

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

████████████████████,

Petitioners.

)
) DOCKET NO. 1-515-370-496
)
)

) DECISION
)

On April 8, 2019, the Revenue Operations Division (Division) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination to ██████████
██████████ (Petitioners). The Division determined Petitioners had an income tax deficiency of \$615 for tax year 2018.

On April 15, 2019, Petitioners filed a timely appeal and petition for redetermination. On June 25, 2019, the Tax Appeals Unit at the Tax Commission mailed a letter to Petitioners informing them they could request a hearing or submit additional documents. Petitioners did not respond. Therefore, a final decision was made based on the information currently available. The Tax Commission hereby issues its decision to uphold the Notice.

Petitioners filed a joint 2018 Idaho nonresident individual income tax return, showing a \$615 Idaho child credit. The Division reviewed the return and determined that Petitioners did not qualify for the Idaho child tax credit because they were nonresidents of Idaho. Petitioners filed an appeal, arguing they are entitled to the Idaho child tax credit because they have been entitled to the Idaho child tax credit for the last seven years.

Idaho Code § 63-3029L, Child Tax Credit, provides the Idaho child tax credit is available only to Idaho residents. Idaho Code § 63-3029L was not enacted until March 12, 2018. Therefore, Petitioners are not entitled to the Idaho child tax credit for tax year 2018 and have not been entitled to the Idaho child tax credit for the last seven years. The Tax Commission believes Petitioners

are confusing the Idaho child tax credit governed by Idaho Code § 63-3029L with the deduction for dependency exemptions governed by Internal Revenue Code § 151(c). The federal Tax Cuts and Jobs Act (P.L. 115-97, 12/22/2017) suspended deductions for personal and dependency exemptions. Regardless, Petitioners have not been entitled to the Idaho child tax credit for the past seven years.

On appeal, a deficiency determination issued by the Tax Commission “is presumed to be correct, and the burden is on the taxpayer to show that the Commission’s decision is erroneous.” *Parker v. Idaho State Tax Comm’n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson’s Inc. v. State Dep’t of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Tax Commission requires Petitioners to provide adequate evidence to establish they are entitled to the credit, both as to law and fact, which they have not done.

THEREFORE, the Notice of Deficiency Determination dated April 8, 2019, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

No DEMAND for payment is necessary. On June 11, 2019, Petitioners’ paid the \$97 additional tax due but did not withdraw their protest.

An explanation of Petitioner’s right to appeal this decision is enclosed.

DATED this _____ day of _____ 2019.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2019,
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.

