

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 2-112-185-344
██████████ ██████████ ██████████ ██████████)	
)	
Petitioners.)	DECISION
_____)	

██████████ ██████████ ██████████ ██████████ (Petitioners) protested the Notice of Refund Determination (Notice) for tax year 2023 dated April 3, 2024. The Tax Commission reviewed the matter and hereby issues its final decision to uphold the Notice.

Background

Petitioners filed a joint income tax return for tax year 2023. The Tax Commission’s Revenue Operations Division (RO) issued the Notice on April 3, 2024, reducing Petitioners’ Credit for Contributions to Idaho Youth and Rehabilitation Facilities (Youth and Rehab Credit) from \$200 to \$39. This resulted in a reduced refund of \$1,121 instead of \$1,276 as claimed. The Tax Commission issued this reduced refund April 26, 2024, and Petitioners redeemed it May 2, 2024.

Petitioners protested the Notice, stating that they were claiming the full amount of the Youth and Credit for married couples (\$200) based on charitable donations to the Idaho Youth Ranch. Petitioners stated, “This amount is found on the tax credit website.”

RO sent Petitioners a letter on May 29, 2024, acknowledging the protest and informing them that the case was being transferred to the Tax Commission’s Appeals Unit (Appeals) to continue the redetermination process. Appeals sent Petitioners a letter on June 4, 2024, outlining the available options for redetermining a protested Notice. Petitioners did not respond to this letter. Therefore, the Tax Commission issues this decision based on information currently available.

Law & Analysis

Idaho Code section 63-3029C allows taxpayers to claim a credit against Idaho income tax for charitable contributions made to the Idaho Youth Ranch during the taxable year. The credit is limited to the **smallest** of three amounts:

- Fifty percent (50%) of the total charitable contributions taxpayers make during the year
- Twenty percent (20%) of taxpayer's total income tax
- \$100 (\$200 for a married couple)

This limitation information is detailed in Idaho Code section 63-3029C, the instruction booklet for completing Idaho income tax returns, and on the same website where Petitioners found the information showing the \$200 maximum credit for married couples.

Petitioners' Idaho taxable income reported on their 2023 Idaho return was \$12,352. Based on this, their total income tax was \$194. 20% of this amount is \$39. Since this is less than the \$200 maximum credit, it becomes the new upper limitation for the amount allowed. The Tax Commission has no information about the amount of charitable contributions Petitioners made to Idaho youth and rehabilitation facilities but is willing to concede that the total may have been greater than \$78. Based on this information, Petitioners' allowable credit is \$39.

Conclusion

Petitioners disagreed with the reduction of the Idaho Youth and Rehab Credit they claimed on their 2023 Idaho income tax return. Based on available information, Petitioners were eligible for a maximum credit of \$39, not the \$200 they claimed.

THEREFORE, the Notice dated April 3, 2024, and directed to [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] is hereby UPHeld and MADE FINAL.

As there is no additional tax due, no demand for payment is made.

An explanation of Petitioners' 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.


