

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-866-845-696
)	
Petitioner.)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

Taxpayer Accounting issued (Petitioner) a Notice of Refund Determination (Notice) for tax year 2021 disallowing the Idaho Child Tax Credit. She protested, stating her children lived with her during 2021 and did not file tax returns. The Tax Commission has reviewed the matter and upholds the Notice.

BACKGROUND

Petitioner filed an Idaho resident income tax return for tax year 2021 claiming head of household status with two dependents. She claimed the Idaho Child Tax Credit for both of her dependents. Taxpayer Accounting issued Petitioner a Notice disallowing the Idaho Child Tax Credit because both of her dependents were over the age of 18. Petitioner protested this adjustment, stating her children lived with her the entire year of 2021 and “pay for nothing.” She also stated that neither child filed tax returns for 2021. Taxpayer Accounting reached out to Petitioner through email attempting to explain the adjustment further. Petitioner did not respond, so Taxpayer Accounting referred the matter to the Tax Commission’s Appeals Unit (Appeals).

Appeals sent Petitioner correspondence describing the methods available for redetermining a protested Notice and asked how she wanted to proceed with her protest. Petitioner did not respond, so a phone call was made with the available phone number provided with the protest. After multiple attempts, Petitioner still did not respond.

LAW AND ANALYSIS

Idaho Code section 63-3029L provides:

“...there shall be allowed to a taxpayer a nonrefundable credit against the tax imposed by this chapter in the amount of two hundred five dollars (\$205) with respect to each qualifying child of the taxpayer. For purposes of this section, the term "qualifying child" has the meaning as defined in section 24(c) of the Internal Revenue Code.

Internal Revenue Code section 24(c)(1) in part defines a qualifying child as “a qualifying child of the taxpayer (as defined in section 152(c)) who has not attained age 17.”

For the 2021 tax year, Congress made a special rule change for the eligibility for the credit. Under Internal Revenue Code section 24(i)(2), “this section shall be applied by substituting ‘age 18’ for ‘age 17’ in subsection (c)(1).” The Idaho legislature decided this change should also be applied to the Idaho Child Tax Credit, increasing the age limit to under 18 instead of under 17. However, even under this rule change, Petitioner’s dependents do not meet the qualifications for the credit. According to the dates of birth listed on the Idaho return, the dependents were aged 19 and 21 by December 31, 2021, respectively.

CONCLUSION

Petitioner claimed the Idaho Child Tax Credit for her two dependents for tax year 2021. According to the dependents table listed on the 2021 Idaho income tax return, Petitioner’s dependents were over the age of 18 by December 31, 2021. Due to their age, Petitioner’s dependents do not qualify for the Idaho Child Tax Credit. Therefore, the Notice issued by Taxpayer Accounting is upheld.

Petitioner’s refund was reduced by the Notice, therefore, no DEMAND for payment is made or necessary.

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

DATED this _____ day of _____ 2022.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2022,
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.
