BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

Petitioners.

DOCKET NO. 1-177-838-592

) DECISION

(Petitioners) protested the Notice of Refund Determination

(Notice) dated March 14, 2024. Petitioners disagreed with the Revenue Operations Division's (Division) determination of their Idaho tax due for tax year 2023. Petitioners disagree with the Division's decision to remove the grocery credit. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the reasons stated below.

BACKGROUND

Petitioners timely filed an Idaho part-year resident income tax return. The return shows Petitioners spent eight full months in Idaho, a total tax of \$10, grocery credit of \$160 and a refund of \$150. The Division reviewed the return, and issued a Notice, removing the grocery credit. Petitioners protested arguing that they paid for eight months' worth of groceries and taxes making them entitled to the grocery credit. The Division acknowledged their protest and transferred the case to the Tax Commission's Appeals Unit (Appeals).

Appeals reviewed the case and sent Petitioners an email that included links to the 2023 Idaho instruction booklet, Idaho Code Sections, and Income Tax Administrative Rules relating to the grocery credit. Appeals did not receive a response to the email, therefore Appeals sent a letter discussing alternatives for redetermining a protested Notice. Petitioners did not respond.

LAW AND ANALYSIS

Idaho Code section 63-3024A provides for a food tax credit (grocery credit) for each allowable dependent reported on an Idaho individual income tax return. Subsection (9) of Idaho Code section 63-3024A provides that part-year residents can receive a proportionate credit for the time the individual is domiciled in Idaho.

Idaho Income Tax Administrative Rule 771(2) states in relevant part: *If the credit exceeds his tax liability, the part-year resident is not entitled to a refund.*

Both Petitioners are over the age of 65, so the calculation for their grocery credit, according to the booklet for tax year 2023 is, 11.67x8=93.36 each, for a total of $187.^{1}$

A Notice was issued to Petitioners changing the grocery credit because part-year residents can't receive a grocery credit larger than the amount of tax minus the credit for taxes paid to other states. Petitioners' Idaho adjusted income is \$0 making their tax liability \$0.

CONCLUSION

Petitioners are part-year Idaho residents; therefore, they are not eligible for a refund of the grocery credit.

THEREFORE, the Notice dated March 14, 2024, and directed to

is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax:

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

¹ The \$160 grocery credit claimed on the return is for two people under sixty-five.

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

DATED this _____ day of _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024, 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.