

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-020-363-776
)	
Petitioner.)	DECISION
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On April 14, 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 repayment of his 2021 Idaho Property Tax Reduction Benefit. The Tax Commission reviewed the case, and this is our final decision. 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. State sales tax funds these payments.

Petitioner timely filed an application for a property tax reduction benefit with Ada County for tax year 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 tax on his homestead.

Months after paying Petitioner’s benefit, Property Tax received information indicating Petitioner’s home in Ada County was not his primary residence. Therefore, a Notice was issued requesting Petitioner re-pay the benefit, plus interest. See Idaho Code sections 63-707 and 63-708.

Petitioner protested the Notice, citing multiple reasons why he was not residing in his home in Ada County in 2021. 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 did not respond.

Law and Analysis

The property tax reduction benefit is described in Idaho Code section 63-701, in pertinent part,

63-701. Definitions. As used in this chapter:

(1) "Claimant" means a person who has filed an application under section 63-602G, Idaho Code, and has filed a claim under the provisions of sections 63-701 through 63-710, Idaho Code. Except as provided in section 63-702(2), Idaho Code, on January 1, or before April 15, of the year in which the claimant first filed a claim on the homestead in question, a claimant must be an owner of the homestead and on January 1 of said year a claimant must be:

...

(2) "Homestead" means the dwelling, **owner-occupied by the claimant as described in this chapter and used as the primary dwelling place of the claimant** and may be occupied by any members of the household as their home, and so much of the land surrounding it, not exceeding one (1) acre, as is reasonably necessary for the use of the dwelling as a home. (Emphasis added.)

Idaho Code section 63-701 requires the subject property to be owner-occupied and used as the primary dwelling place of the claimant in order to qualify for the property tax reduction benefit. In the present matter, the Tax Commission has several pieces of information that are strong indicators Petitioner's home in Ada County was not his primary residence. These indicators are as follows:

- Mr. [redacted] surrendered his Idaho ID card to another state, and he maintained a Maryland driver's license since 2018.

- Mr. requested the city of Meridian disconnect his utilities on December 31, 2020.
- Mr. has not filed an Idaho resident income tax return since 2018.
- Mr. has been receiving a Homestead exemption and a disabled Veteran's benefit since 2002 on his property in Maryland.

Additionally, in response to the Notice, Petitioner acknowledged he traveled back east after his wife's passing in 2019 and was unable to return in 2021 due to his own health issues and the Covid pandemic.

During the administrative review process, the Tax Commission also learned the Ada County Assessor's office successfully pursued a Homestead Exemption Recovery against Petitioner for tax years 2016 through 2021. Under Idaho Code section 63-602G (4), providing for the homeowner's exemption, "The exemption allowed by this section must be taken before the reduction in taxes provided by sections 63-701 through 63-710, Idaho Code, is applied." A property tax reduction benefit can't be applied without a homeowner's exemption in place.

Conclusion

Petitioner did not occupy the property for which relief is sought as his primary residence in 2021, nor does he have a valid homeowner's exemption on the property. He does not meet the ownership requirement for a property tax reduction benefit.

Therefore, the Notice of Deficiency Determination dated April 14, 2022, is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner repay the following 2021 property tax reduction benefit plus interest.

<u>BENEFIT</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
\$1,915.66	\$8.71	\$1,924.37

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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.
