

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
 ,) DOCKET NO. 1-399-923-712
)
 Petitioner.) DECISION
)
 _____)

Taxpayer Accounting sent (Petitioner) a Notice of Refund Determination (Notice) for tax year 2022. Petitioner protested, disagreeing with the disallowance of his grocery credit. The Tax Commission has reviewed the matter and hereby upholds the Notice.

BACKGROUND

Petitioner filed his 2022 Idaho individual income tax return and claimed a \$100 grocery credit on ID Form 40, line 43. Taxpayer Accounting reviewed the return and discovered Petitioner is currently incarcerated, which disqualifies him from the credit. A Notice was sent to Petitioner removing the credit and disallowing his refund for 2022. Petitioner protested, stating he should be able to claim the credit because he pays sales tax on his commissary purchases in prison. Taxpayer Accounting acknowledged his protest and transferred the case to the Tax Commission’s Appeals Unit (Appeals).

Appeals reviewed the case and sent Petitioner correspondence informing him of the appeals process and his right to a hearing. Petitioner responded by providing his commissary receipts, showing he paid sales tax on the items. The Tax Commission has reviewed all relevant information and hereby makes its decision.

LAW AND ANALYSIS

Idaho Code section 63-3024A defines and explains the rules for “food tax credits and refunds” also known as the grocery credit. Idaho Code section 63-3024A(7) states:

“In the event that a credit or refund is attributable to any individual who has been incarcerated for any month or part of a month during the taxable year for which the credit or refund is claimed, the credit or refund allowed under this section shall be in proportion to the number of months of the year in which the individual was not incarcerated.”

Petitioner has been incarcerated since 2021, which completely disqualifies him from any portion of the \$100 grocery credit for tax year 2022. The statute is clear and does not consider the sales tax spent on prison commissary items to be groceries.

CONCLUSION

Taxpayer Accounting denied Petitioner’s grocery credit because he was incarcerated during the entire year in question. The Tax Commission has reviewed the facts at hand and finds the adjustment to his 2022 tax return to be accurate and appropriate.

THEREFORE, the Notice of Refund Determination dated August 22, 2023, is hereby APPROVED and MADE FINAL.

No DEMAND for payment is required as this decision denies Petitioner’s refund.

An explanation of Petitioner’s 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.
