



4. **\*\*Idaho Code § 63-3045\*\***: According to Idaho Code § 63-3045, the Tax Commission must provide clear reasons for any adjustments and ensure that all computations are accurate. In this case, the computations provided in the notice do not reflect the total income and deductions accurately reported in my return.

5. **\*\*Previous Payments and Tax Due\*\***: I have already paid the tax due as of the previous notices, totaling \$122.00, and I believe the additional charges stated in your recent communication (tax due of \$628.00, penalty of \$32.00, and interest of \$69.00) are unjustified based on the accurate reporting of my income and adherence to the applicable tax laws.

Given these reasons, I respectfully request a thorough review of my case, including the documentation provided with my tax return and the applicable Idaho codes. I believe that upon review, the determination of additional taxes owed will be found incorrect.

Audit acknowledged Petitioner's protest and referred the matter to the Tax Commission's Tax Appeals Unit (Appeals) for administrative review. Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner did not respond. Therefore, the Tax Commission decides the matter based on the information available.

### **LAW AND ANALYSIS**

The American Rescue Plan Act enacted on March 11, 2021, allowed a person to exclude up to \$10,200 of unemployment compensation paid in **2020** on the federal return. Petitioner is correct, Idaho did not follow this Act, so all unemployment received was taxable under Idaho Code for tax year 2020 as well as the year under review, 2021.

Petitioner correctly reported her unemployment compensation on the 2021 federal return, and she carried that adjusted gross income (AGI) to the Idaho return. However, she subtracted \$10,000 on the Idaho return using Form 39R line 23, Other Subtractions listing it as unemployment. Audit correctly denied this subtraction. All unemployment is taxable income in Idaho and in addition, the American Rescue Act, which Petitioner referenced in her protest, was for the prior tax year.

The Tax Commission is authorized by Idaho Code section 63-3040 to examine the correctness of an income tax return submitted to the Tax Commission. Any changes the Tax Commission makes to Petitioner's returns are to bring them into compliance with Idaho income tax statutes.

Petitioner stated in her protest she had received a prior Notice for tax year 2021, also proposing additional tax. The Tax Commission's Revenue Operations Division did issue Petitioner a prior Notice as the estimated payments she claimed on her 2021 Idaho return did not match Tax Commission records. This Notice corrected the error which changed Petitioner's return from a refund to a tax due. She did not protest this adjustment and paid the additional amount due.

### **CONCLUSION**

Audit adjusted Petitioner's 2021 Idaho income tax return to remove the subtraction for unemployment. The Tax Commission reviewed the adjustment and found it appropriate. Therefore, the Tax Commission upholds Audit's Notice.

Audit added interest and penalty to Petitioner's tax deficiency. The Tax Commission reviewed those additions and found them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice dated September 13, 2024, and directed to [REDACTED] [REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest calculated per Idaho Code Section 63-3045:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$638	\$32	\$76	\$746

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 \_\_\_\_\_ 2025.

IDAHO STATE TAX COMMISSION

## CERTIFICATE OF SERVICE

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 2025,  
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.



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