



Eric Milstead
Director

Legislative Services Office

Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Local Government & Taxation Committee and the House Revenue & Taxation Committee

FROM: Division Manager - Mike Nugent

DATE: July 16, 2015

SUBJECT: State Tax Commission - Property Tax

IDAPA 35.01.03 - Property Tax Administrative Rules - Adoption of Temporary Rule (Docket No. 35-0103-1502)

IDAPA 35.01.03 - Property Tax Administrative Rules - Temporary and Proposed Rule (Docket No. 35-0103-1503)

The temporary rule the Tax Commission is adopting (Docket No. 35-0103-1502) relates to centrally assessed operating property and reporting requirements. The temporary rule provides that operating property apportionment occurs after subtracting the personal property tax exemption provided by law from the Idaho value.

The temporary and proposed rule of the Tax Commission (Docket No. 35-0103-1503) relates to budget certification and tax levy certification. The first portion of the proposed rule provides that personal replacement revenue is added back to the tort budget when computing the school district hypothetical new construction levy. The rule also provides that personal property recovered after 2013 for which no state replacement money is paid is noted to be deducted from the budget. Also, language is being added to note that for recoveries related to personal property exempt in 2013, the recovery is to be paid to the state and future replacement amounts are to be reduced by the amount of the recovery.

The proposed rules also implement the provisions of House Bill No. 76 of 2015 which adds the school emergency fund levy to the list of funds in a tax increment area and provided that the current equalized assessed value of a taxing district containing a revenue allocation area shall be used to calculate the property tax rate for the school emergency fund levy. By allowing the levy to be assessed on the current equalized valuation of taxable property instead of the base assessment roll, property tax paid for school emergency levies will go to the school district instead of to urban renewal agencies and affects school districts that have an urban renewal district in their school district.

It appears the temporary and proposed rules have been promulgated within the scope of the statutory authority granted to the State Tax Commission.

cc: State Tax Commission - Property Tax
Sherry Briscoe

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

April Renfro, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology