

federal Schedule 1, Self-employed health insurance deduction. This adjustment increased Petitioner's net household income above the maximum amount to receive a benefit. Therefore, a Notice was issued requesting Petitioner re-pay the benefit received.

Petitioner protested the Notice, not disputing the adjustment to her medical expenses but rather arguing the Notice is incorrect because she sold the property in December of 2020 and the taxes would be the responsibility of the new owner. Unable to resolve the protest, Property Tax transferred the case to the Tax Commission's Appeals unit for administrative review. Appeals sent Petitioner a letter outlining her options for redetermining a protested Notice, but she did not respond.

LAW AND ANALYSIS

Income for the property tax reduction benefit is defined in Idaho Code section 63-701(5) and states in part:

(5) "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue Code, as defined in section 63-3004, Idaho Code, and to the extent not already included in federal adjusted gross income:

(a) Alimony;

(b) Support money;

(c) Nontaxable strike benefits;

(d) The nontaxable amount of any individual retirement account, pension or annuity, including railroad retirement benefits, all payments received under the federal social security act except the social security death benefit as specified in this subsection, state unemployment insurance laws, and veterans disability pensions and compensation, excluding any return of principal paid by the recipient of an annuity and excluding rollovers as provided in 26 U.S.C. 402 or 403, and excluding the nontaxable portion of a Roth individual retirement account distribution, as provided in 26 U.S.C. 408A;

(e) Nontaxable interest received from the federal government or any of its instrumentalities or a state government or any of its instrumentalities;

(f) Worker's compensation; and

(g) The gross amount of loss of earnings insurance.

It does not include gifts from nongovernmental sources or inheritances. **To the extent not reimbursed, the cost of medical care as defined in section 213(d) of the Internal Revenue Code, incurred, or paid by the claimant and, if married, the claimant's spouse, may be deducted from income.**

Documentation of medical expenses may be required by the county assessor and state tax commission in such form as the county assessor or state tax commission shall determine. "Income" shall be that received in the calendar year immediately preceding the year in which a claim is filed. Where a claimant and/or the claimant's spouse does not file a federal tax return, the claimant's and/or the claimant's spouse's federal adjusted gross income, for purposes of this section, shall be an income equivalent to federal adjusted gross income had the claimant and/or the claimant's spouse filed a federal tax return, as determined by the county assessor. The county assessor or state tax commission may require documentation of income in such form as each shall determine, including, but not limited to copies of federal or state tax returns and any attachments thereto; and income reporting forms such as the W-2 and 1099. (Emphasis added)

Medical insurance premiums are an allowable medical expense. However, in this case Petitioner simply deducted these payments twice, an adjustment Petitioner does not seem to dispute based on her protest letter. According to Petitioner, the Notice is incorrect because she sold the property in December of 2020 and therefore argues any repayment of the property tax reduction benefit would be the responsibility of the new owner.

The Tax Commission has no reason to doubt Petitioner sold the property in 2020, and it is possible she did not receive credit for the benefit. However, Petitioner has not provided any documentation, specifically the closing statement, to verify her claim.

CONCLUSION

Petitioner's 2020 application for property tax reduction benefit included as a medical expense, payments for insurance premiums. Insurance premiums are an allowable medical expense. However, in this case, Petitioner deducted these payments twice which required an adjustment to the amount of medical expenses shown in her 2020 application.

THEREFORE, the Notice dated May 19, 2022, and directed to _____ is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner repay the following 2020 property tax reduction benefit plus interest.

<u>YEAR</u>	<u>BENEFIT PAID</u>	<u>BENEFIT ALLOWABLE</u>	<u>AMOUNT DUE</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$390	\$0	\$390	\$2.14	\$392.14

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 _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
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.
