



The Tax Commission's Appeals Unit (Appeals) reviewed the matter and sent Petitioner a letter with two options for redetermining a protested Notice. Petitioner did not respond to the letter, nor did she provide any additional information. Appeals didn't get a response from the Petitioner, and decided the matter based upon the information available.

### **LAW AND ANALYSIS**

Idaho Code section 63-3022F states in part: In computing the deduction allowable under this section, no deduction shall be allowed if the item of gross income for a prior taxable year was not included in Idaho taxable income.

Idaho Income Tax Administrative Rule 35.01.01.120.07 states in part: The deduction is allowed to the extent such deduction would have been allowed to the taxpayer under Section 1341, Internal Revenue Code, had the taxpayer claimed the deduction instead of the recalculation of federal tax, but only to the extent the item was included in Idaho taxable income in the prior taxable year.

Petitioner is not allowed the claim of right credit per Idaho code and rule. She claimed an Idaho tax credit in 2020 for taxes she claims were paid in the 2019 tax year. The claim of right credit pertains to the paying of income taxes on a received item of income in one year and not being allowed to keep said item of income for whatever reason the following year. Here Petitioner filed her 2020 tax return asking for an \$1,800 claim of right credit even though she did not file a 2019 income tax return. She did not pay tax on an item of income she did not get to keep. Idaho only allows a credit if an individual paid Idaho tax on income they later did not get to keep. Petitioner filed her first Idaho income tax return in taxable year 2020 which means she does not qualify to file for a claim of right credit

**CONCLUSION**

Audit adjusted Petitioner’s 2020 Idaho individual income tax return to remove the Idaho claim of right credit. Petitioner did not file a 2019 Idaho return; therefore, she did not pay tax on an item of income she did not get to keep. Upon review, the Commission found the adjustment Audit made was in accordance with Idaho law. As such the Commission upholds the Notice issued to Petitioner.

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.

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