

IDAPA 35 - STATE TAX COMMISSION

35.01.03 - PROPERTY TAX ADMINISTRATIVE RULES

DOCKET NO. 35-0103-1602

NOTICE OF INTENT TO PROMULGATE RULES - NEGOTIATED RULEMAKING

AUTHORITY: In compliance with Section 67-5220, Idaho Code, notice is hereby given that this agency intends to promulgate rules and desires public comment prior to initiating formal rulemaking procedures. This negotiated rulemaking action is authorized pursuant to Section 63-105A, Idaho Code, and Section 63-802, Idaho Code.

METHOD OF PARTICIPATION: Interested persons wishing to participate in the negotiated rulemaking may do any of the following:

Negotiated meetings will be scheduled and all scheduled meetings shall be posted and made accessible on the agency website at the address listed below.

1. Attend the negotiated rulemaking meeting and participate in the negotiation process;
2. Attend through a teleconference;
3. Provide oral or written recommendations, or both, at the negotiated rulemaking meeting; and/or
4. Submit written recommendations and comments using the contact information below.

Upon conclusion of the negotiated rulemaking, any unresolved issues, all key issues considered, and conclusions reached during the negotiated rulemaking will be addressed in a written summary and made available on the agency website.

Failure of interested persons to respond to this notice of intent or the lack of a sufficient number of responses to this notice of intent may result in the discontinuation of further informal proceedings. In either event the agency shall have sole discretion in determining the feasibility of scheduling and conducting informal negotiated rulemaking and may proceed directly to formal rulemaking if proceeding with negotiated rulemaking is deemed infeasible.

DESCRIPTIVE SUMMARY: The following is a statement in nontechnical language of the substance and purpose of the intended negotiated rulemaking and the principle issues involved:

Property Tax Rule 114 - This rule will increase the stratum for the properties receiving the homeowner's exemption. Currently the properties are reported in \$25,000 increments up to \$250,000. Reporting by these increments up to a higher property value would allow better statistical analysis.

Property Tax Rule 317 - The maximum homeowner's exemption for tax year 2016 has been set under former law to be \$94,745. Under new House Bill 431 the maximum homeowner's exemption is set at \$100,000 effective July 1, 2016. Rule 317 needs to be amended so that the maximum homeowner's exemption applied to property subject to the occupancy tax after July 1, 2016 and thereafter be consistent with the new law (HB431) (\$100,000).

Property Tax Rule 609 - With passage of House Bill 431 the reference to the House Price Index needs to be deleted and the examples need to be changed to reflect the new amount (\$100,000) of the maximum homeowner's exemption. Reference to the House Price Index is deleted and the examples are updated to show the homeowner's exemption to be \$100,000. Also, certain examples in the existing rule will be reviewed and possibly changed.

Property Tax Rule 802 - Taxing districts will be instructed on how to compute new construction amounts within urban renewal revenue allocation areas under newly enacted HB606aa (63-301A). The rule will explain how to compute new construction within a revenue allocation area when it is determined that a new urban renewal plan with new (after July 2, 2016) revenue allocation areas has been modified.

Property Tax Rule 803 - The administration of the provisions of HB534 and HB 606aa related to property tax budget certification will be outlined and the requirements to report the amount and the description of budgeted forgone amount as expressed in HB 474 will be explained. This rule will explain how to handle

solar farm gross receipt tax receipts in relation to the computation of maximum property tax budget as set out in newly enacted house bill HB 534 (63-802(1)(j)). The rule will also explain the treatment of money received as a result of distributions of urban renewal allocations in excess of the amount necessary to pay indebtedness, as provided in newly enacted HB 606aa (Section 50-2903A(3), Idaho Code). In addition the rule will explain how to distribute the money received as a result of distributions of urban renewal allocations in excess of the amount received by the urban renewal agency in the immediate prior year, as provided in Section 50-2913(3)(c), Idaho Code.

Property Tax Rule 804 - The rule will provide for the urban renewal agencies to tell the state tax commission whether or not a plan modification has occurred and may describe penalties for non-compliance. This rule will provide for a notification process between the tax commission and counties.

Property Tax Rule 805 - This rule will describe acceptable methods of compliance with the requirement to submit urban renewal plan modifications found in newly enacted house bill 606aa (section 7, new I.C. 50-2913) and to explain what action will be taken if the state tax commission is not able to verify the existence of an urban renewal agency.

CONTACT INFORMATION, WEB ADDRESS, ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning this negotiated rulemaking, contact Alan Dornfest, (208) 334-7742. Materials pertaining to the negotiated rulemaking, including any available preliminary rule drafts, can be found on the commission website at the following web address: www.tax.idaho.gov.

All written comments must be directed to the address below.

DATED this 14th Day of April, 2016.

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