

IN THE OREGON TAX COURT
MAGISTRATE DIVISION
Income Tax

LORRAINE SARICH,)	
)	
Plaintiff,)	TC-MD 070785B
)	
v.)	
)	
DEPARTMENT OF REVENUE,)	
State of Oregon,)	
)	
Defendant.)	DECISION

Plaintiff appeals regarding certain income tax matters for the 2004 tax year.¹ Specifically, she is concerned about the tax impact of two extra personal exemption credits for her disabled children.

A case management conference was held on January 11, 2008. Lorraine Sarich participated on her own behalf. Maribel Luna, tax auditor, represented Defendant.

I. STATEMENT OF FACTS

This case, as amended, involves the 2004 tax year. For that period, Plaintiff claimed an exemption credit of \$453 (\$151 times three dependents); her net income tax was zero dollars. She now contends that for the 2004 tax year, she should be allowed the additional personal exemption credits for her two disabled children.

II. ANALYSIS

The standard personal exemption credit is allowed by ORS 316.085(1)(a).² ORS 316.758 allows an additional personal exemption credit for a dependent who is “severely disabled at

¹ At the case management conference, Plaintiff amended her Complaint to include only the 2004 tax year. *See* Journal Entry filed March 14, 2008. Plaintiff was allowed additional time to submit written arguments. Nothing was received by the court.

² All references to the Oregon Revised Statutes (ORS) are to 2003.

the close of the taxable year.” Plaintiff is clearly entitled to claim the additional allowances for her children. However, that exemption credit only reduces *the tax otherwise due*.

ORS 316.085(1)(a). For tax year 2004, according to Defendant, “increasing the number of exemptions will not result in any additional refunds as the total tax liability is currently \$0.” (Def’s Summ of tax years 2004 and 2005, and Recommendations at 1.)

III. CONCLUSION

Plaintiff’s tax liability is zero for tax year 2004. She is not affected, for that year, by any potential additional personal exemption credits. Now, therefore,

IT IS THE DECISION OF THIS COURT that the appeal is denied.

Dated this _____ day of May 2008.

JEFFREY S. MATTSON
MAGISTRATE

If you want to appeal this Decision, file a Complaint in the Regular Division of the Oregon Tax Court, by mailing to: 1163 State Street, Salem, OR 97301-2563; or by hand delivery to: Fourth Floor, 1241 State Street, Salem, OR.

Your Complaint must be submitted within 60 days after the date of the Decision or this Decision becomes final and cannot be changed.

This document was signed by Magistrate Jeffrey S. Mattson on May 2, 2008. The Court filed and entered this document on May 2, 2008.