

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████████

Petitioner.

DOCKET NO. 1-365-693-440

DECISION

██████████ (Petitioner) protested the Notice of Deficiency Determination dated June 13, 2025. Petitioner disagreed that she was required to file an Idaho individual income tax return (return) for tax year 2017. The Tax Commission has reviewed the matter and upholds the Notice for the reasons stated below.

BACKGROUND

Petitioner filed Idaho resident returns for tax years 2015 and 2016. In the normal course of business, the Tax Discovery Bureau (Bureau) reviewed Tax Commission records and found that Petitioner received wages in tax year 2017 but did not file an Idaho return. Therefore, the Bureau sent her a letter asking about her need to file an Idaho income tax return for 2017. Petitioner responded to the inquiry stating, “I was a resident of Washington state for the entire year.”

To better understand Petitioner’s residency status, the Bureau sent her a domicile questionnaire. Petitioner did not complete the questionnaire, nor did she submit a 2017 return. Therefore, the Bureau, based on the information available, prepared a 2017 return for Petitioner and sent her a Notice of Deficiency Determination (Notice). Petitioner later provided the completed domicile questionnaire along with a protest. The Bureau reviewed Petitioner’s questionnaire responses and determined her domicile remained in Idaho. The Bureau also acknowledged Petitioner’s protest and referred the matter to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. In response to the letter, Petitioner called and again stated that she does not have a requirement to file an Idaho return for 2017 because she lived, worked, and attended college in Washington during 2017.

The Tax Commission, using the information Petitioner provided along with other available resources, issues its decision.

LAW AND ANALYSIS

Determining domicile is not always clear or easy, yet the outcome of the decision has far reaching consequences. Often, the terms “residency” and “domicile” are confused, but Idaho Income Tax Rule 030.02 defines domicile as:

The term domicile means 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. An individual can have several residences or dwelling places, but he legally can have but one domicile at a time. Domicile, once established, is never lost until there is a concurrence of a specific intent to abandon an old domicile, an intent to acquire a specific new domicile, and the actual physical presence in a new domicile.

The key to understanding domicile based upon this rule is the intent of the individual. Determining the intent of an individual is not a bright-line test; rather, the determination is made using the totality of the evidence before the Tax Commission and making a determination based upon the available information. This decision hinges upon where Petitioner was domiciled in taxable year 2017. The long-established rule is that “[w]here a change of domicile is alleged, the burden of proof rests upon the party making the allegation.” *Desmare v. United States*, 93 U.S. 605, 610, (1876); *Pratt v. State Tax Commission*, 128 Idaho 883, 884, 920 P. 2d 400, 401 (1996). The burden rests with Petitioner to prove that she abandoned her domicile in Idaho and established a domicile in Washington, until that burden is met Idaho continues to be her domicile.

In determining an individual's domicile, the Tax Commission looks at five primary factors. The primary factors are: (1) the individual's primary home, (2) where the individual is actively involved in business, (3) where the individual spends their time, (4) where the individual keeps their near and dear items, and (5) the individual's family connections.

An individual's home can be a physical building (home), or it can be a community to which the individual has established strong and endearing ties. In this case, Petitioner lived with her parents who owned their home in [REDACTED] Idaho,¹ and she filed individual Idaho resident returns in 2015 and 2016. In August 2016, Petitioner moved to Washington to attend college. While attending college Petitioner rented an apartment and worked. Other than renting living space while a student at [REDACTED] [REDACTED] [REDACTED] [REDACTED] she has not shown that she considered it to be her permanent home with all the sentiment, feeling, and permanent association that goes with calling a place a home. See *Starer v. Gallman*, 50 A.D. 2d 28, 377 N.Y.S. 2d 645 (1975). For all practical purposes, the appearance is she was living outside of Idaho for educational and work purposes only.

The active business involvement factor looks at the individual's pattern of employment. This includes where the individual runs a business as a sole proprietor, where wages are earned as an employee, and where the individual actively participates in a partnership, limited liability company, or corporation. In this case, Petitioner was an employee at [REDACTED] [REDACTED] (restaurant) while a college student in Washington and returned to Idaho after leaving school. This factor favors Washington, but it is clear Petitioner is only absent from Idaho for education purposes.

¹ Petitioner's parents owned the home in [REDACTED] Idaho since 2004.

The time factor is an analysis of where an individual spends time during the year. In this case, it can easily be said that most of Petitioner's time in the year under review was spent in Washington , due to her schooling and employment. However, when not at school, Petitioner said she spent time in Idaho for Christmas, Thanksgiving, and when visiting family in Idaho. The time factor favors Washington , but even so, the evidence supporting this factor does not show the sentiment, feeling, and permanent association that go with calling a place a home. *Starer, supra*.

The factor of items near and dear deals with the location of items an individual holds "near and dear" to their heart, items with sentimental value, and the personal items which enhance the quality of life. Petitioner's domicile questionnaire states that her art, books, antiques, family photographs, heirlooms, hobby and sports equipment, jewelry, furs, firearms and pets were in Washington with her. According to the address Petitioner provided, the Washington residence she lived in was a 6-bedroom, 6-bath, 2720 square foot apartment home. Apartment homes generally rent an individual bedroom with common areas such as kitchens and living rooms. Given the available space for individual personal items, it is unlikely all Petitioner's near and dear items were with her in Washington. Rather, they were most likely at her parents' house in Idaho. Considering the information available, the Tax Commission finds this factor favors Idaho.

The last of the primary factors considers the individual's family connections. This factor is an analysis of the individual's family both within and without Idaho. In this case Petitioner's immediate family was in Idaho. Petitioner gave no information on any family living in Washington. With no family connections in Washington, this factor points to Idaho.

The primary factors tend to show Idaho as being Petitioner's domicile. However, adding the minor factors can either solidify or swing the determination to Washington. The minor factors

considered were privilege licenses, voter registration, vehicle registrations, medical and dental care, civic and community functions, and the use of financial institutions.

While there is limited information about these factors for the year in question, Petitioner did obtain an Idaho driver's license in 2017 and used an Idaho address for important tax reporting documents. Looking at these minor factors, there is very little that associated Petitioner with the state of Washington.

Idaho Income Tax Administrative Rule IDAPA 35.01.01.030.02.a. states, for a domicile to change, there must be a concurrence of specific events. The taxpayer must have the intent to abandon an established domicile, the intent to acquire a new domicile, and physical presence in the new domicile. Prior to 2017 Petitioner was domiciled in Idaho. It is also clear Petitioner lived in Washington. The question is whether Petitioner established a new domicile in Washington.

Petitioner had a physical presence in both Idaho and Washington during 2016 and 2017. Petitioner said that in 2017, she considered herself a Washington resident as she rented a place while attending college and worked in that state. However, being absent from one's home state to attend college is considered a temporary absence and does not establish residency or change an individual's domicile.

Petitioner bears the burden of showing that she abandoned her domicile in Idaho and established a new domicile in Washington. Determining domicile is a mixed question of fact and law. Conduct is often more persuasive than expressions since that reflects the intent of the individuals. The United States Tax Court has determined that "where there is any doubt as to one's domicile, the domicile of origin prevails." *Webb v. C.I.R.*, 72 T.C.M. (CCH) 1522 (T.C. 1996).

CONCLUSION

From the information available, the Tax Commission does not see that Petitioner made a permanent and indefinite move to Washington from Idaho. There is nothing in the record that shows a permanent home in Washington, with all the sentiment, feeling, and permanent association that goes with calling a place a home. See *Starer v. Gallman*, 50 A.D. 2d 28, 377 N.Y.S.2d 645 (1975). Therefore, the Tax Commission finds that Petitioner was domiciled in Idaho during taxable year 2017, and as such, must include all her income, from whatever source, on her Idaho income tax return for this year.

The Bureau added interest and penalty to Petitioner's 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.

THEREFORE, the Notice of Deficiency Determination dated June 13, 2025, directed to [REDACTED] is hereby APPROVED and made FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$439	\$110	\$168	\$717

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

An explanation of Petitioner's 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:



Receipt No.
