

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-623-303-168
)	
Petitioner.)	DECISION
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(Petitioner) protested the Notice of Refund Determination (Notice) dated October 3, 2023. Petitioner disagreed with the Revenue Operations Division’s (Division) adjustment disallowing his grocery credit for tax year 2022. Petitioner maintains in his protest that although incarcerated he still paid sales tax for groceries. The Idaho State Tax Commission (Tax Commission) reviewed the matter and hereby upholds the Notice for the following reasons.

BACKGROUND

Petitioner filed his 2022 Idaho individual income tax return and claimed a \$100 grocery credit on Idaho Form 40, line 43. The Division reviewed his return and discovered Petitioner is currently incarcerated, which disqualifies him from receiving the grocery credit. A Notice was issued to Petitioner removing the credit and disallowing his refund. Petitioner protested, arguing he should be able to claim the credit because he pays sales tax on food he purchases at the prison commissary. The Division acknowledged his protest and transferred the case to the Tax Commission’s Appeals Unit (Appeals).

Appeals reviewed the case and sent Petitioner a letter discussing alternatives for redetermining a protested Notice. Petitioner called in response to the letter and confirmed he was incarcerated all of 2022. The appeals process and the Idaho Code section related to the grocery credit were explained to Petitioner, after which he said he would send a letter withdrawing his

protest. Appeals has yet to receive a protest withdrawal therefore, the Tax Commission issues its decision.

LAW AND ANALYSIS

Idaho Code section 63-3024A defines and explains the rules for “food tax credits and refunds” also known as the grocery credit. Idaho Code section 63-3024A(7) states:

In the event that a credit or refund is attributable to any individual who has been incarcerated for any month or part of a month during the taxable year for which the credit or refund is claimed, the credit or refund allowed under this section shall be in proportion to the number of months of the year in which the individual was not incarcerated.

Petitioner and third-party information revealed that incarceration began in 2021 and is ongoing. The statute is clear, individuals while incarcerated cannot claim the grocery credit.

CONCLUSION

The Division denied Petitioner the grocery credit because of his incarceration for the year in question. The Tax Commission has reviewed the facts and finds the adjustment to Petitioner’s 2022 tax return to be accurate and appropriate.

THEREFORE, the Notice dated October 3, 2023, and directed to _____ is hereby
AFFIRMED and MADE FINAL.

No Demand for payment is required as this decision denies Petitioner’s refund.

An explanation of Petitioner’s 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.
