

● IDAHO INCOME TAX ACT

STATUTORY CITATION: Idaho Code §§ 63-3001 – 63-3087

GENERAL SUMMARY: The Idaho Income Tax Act establishes a state tax on personal income, including earnings from employment, and requires employers to withhold and forward to the state a prescribed portion of each employee's wages calculated to reflect the employee's state income tax liability.

PROVISIONS APPLICABLE TO AGRICULTURE: Farmers, defined as individuals over 2/3 of whose gross income is derived from farming, are subject to special withholding requirements but generally must adhere to the same tax deposit and reporting requirements as their non-agricultural counterparts.

INCOME TAX WITHHOLDING — With respect to any worker who earns or is expected to earn \$1,000 or more in cash wages, bonuses and other compensation during the tax year, every Idaho farm employer must deduct and retain state withholding tax in an amount substantially equivalent to the tax reasonably calculated to be due from the employee, using withholding tables provided by the State Tax Commission.

TAX DEPOSITS AND REPORTING — Agricultural employers are required to periodically forward all withholding taxes to the state agency, and to file a return showing the compensation paid to each employee and the amount of withholding taxes deducted. No less than 30 days after the end of the calendar year, the farmer-employer must furnish a record of the amount of tax withheld to each worker from whose pay withholding taxes have been deducted, and must file a copy of the employee tax statement with the state agency.

SPECIAL NOTES OR ADVISORIES

TAX RETURNS AND LIABILITY — Even if exempt from tax withholding, a farmworker may be required to file an annual state income tax return and may be liable for payment of taxes, depending on total net income during the tax year and other circumstances.

ADMINISTRATION AND ENFORCEMENT

PRIMARY ENFORCEMENT AGENCY — *Idaho State Tax Commission, Boise, Idaho 83722 (208-334-7660)*. The Commission is responsible for the collection, reporting and accounting of state income taxes. Any worker who has reason to believe that withholding taxes deducted from earnings by an employer have not been properly paid or reported to the Commission, or who has not received an annual withholding tax statement from an employer who has deducted such taxes from the worker's pay, should contact a representative of the Commission.

SECONDARY OR ASSOCIATED ENFORCEMENT AGENCY — *None*.