BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-105-875-968
[redacted]	)	
	)	
	)	DECISION
Petitioners.	)	

[redacted] (Petitioners) protested the Notice of Deficiency Determination (Notice) dated January 16, 2025. Petitioners disagreed that Mr. [redacted] was a resident of Idaho and required to file an Idaho resident individual income tax return (return) for tax year 2020. The Idaho State Tax Commission (Tax Commission) has reviewed the matter and upholds the Notice for the reasons stated below.

BACKGROUND

Mr. [redacted] filed four Idaho resident income tax returns with his spouse [redacted] from 2013 through 2016 but hasn't filed an Idaho return since. A review of Tax Commission records indicated Mr. [redacted] may have a filing requirement in subsequent years, so the Tax Discovery Bureau (Bureau) of the Tax Commission sent him a letter asking about his requirement to file Idaho returns for tax years 2017 through 2020. There was no response.

Using information available to the Tax Commission, the Bureau determined Mr. [redacted] had a filing requirement for tax years 2017, 2019 and 2020; 2017 with his spouse [redacted] addressed in docket # 0-032-134-144; 2019 addressed in docket # 0-013-194-240; and 2020 with his current spouse [redacted] addressed in this decision. The Bureau sent three separate Notices, one for Mr. [redacted] and his first wife, one for Mr. [redacted] only and one for Mr. [redacted] and his second wife.[1] Mr. [redacted] protested these Notices and listed two reasons.

1. I moved to Washington in 2018
2. The statute of limitations has run. 63-3068

The Bureau requested Mr. [redacted] complete a domicile questionnaire to gather additional information related to his residency. Mr. [redacted] did not respond. Therefore, the Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed Petitioners' case and sent them a letter giving the options available for redetermining the Notice. Petitioners did not respond. Appeals called Mr. [redacted] and discussed what is required to show his domicile changed to Washington. Mr. [redacted] said it would be difficult after so many years to find documentation to show Washington became his new domicile in 2018. Instead of providing any information, Mr. [redacted] stated he would be making a settlement offer to resolve the matter(s).

Petitioners offered $2,500 to settle all Notices. The Tax Commission reviewed Petitioners' offer but declined it and made no counteroffer.

Petitioners did not request an informal hearing and have yet to file a 2020 return. Seeing that Petitioners had an opportunity to provide whatever other information or documentation they wanted the Tax Commission to consider, the Tax Commission decided the matter based upon the information available.

[1]Mr. [redacted] and his wife, [redacted] filed a joint federal tax return for 2020. Because they filed jointly, [redacted] name appears on the Notice dated January 16, 2025. All the income listed in the Notice comes from Idaho and belongs to Mr. [redacted]

LAW AND ANALYSIS

Idaho Code section 63-3002 states the legislative intent of the Idaho income tax act; to impose a tax on residents of this state measured on their income from all sources wherever derived. Idaho Code section 63-3013 defines a resident to include an individual that is domiciled in Idaho.

Domicile is defined in IDAPA 35.01.01.030 Idaho Administrative Income Tax Rules as the place where an individual has his true, fixed, permanent home and principal establishment, and to which place he has the intention of returning whenever he is absent. The term domicile denotes a place where an individual has the intent to remain permanently or for an indefinite time.

Domicile, once established, is never lost until there is a concurrence of a specific intent to abandon the old domicile, intent to acquire a specific new domicile, and the actual physical presence in the new domicile. *Pratt v. State Tax Commission*, 128 Idaho 883, 885 n.2, 920 P.2d 400, 402 n.2 (1996). Domicile, once established, persists until a new domicile is legally acquired. *In re Cooke's Estate*, 96 Idaho 48, 524 P.2d 176 (1973). The burden of proof is always on the person asserting the change to show that a new domicile was, in fact, created. *Texas v. State of Florida*, 306 U.S. 398, 59 S.Ct. 563, 577 (1939). The question of whether a domicile has been changed is one of fact rather than of law. *In re: Newcomb v. Dixon*, 192 N.Y. 238 (1908).

As stated above, Mr. [redacted] filed Idaho resident returns for tax years 2013 through 2016, admittedly maintained his Idaho domicile for tax year 2017 but did not file a return, and argued the three-year statute of limitations for issuing a Notice for tax year 2017 had expired. Tax year 2017 is addressed in docket 0-032-134-144.

Mr. [redacted] clearly established Idaho as his domicile for tax years 2013 through 2017. Therefore, his Idaho domicile remains until he has an intent to abandon Idaho, intent to acquire a new domicile, and is physically present in the new domicile.

The Tax Commission relied upon numerous factors in the determination that Mr. [redacted] Idaho domicile had not been abandoned; none of which by itself is dispositive of domicile, but rather as a whole, the factors were used to determine that Mr. [redacted] had not established any other state as his new domicile. These factors are as follows:

- Mr. [redacted] claimed the Idaho homeowner's exemption beginning in 2017 until 2020.
- Mr. [redacted] obtained resident Idaho driver's licenses continually from 2013 until 2025.
- Mr. [redacted] registered vehicles in Idaho in 2014, 2019 and 2020.

Individuals often move across state lines, abandoning an old domicile and establishing a new one. The burden of proving intent to abandon an old and establish a new domicile is not very great, and there are consequences, sometimes-significant tax consequences, when individuals move. Taxpayers give up the benefits of being domiciled in their old state and take advantage of the benefits of the new state; they cannot take advantage of benefits from both states. In the present case, there is little to identify Mr. [redacted] with the state of Washington. He has not provided any documentation to show he has acquired Washington as his new domicile. Mr. [redacted] is an Idaho resident according to Idaho Code section 63-3013 and as such, is required to file an Idaho income tax return, Idaho Code section 63-3030(a)(1).

CONCLUSION

Domicile is primarily determined by an individual's intent which is shown by his actions. There must be intent to abandon an existing domicile, intent to acquire a new domicile, and physical presence in the new domicile.

In domicile cases, the burden is on the party asserting the change to show a change of domicile occurred. *Texas v. State of Florida*, supra. Petitioners did not provide any documentation or other information to show Mr. [redacted] did the things necessary to identify himself with another state. Therefore, the Tax Commission upholds the Bureau's determination of Mr. [redacted] domicile.

The Bureau added interest and penalty to Petitioners' Idaho tax liability. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice of Deficiency Determination dated January 16, 2025, directed to [redacted] is AFFIRMED and made FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest:

YEAR	TAX	PENALTY	INTEREST	TOTAL
2020	$1,268	$317	$314	$1,899

The Tax Commission DEMANDS immediate payment of this amount. Interest is calculated in accordance with Idaho Code section 63-3045.

An explanation of Petitioners' right to appeal this decision is enclosed.

DATED this ___________ day of _____________________, 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this ________ day of ______________________________ 2026, 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:

[redacted]

Receipt No.

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