

*The appeal period has expired, pursuant to Iowa Admin. Code rule 701-7.19(8)(d) the Administrative Law Judge's proposed decision is adopted as the final decision by the Department.*

Iowa Department of Inspections and Appeals  
Administrative Hearings Division  
Wallace State Office Building, Third Floor  
Des Moines, Iowa 50319

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IN THE MATTER OF	)	
	)	IDR Docket No. 2021-910-2-0396
Joseph Adkins	)	
6002 Morningside Avenue, Trailer 16	)	DIA Case No. 23IDR0008
Sioux City, IA 51106	)	
	)	<b>PROPOSED DECISION</b>
RENT REIMBURSEMENT TAX	)	
	)	

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### STATEMENT OF THE CASE

Joseph Adkins appealed the Department of Revenue's (Department) decision denying his rent reimbursement claim. The matter came on for telephone hearing before this tribunal on May 19, 2023. Adkins appeared and testified. Assistant Attorney General Katherine Penland represented the Department, along with Department appeals section manager Staci Nelson. Official notice was taken of the administrative file. The Department submitted exhibits A-I, which were admitted into the record without objection. Adkins submitted several exhibits; the undersigned captioned them 1-8 as explained on the record. Exhibits 1-8 were admitted without objection.

### FINDINGS OF FACT

In 2020, Joseph Adkins received a back-pay award for Social Security Disability Insurance (SSDI). As explained on Adkins' 2020 Form SSA-1099, the SSDI benefits paid to him in 2020, \$45,980.50, included \$9,360.50 paid in 2020 for 2019; \$10,932 paid in 2020 for 2018; \$10,716 paid in 2020 for 2017; and \$3,560 paid in 2020 for 2016. (Ex. 6). Subtracting those four values leaves \$11,412 paid in 2020 for 2020.

Adkins filed a claim for rent reimbursement, which the Department received on June 2, 2021. (Ex. A; Nelson testimony). As part of his claim, Adkins asserted that his "gross disability income" in 2020 was \$11,701. (Ex. A). If Adkins' income were \$11,701—indeed, if it were under \$12,470—Adkins would be entitled to reimbursement for 100% of the rent he paid in 2020. (Ex. A).

The Department denied the claim for rent reimbursement. (Ex. B). The Department determined that Adkins' "total household benefits and income were over the limit." (Ex. B). The income limit for rent reimbursement in 2020 was \$24,206. (Ex. A). The Department's position was, and is, that Adkins' 2020 income is properly understood to be \$45,980.50, the total he received in 2020 from the Social Security Administration. (Exs. C, E, G; Nelson testimony). Because this exceeds \$24,206, the Department argues Adkins is not entitled to rent reimbursement for 2020.

Adkins filed a protest. (Ex. B). In January 2023, the Department requested a contested case hearing. (Answer).

### **CONCLUSIONS OF LAW**

A preliminary matter: the rent reimbursement program is in a state of transition to another state agency. Claims received by the Department of Revenue before December 1, 2022, though, are processed by the Department of Revenue. Iowa Admin. Code r. 701-104.35(2)(a). This claim was received in June 2021 and should therefore be processed by the Department. Appeals of denials of rent reimbursement claims made by the Department are filed with the Department and administered according to the Department's rules. Iowa Admin. Code r. 701-104.35(1)(a). This claim was made to the Department and was denied by the Department. The appeal of the denial should remain with the Department.

Adkins must give the Department "reasonable proof" of his household income. Iowa Code § 425.26(1)(f) (2021). Here he points to his SSA-1099, which provides that the lump sum he received in 2020 was actually "for" four other years besides 2020, and thus, he argues, only \$11,412 of the lump sum should be counted as income for 2020.

"Income" includes "payments received under the federal Social Security Act." Iowa Code § 425.17(7) (2021). SSDI is such a payment. *See* 42 U.S.C. § 423. Under the plain language of the statute, Adkins "received" the SSDI in 2020. That much of the lump-sum payment was "for" other years is immaterial, and Adkins points to no authority suggesting the Department should undertake such a determination when evaluating income. The tribunal notes that Iowa Code section 425.17(7) includes within its definition of "income" several types of income that could arguably be "for" prior years: capital gains accrue on past investments, alimony depends on a prior marriage, and pensions flow from past work, for example. The tribunal doubts that the legislature intended this definition to involve a complicated attribution decision for each of these. More likely is that the legislature intended "income" to be the amount received in a given year. Here, Adkins received \$45,980.50 in 2020. That exceeds the income limit for rent reimbursement. *See* Iowa Code § 425.23 (setting limits). The Department was correct to deny the rent-reimbursement claim here. Its decision to do so is affirmed.

### **ORDER**

The Department's decision is hereby affirmed. The Department shall take any action necessary to implement this decision.

Dated this 22nd day of May, 2023.

cc: Joseph Adkins (By Mail)

Katherine Penland, Assistant Attorney General kate.penland@ag.iowa.gov (By AEDMS)

Dena Tadros, IDR, [dena.tadros@iowa.gov](mailto:dena.tadros@iowa.gov) (By Email)

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**NOTICE**

Pursuant to 701 Iowa Administrative Code 7.19(8)(d), this order becomes the final order of the Department for purposes of judicial review or rehearing unless a party files an appeal to or review on motion of the director with 30 days of the date of this order, including Saturdays, Sundays and legal holidays, of the date of this Proposed Decision to file an appeal to the Director of the Department of Revenue. The appeal shall be directed to:

Office of the Director  
Iowa Department of Revenue  
Hoover State Office Building  
Des Moines, Iowa 50319

**Case Title:** IN THE MATTER OF: JOSEPH ADKINS

**Case Number:** 23IDR0008

**Type:** Proposed Decision

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read "Jonathan Gallagher", with a long, sweeping horizontal stroke extending to the right.

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Jonathan Gallagher, Administrative Law Judge