#### BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	) ) )	DOCKET NO. 1-672-578-048
Petitioner.	) ) )	DECISION

The Tax Commission's Property Tax Division (Property Tax) issued a Notice of Deficiency Determination (Notice) to (Petitioner) for tax year 2020. Petitioner objected to the Notice which requested repayment of a 2020 Idaho Property Tax Reduction Benefit. The Tax Commission reviewed the case and issues its decision upholding the Notice.

### **BACKGROUND**

All property within the jurisdiction of this state is subject to property tax. A property tax reduction benefit is available to certain qualifying individuals. The benefit is in the form of a payment of all or a portion of the applicant's property tax on the dwelling he/she owns and occupies. The state sales tax funds these payments. The amount of the property tax reduction depends on income--the greater the income, the smaller the benefit.

Petitioner filed an application for a property tax reduction benefit with Ada County for 2020. Ada County sent the application to the Tax Commission's Property Tax unit for processing. Property Tax approved the application and Petitioner received a benefit for payment of a portion of the property tax on his homestead.

Idaho Code section 63-708 provides for an audit of all claims and recovery of benefits paid in error. During an audit of Petitioner's 2020 application, Property Tax included his federal adjusted gross income which was originally omitted. By including his federal adjusted gross income, he became ineligible for the program because his household income was over \$31,280,

the maximum household income for the program in 2020. A Notice was issued requesting Petitioner to re-pay the benefit received plus interest.

Petitioner protested the Notice, stating his property tax is too much and he objects to paying \$742.52 "out of the blue" that is not in his budget. Property Tax received his protest and transferred the matter to the Tax Commission's Appeals Unit (Appeals). An informal hearing was conducted over the phone, where Petitioner reiterated what was stated in his protest.

### LAW AND ANALYSIS

Idaho Code section 63-705 provides guidance on how the income limitations for the Property Tax Reduction program is calculated, stating in part (Emphasis added):

- (1)(a) The state tax commission shall publish adjustments to the income limitations, which shall be the greater of:
- (i) An individual's income as defined in section 63-701, Idaho Code, of not more than thirty-one thousand two hundred and eighty dollars (\$31,280) per household for tax year 2020 and each tax year thereafter; or
- (ii) One hundred eighty-five percent (185%) of the federal poverty guidelines for a household of two (2) for tax year 2020 and each tax year thereafter.

For the 2020 application year, 185% of the federal poverty guidelines for a household of two was \$31,280. After the addition of Petitioner's federal adjusted gross income, his household income was calculated to be \$89,309. This is well past the maximum to qualify for the program.

## **CONCLUSION**

Petitioner did not include his federal adjusted gross income on his 2019 income tax return for his 2020 Property Tax Reduction application. His application was audited, and the benefit he received was requested to be re-paid with interest. The Tax Commission has determined that the adjustment was appropriate and should be upheld.

THEREFORE, the Notice dated May 24, 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.

	<b>BENEFIT</b>	<u>INTEREST</u>	TOTAL		
	\$720	\$22.52	\$742.52		
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 STA	TE TAX COMMISSION		

# **CERTIFICATE OF SERVICE**

I hereby certify that on this a copy of the within and foregoing DECIS mail, postage prepaid, in an envelope addr	SION was served by	2023, sending the same by United States
	Receip	t No.