuance of the requested refund, the Notice proposed no additional tax, penalty, or interest and showed a total due of \$0.

Petitioner filed a timely protest of the refund denial, requesting reconsideration of the refund denial based on mitigating circumstances. Petitioner acknowledges he did not timely file his 2017 return. Petitioner states the recent pandemic has caused financial and emotional hardship and made it difficult for him to attend to personal affairs. Rev Ops acknowledged Petitioner’s protest and referred the matter to the Appeals unit for administrative review.

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner responded, requesting an informal hearing which was held on August 1, 2022. The Tax Commission has reviewed the information contained in the file, along with the verbal testimony from the hearing, and hereby issues its decision.

Law and Analysis

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.

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.

In the present matter, Petitioner filed his 2017 individual income tax return on November 9, 2021, reporting an overpayment of \$1,933. Based on the amended statute, Petitioner is entitled to a credit of this overpayment. However, Petitioner requests that he be issued a refund as opposed to the credit. Petitioner stated during the hearing that he is now retired, on a fixed income and will owe very little, if any tax in the future so it will take years for him to exhaust the overpayment credit. Petitioner also stated recent inflation has created a financial hardship for him and receiving a refund check would be a great help.

While the Tax Commission is sympathetic to Petitioner's circumstances, 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 § 63-3072(b)-(c).

Conclusion

In conclusion, the Tax Commission agrees that Idaho Code section 63-3072(b)-(c), as amended by HB 715, allows Petitioner to claim a credit from his 2017 tax return. While Petitioner requests that his overpayment credit be refunded to him, the Tax Commission must follow the

statute as written. Consistent with the statute, Petitioner's \$1,933 overpayment from his 2017 return may not be refunded but will be available to him as an account credit to claim against future tax due.

THEREFORE, the Notice of Deficiency Determination dated May 9, 2022, 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 _____ 2022.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2022,
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.
