

Table of Contents

35.01.03 - Property Tax Administrative Rules

| | |
|--|----|
| 000. Legal Authority (Rule 000). | 5 |
| 001. Title And Scope (Rule 001). | 5 |
| 002. Written Interpretations (Rule 002). | 5 |
| 003. Administrative Appeals (Rule 003). | 5 |
| 004. Public Records (Rule 004). | 5 |
| 005. Office -- Office Hours -- Street And Mailing Addresses -- Phone And Facsimile Numbers -- E-Mail Address (Rule 005). | 5 |
| 006. Incorporation By Reference (Rule 006). | 6 |
| 007. -- 019. (Reserved) | 7 |
| 020. Value Of Recreational Vehicles For Annual Registration And Taxation Of Unregistered Recreational Vehicles (Rule 020). | 7 |
| 021. -- 113. (Reserved) | 8 |
| 114. Powers And Duties - Property Tax - Value Information (Rule 114). | 8 |
| 115. Powers And Duties - Property Tax - Value Information (Rule 115). | 9 |
| 116. -- 119. (Reserved) | 9 |
| 120. Investigation Of Written Complaints (Rule 120). | 9 |
| 121. -- 124. (Reserved) | 10 |
| 125. Program Of Education (Rule 125). | 10 |
| 126. Property Tax Appraiser Certification Program (Rule 126). | 11 |
| 127. (Reserved) | 12 |
| 128. Cadastral Certification Program (Rule 128). | 12 |
| 129. (Reserved) | 13 |
| 130. Description Of Primary Categories Used To Test For Equalization (Rule 130). 14 | 14 |
| 131. Use Of Ratio Study To Test For Equalization In Counties (Rule 131). | 15 |
| 132. -- 204. (Reserved) | 17 |
| 205. Personal And Real Property -- Definitions And Guidelines (Rule 205). | 17 |
| 206. -- 216. (Reserved) | 18 |
| 217. Rules Pertaining To Market Value Duty Of County Assessors (Rule 217). | 18 |
| 218. Assessor's Plat Book (Rule 218). | 18 |
| 219. Uniform Parcel Numbering System (Rule 219). | 20 |
| 220. Rules Pertaining To Assessment Of Internal Revenue Code (IRC) Section 42 Low-Income Properties (Rule 220). | 24 |
| 221. -- 224. (Reserved) | 29 |
| 225. Documentation For Newly Organized Or Altered Taxing Districts Or Revenue Allocation Areas (RAAs) Under The Jurisdiction Of Urban Renewal Agencies (Rule 225). | 29 |
| 226. -- 229. (Reserved) | 33 |
| 230. Extensions Of Statutory Deadlines For Disaster Relief (Rule 230). | 33 |
| 231. -- 303. (Reserved) | 33 |
| 304. Manufactured Home Designated As Real Property (Rule 304). | 33 |

| | |
|--|----|
| 305. -- 311. (Reserved) | 34 |
| 312. Partial Year Assessment Of Real And Personal Property (Rule 312). | 34 |
| 313. Assessment Of Transient Personal Property (Rule 313). | 34 |
| 314. County Valuation Program To Be Carried On By Assessor (Rule 314). | 36 |
| 315. Use Of Ratio Study To Equalize Boise School District (Rule 315). | 38 |
| 316. Compliance Of Continuing Valuation Program (Rule 316). | 40 |
| 317. Occupancy Tax On Newly Constructed Improvements On Real Property (Rule 317). | 42 |
| 318. -- 403. (Reserved) | 43 |
| 404. Operator's Statement -- Contents (Rule 404). | 43 |
| 405. Assessment Of Operating Property (Rule 405). | 45 |
| 406. (Reserved) | 46 |
| 407. Appeal Of Operating Property Assessments (Rule 407). | 46 |
| 408. Re-examination Of Value -- Complaint By Assessor (Rule 408). | 48 |
| 409. -- 410. (Reserved) | 48 |
| 411. Private Car Reporting By Railroad Companies (Rule 411). | 48 |
| 412. (Reserved) | 49 |
| 413. Special Provisions For Private Railcar Fleets (Rule 413). | 49 |
| 414. (Reserved) | 49 |
| 415. Apportionment Of Railcar Fleet's Assessed Values Within The State (Rule 415). | 49 |
| 416. (Reserved) | 50 |
| 417. Penalty For Failure To Make Statement (Rule 417). | 50 |
| 418. -- 507. (Reserved) | 50 |
| 508. Notification Of Personal Property Exempt Value By Taxing District Or Unit (Rule 508). | 50 |
| 509. City, County, School District, And Special District Or Unit Of Government Abstracts Of Value And Identification Of Urban Renewal Increment And Partial Exemption Values (Rule 509). | 50 |
| 510. Secondary Categories For Land - Listing And Reporting (Rule 510). | 51 |
| 511. Secondary Categories For Improvements - Listing And Reporting (Rule 511). | 54 |
| 512. Secondary Categories, Other Than Land Or Improvements - Listing And Reporting (Rule 512). | 56 |
| 513. -- 599. (Reserved) | 57 |
| 600. Property Exempt From Taxation (Rule 600). | 57 |
| 601. -- 602. (Reserved) | 58 |
| 603. Property Exempt From Taxation -- Religious Corporations Or Societies (Rule 603). | 58 |
| 604. (Reserved) | 58 |
| 605. Property Exempt From Taxation - Property Used For School Or Educational Purposes (Rule 605). | 58 |
| 606. -- 607. (Reserved) | 59 |
| 608. Property Exempt From Taxation - Homestead - Continued Eligibility After Death Of Claimant (Rule 608). | 59 |
| 609. Property Exempt From Taxation -- Homestead (Rule 609). | 59 |

| | |
|--|-----|
| 610. Property Exempt From Taxation -- Residential Improvements -- Special Situations (Rule 610). | 61 |
| 611. Value Of Residential Property In Certain Zoned Areas (Rule 611). | 64 |
| 612. Property Exempt From Taxation -- Motor Vehicles, Recreational Vehicles, And Vessels Properly Registered (Rule 612). | 64 |
| 613. Property Exempt From Taxation -- Speculative Portion Of Value Of Agricultural Land (Rule 613). | 65 |
| 614. Speculative Portion Of Value Of Agricultural Land - Examples (Rule 614). ... | 67 |
| 615. Property Exempt From Taxation - Certain Intangible Personal Property (Rule 615). | 69 |
| 616. -- 617. (Reserved) | 71 |
| 618. Computation Of The Idaho Irrigation Exemption (Rule 618). | 71 |
| 619. Property Exempt From Taxation -- Facilities For Water Or Air Pollution Control (Rule 619). | 72 |
| 620. Exemption For Never Occupied Residential Improvements (Rule 620). | 73 |
| 621. -- 624. (Reserved) | 73 |
| 625. Homeowners Exemption On Occupancy Tax Roll (Rule 625). | 73 |
| 626. Property Exempt From Taxation -- Certain Personal Property (Rule 626). | 74 |
| 627. (Reserved) | 79 |
| 628. Partial Exemption For Remediated Land (Rule 628). | 79 |
| 629. Property Exempt From Taxation -- Qualified Equipment Utilizing Post Consumer Or Post Industrial Waste (Rule 629). | 81 |
| 630. Tax Exemption For New Capital Investments (Rule 630). | 81 |
| 631. Tax Exemption For Investment In New Plant And Building Facilities Upon County Commissioners' Approval (Rule 631). | 82 |
| 632. Property Exempt From Taxation -- Oil Or Gas Related Wells (Rule 632). | 83 |
| 633. -- 644. (Reserved) | 83 |
| 645. Land Actively Devoted To Agriculture Defined (Rule 645). | 83 |
| 646. -- 699. (Reserved) | 85 |
| 700. Definitions For Property Tax Reduction Benefit (Rule 700). | 85 |
| 701. How To Verify That Claimants Are Lawfully Present In The United States (Rule 701). | 87 |
| 702. -- 708. (Reserved) | 88 |
| 709. Property Tax Reduction Benefit Program -- Special Situations (Rule 709). ... | 88 |
| 710. -- 716. (Reserved) | 89 |
| 717. Procedure After Claim Approval (Rule 717). | 89 |
| 718. -- 799. (Reserved) | 92 |
| 800. Budget Certification Relating To Operating Property Annexation Value (Rule 800). | 92 |
| 801. Limitation On Budget Requests -- Special Plant Facilities Fund Levy Provisions (Rule 801). | 92 |
| 802. Budget Certification Relating To New Construction And Annexation (Rule 802). | 93 |
| 803. Budget Certification -- Dollar Certification Form (L-2 Form) (Rule 803). | 99 |
| 804. Tax Levy - Certification - Urban Renewal Districts (Rule 804). | 103 |
| 805. Penalty For Failure To Provide Notice Of Budget Hearing (Rule 805). | 108 |

| | |
|---|-----|
| 806. Election To Create A New Taxing District -- Clerk's Mailed Notice (Rule 806). | 108 |
| 807. Levy By New Taxing Units - Duties Of Auditor (Rule 807). | 109 |
| 808. Additional Documentation By Taxing Districts Not Levying Against All Taxable Property (Rule 808). | 109 |
| 809. Correction Of Erroneous Levy (Rule 809). | 110 |
| 810. (Reserved) | 110 |
| 811. Computation Of Property Taxes (Rule 811). | 110 |
| 812. -- 901. (Reserved) | 110 |
| 902. Property Tax Notice And Receipts - Duty Of Tax Collector (Rule 902). | 110 |
| 903. -- 935. (Reserved) | 111 |
| 936. Cancellation Of Taxes By Board Of County Commissioners (Rule 936). | 111 |
| 937. -- 938. (Reserved) | 111 |
| 939. Court Or Board Of Tax Appeals Ordered Refunds Or Credits - Levy Restrictions (Rule 939). | 111 |
| 940. -- 944. (Reserved) | 111 |
| 945. Subsequent Assessment Of Property Concealed (Rule 945). | 111 |
| 946. -- 959. (Reserved) | 111 |
| 960. Definitions (Rule 960). | 111 |
| 961. Homesite Assessment And Forestlands Of Less Than Five Acres And Contiguous Parcels (Rule 961). | 113 |
| 962. Taxation Of Forestlands Under The Productivity Option (Rule 962). | 115 |
| 963. Certain Forestlands To Be Designated For Taxation By Owner -- Limitations (Rule 963). | 116 |
| 964. Yield Tax On Applicable Forest Products (Rule 964). | 116 |
| 965. (Reserved) | 117 |
| 966. Recapture Of Deferred Taxes On Lands Designated Under Section 63-1706, Idaho Code (Rule 966). | 117 |
| 967. (Reserved) | 118 |
| 968. Certain Christmas Trees And Annual Forest Crops - Exempt From Yield Tax (Rule 968). | 118 |
| 969. -- 979. (Reserved) | 118 |
| 980. Valuation Of Mines For Taxation (Rule 980). | 118 |
| 981. (Reserved) | 118 |
| 982. Reporting Net Profits Of Mines (Rule 982). | 118 |
| 983. -- 987. (Reserved) | 119 |
| 988. Qualified Property For Exemption (Rule 988). | 119 |
| 989. Qualified Investment Exemption (QIE) Recapture (Rule 989). | 123 |
| 990. Certification Of The Tax Charge On Farm Machinery, Tools And Equipment For Replacement Fund Distribution (Rule 990). | 126 |
| 991. -- 994. (Reserved) | 126 |
| 995. Certification Of Sales Tax Distribution (Rule 995). | 126 |
| 996. -- 999. (Reserved) | 127 |

**IDAPA 35
TITLE 01
CHAPTER 03**

35.01.03 - PROPERTY TAX ADMINISTRATIVE RULES

000. LEGAL AUTHORITY (RULE 000).

In accordance with Section 63-105 and 63-105A, Idaho Code, the State Tax Commission shall promulgate rules implementing the provisions of the Idaho Statutes relating to the property tax laws and related statutes, Chapters 1 through 17 and Chapters 28, 30, 35, 36, and 45, Title 63, Idaho Code. Rules relating to the market value of recreational vehicles are authorized by Section 49-446, Idaho Code. Rules relating to taxation of newly constructed improvements are authorized by Section 63-105A, Idaho Code. (4-4-13)

001. TITLE AND SCOPE (RULE 001).

These rules shall be cited as IDAPA 35.01.03, "Property Tax Administrative Rules." (7-1-93)

002. WRITTEN INTERPRETATIONS (RULE 002).

This agency has written statements as defined in Section 67-5201(19)(b)(iv), Idaho Code, which pertain to the interpretation of the rules of this chapter or to the documentation of compliance with the rules of this chapter. To the extent that these documents are not confidential by statute or rule, the documents are available for public inspection and copying at the main office of the State Tax Commission. See Rule 005 of these rules for the main office address. (3-15-02)

003. ADMINISTRATIVE APPEALS (RULE 003).

This chapter does allow administrative relief of certain provisions outlined herein. These rules relate to proceedings pursuant to Sections 63-407 and 63-707, Idaho Code. (4-4-13)

004. PUBLIC RECORDS (RULE 004).

Sections 9-337 through 350, 63-302, 63-313, 63-602Y, 63-3076 and 63-3077, Idaho Code. (3-29-12)

01. Records Open to the Public. Public records under the Public Records Act, Chapter 3, Title 9, Idaho Code, are presumed to be open to the public to the extent that these records are not confidential under Sections 63-3076, 63-3077 or 9-337 through 9-350, Idaho Code. (3-29-12)

02. Records Not Presumed Open to the Public. The following public records are not presumed open to the public, are confidential, and may not be disclosed without the written consent, including by electronic means, of the taxpayer except as described in Section 9-340D (24), Idaho Code: (3-29-12)

a. The lists of personal property required to be filed by Sections 63-302 and 63-602Y; (3-29-12)

b. The lists of transient personal property required to be filed by Section 63-313; (3-29-12)

c. The operator's statement required to be filed by Section 63-404; and (3-29-12)

d. Confidential, commercial, or financial information including trade secrets, provided the taxpayer gives notice of a claim to exempt the specific documents from disclosure. The notice of a claim to exemption shall be accomplished by stamping or marking each page or the first page of each portion of the document so claimed. (3-29-12)

03. County Assessor -- Officer of the State. The county assessor is included in the group of any officer, employee or authorized representative of the state as stated in Section 9-340(24), Idaho Code, and therefore may be given documents without the permission of the taxpayer for purposes of carrying out the provisions of state law including the proceedings of the county board of equalization. Exchanges of information between or among the State Tax Commission and county officials otherwise authorized by law are not limited by any provision of this Rule. (3-29-12)

005. OFFICE -- OFFICE HOURS -- STREET AND MAILING ADDRESSES -- PHONE AND FACSIMILE NUMBERS -- E-MAIL ADDRESS (RULE 005).

01. Main Office. The State Tax Commission main office is located at 800 Park Blvd., Plaza IV, Boise, Idaho 83712-7742. The correspondence mailing address is P.O. Box 36, Boise, Idaho 83722-0410. The State Tax Commission's Website is www.tax.idaho.gov. The telephone number for Taxpayer Services is (208) 334-7660, or toll free 1-800-972-7660, and the facsimile number is (208) 334-7846. The State Tax Commission's e-mail is taxrep@tax.idaho.gov. Main Office hours are from 8 a.m. to 5 p.m. Monday through Friday except for legal holidays. (3-15-02)

02. Regional Field Offices. The address and phone number for each regional field office is listed in IDAPA 35.02.01.005, "Tax Commission Administration and Enforcement Rules," Rule 005. (3-15-02)

03. Hearing Impaired. Hearing impaired individuals may contact any State Tax Commission office by using the Idaho Relay Service Number 1-800-377-3529. (3-15-02)

006. INCORPORATION BY REFERENCE (RULE 006).

Unless provided otherwise, any reference in these rules to any document identified in Rule 006 of these rules shall constitute the full incorporation into these rules of that document for the purposes of the reference, including any notes and appendices therein. The term "documents" includes codes, standards, or rules adopted by an agency of the state or of the United States or by any nationally recognized organization or association. (5-3-03)

01. Availability of Reference Material. Copies of the documents incorporated by reference into these rules are available at the main office of the State Tax Commission as listed in Rule 005 of these rules or can be electronically accessed as noted in Subsection 006.02 of this rule. (5-8-09)

02. Documents Incorporated by Reference. The following documents are incorporated by reference into these rules: (5-3-03)

a. "Standard on Ratio Studies" published in 2010, "Standard on Digital Cadastral Maps and Parcel Identifiers" published in 2012, "Standard on Mass Appraisal of Real Property" published in 2012, "Standard on Verification and Adjustment of Sales" published in 2010, all published by the International Association of Assessing Officers. These documents can be electronically accessed at <http://www.iaao.org/documents/index.cfm?Category=23> which was last accessed and verified on June 14, 2012. (4-4-13)

b. "Recreation Vehicle Guide of the National Automobile Dealers Association" published in 2012 for the September through December period by the National Appraisal Guides Incorporated. (4-4-13)

c. "Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association" published in 2012 for the September through December period by the National Appraisal Guides Incorporated. (4-4-13)

d. "Official Railway Equipment Register" published for the last three (3) quarters in 2012 and the first quarter in 2013 by R. E. R. Publishing Corporation, Agent as a publication of UBM Global Trade. (4-4-13)

e. "Forest Habitat Types of Northern Idaho: A Second Approximation" published by the Government Printing Office for the U. S. Forest Service in 1991, General Technical Report INT-236, written by Cooper, Stephen V., Neiman, Kenneth E., Rev, David W., and Roberts, Kenneth E. (4-6-05)

f. "Forest Habitat Types of Central Idaho" published by the Government Printing Office for the Intermountain Forest and Range Experimentation Station of the U. S. Forest Service in 1981, General Technical Report INT-114, written by Kittams, Jay A., Pfister, Robert D., Ryker, Russell A., and Steele, Robert. (5-3-03)

g. "Yield of Even-Aged Stands of Ponderosa Pine" published by the Government Printing Office for the U. S. Department of Agriculture in 1938, Technical Bulletin No. 630. (5-3-03)

h. "Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type" published by the Government Printing Office for the U. S. Department of Agriculture in 1932, Technical Bulletin No. 323. (5-3-03)

i. “Manual of Surveying Instructions” published by the Federal Bureau of Land Management and the Public Land Survey System Foundation in 2009. (4-4-13)

007. -- 019. (RESERVED)

020. VALUE OF RECREATIONAL VEHICLES FOR ANNUAL REGISTRATION AND TAXATION OF UNREGISTERED RECREATIONAL VEHICLES (RULE 020).

Section 49-446, Idaho Code. (5-3-03)

01. Value of Recreational Vehicle For Registration Fees. Beginning with registration fees for calendar year 2004, the County assessors shall administer and collect the recreational vehicle (RV) registration fee based on the market value calculated from the following depreciation schedule.

| DEPRECIATION SCHEDULE FOR RVS | | | | |
|--------------------------------------|----------------------------------|---------------------|------------------------|---------------------|
| | Travel/ Camp Trailers | Campers | Van Conversions | Motor Homes |
| Age | Percent Good | Percent Good | Percent Good | Percent Good |
| 0 | 100 | 100 | 100 | 100 |
| 1 | 86 | 83 | 85 | 85 |
| 2 | 76 | 76 | 74 | 77 |
| 3 | 66 | 64 | 62 | 68 |
| 4 | 62 | 60 | 52 | 62 |
| 5 | 59 | 55 | 47 | 59 |
| 6 | 56 | 54 | 40 | 55 |
| 7 | 55 | 52 | 35 | 54 |
| 8 | 50 | 49 | 32 | 51 |
| 9 | 49 | 44 | 30 | 48 |
| 10 | 43 | 40 | 27 | 44 |
| 11 | 41 | 36 | 23 | 40 |
| 12 | 38 | 33 | 19 | 36 |
| 13 | 37 | 30 | 14 | 32 |
| 14 | 36 | 27 | 13 | 31 |
| 15 | 31 | 23 | 12 | 28 |

To use this depreciation schedule, multiply the sales price of the RV or the applicable value from Subsection 020.02 or 020.03 below by the appropriate “Percent Good” based on the “Age” and type of RV. Decide the “Age” based on the year of purchase as follows: purchased in the current year equals “Age” zero (0), purchased in the previous year equals “Age” one (1), etc. For example, in year 2004, the “Age” for an RV purchased in 2004 is zero (0), the “Age” for an RV purchased in 2003 is one (1), the “Age” for an RV purchased in 2002 is two (2), the “Age” for an RV purchased in 2001 is three (3), etc. For any RV still in use and purchased fifteen (15) or more years ago, calculate the minimum market value using the lowest depreciation rate for the correct RV type. This depreciation schedule is based on the “Recreation Vehicle Guide of the National Automobile Dealers Association” and the “Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association” approved by the State Tax

Commission as required under Section 49-446, Idaho Code. The State Tax Commission will maintain the information on which this depreciation schedule is based while it is in use and for a minimum of three (3) years after it has been replaced. If the purchase price for the RV is not known, use the approved edition of the "Recreation Vehicle Guide of the National Automobile Dealers Association" or the "Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association" as referenced in Rule 006 of these rules to determine the market value. (5-3-03)

02. Value of Motor Home or Van Conversion For Registration Fees. The value of any motor home or van conversion used to calculate the registration fee shall exclude any chassis value. Beginning with the registration fees for calendar year 2004, the county assessor shall use the following schedule of valuation factors to calculate the value of the motor home or van conversion excluding the chassis value.

| Motor Home/Van Type | Valuation Factor |
|----------------------------|-------------------------|
| Mini Motor Home (MMH) | 50% |
| Motor Home (MH) | 60% |
| Front Engine Diesel | 45% |
| Rear Engine Diesel | 58% |
| Van Conversions | 25% |

Multiply the motor home or van conversion's total value by the appropriate factor to calculate the value excluding the chassis value. (5-3-03)

03. Value of Vehicles Designed For Combined RV and Non-RV Uses For Registration Fees. For vehicles designed to have part of the vehicle for RV use and other parts of the vehicle for non-RV uses like transporting horses or other cargo, the value of the RV to be used to calculate the registration fee is the price listed on the bill of sale for the living quarters. When the price of the living quarters is not listed separately on the bill of sale, for a vehicle with less than four (4) facilities, the value of the RV is twenty-five percent (25%) of the sales price, and for a vehicle with four (4) or more facilities, the value of the RV is thirty percent (30%) of the sales price. A facility is any one (1) of the following: (5-3-03)

- a. Stove; (5-3-03)
- b. Lavatory/toilet; (5-3-03)
- c. Heater/air conditioner; (5-3-03)
- d. Refrigerator/icebox; (5-3-03)
- e. Sink with water faucet; or (5-3-03)
- f. Electricity/gas supply. (5-3-03)

04. Assessment Notice Mailed or Assessment Canceled. If after August 31, the required annual registration fee has not been paid, a taxpayer's valuation assessment notice shall be mailed to the owner of the recreational vehicle. If the registration fee is paid before the fourth Monday of November, the assessor shall cancel the assessment. (5-3-03)

021. -- 113. (RESERVED)

114. POWERS AND DUTIES - PROPERTY TAX - VALUE INFORMATION (RULE 114). Sections 63-105A and 63-509, Idaho Code. To provide needed value information under Subsection 63-105A(2), Idaho Code, each county assessor will, to the extent practicable, report to the State Tax Commission in the same manner and at the same time as the abstract under Section 63-509, Idaho Code, the total market value and exempted

value of all property (land and improvements) used for residential purposes and granted the homeowner's exemption under Section 63-602G, Idaho Code, for the current year's assessment roll. Additionally, each county assessor will, to the extent practicable, report to the State Tax Commission the number of properties and the aggregate total market value of the properties granted the homeowner's exemption in each group starting with the group of properties valued at less than or equal to twenty-five thousand dollars (\$25,000) and including each subsequent group with value increases of twenty-five thousand dollars (\$25,000) and ending with the group of properties exceeding the value of more than two hundred fifty thousand dollars (\$250,000). (4-7-11)

115. POWERS AND DUTIES - PROPERTY TAX - VALUE INFORMATION (RULE 115).

Sections 63-105A and 63-509, Idaho Code. (3-30-07)

01. Requirement to Submit Abstracts. The county auditor must submit to the State Tax Commission abstracts for the county, the cities or the portion of each city located in the county, the Boise School District, and any taxing district or unit of government with a restriction providing that such district does not levy property taxes on all otherwise taxable property as described in Rule 808 of these rules. (3-29-12)

02. Values by Secondary Category. For each of the abstracts required in Subsection 115.01 of this rule, to provide needed value information under Subsection 63-105A(2), Idaho Code, each assessor will report to the county auditor the market value and exempted value of all property by secondary categories, described in Rules 510, 511, and 512 of these rules, in the same manner as the abstracts required for each county under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-29-12)

03. Additional Abstracts to Accompany County Abstracts. Each county auditor will include city and any required additional abstracts described in Subsection 115.01 of this rule, when submitting to the State Tax Commission the abstracts required under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-29-12)

04. Cross Reference. For the descriptions of secondary categories and clarification of responsibilities relating to listing and reporting values by secondary categories, see Rules 509, 510, 511, and 512 of these rules. For a description of levy criteria requiring submittal of additional abstracts, see Rule 808 of these rules. (3-29-12)

116. -- 119. (RESERVED)

120. INVESTIGATION OF WRITTEN COMPLAINTS (RULE 120).

01. Definitions. To investigate written complaints, the following terms are defined. (7-1-99)

a. Complaint. Complaint means a written request for the State Tax Commission to investigate any actions by public officials relating to property tax assessment or administration. (7-1-99)

b. Complainant. Complainant means any individual making a complaint. (7-1-99)

c. Investigation. Investigation means observation and close examination of a public official's application of assessment law and State Tax Commission rules. The investigation may require field inspections of property, analysis of public records or the interviewing of witnesses. The formal investigation will be focused or limited to cover only those issues raised by the complainant. (7-1-99)

d. Public official. The term public official means the elected or appointed official whose actions are the subject of the complaint. (7-1-99)

02. Investigation Procedure. The following procedures apply to an investigation of a complaint. (7-1-99)

a. Filed in writing. All complaints must be submitted to the State Tax Commission in writing and signed by the complainant. (7-1-99)

b. Examination of complaint. The complaint will be examined by the State Tax Commission to decide if a formal investigation will be conducted. (7-1-99)

c. Notification of public official subject to investigation. The State Tax Commission will notify the public official to review the complaint, as soon as a formal investigation is contemplated. (7-1-99)

d. Delivery of investigation order. The State Tax Commission will deliver to the public official a copy of the investigation order naming the investigators and outlining what is to be investigated. (7-1-99)

e. Preliminary report. A preliminary report will be prepared by the investigator and legal council. The report will include findings and recommendations, and may include responses from the public official. (7-1-99)

f. Presentation of preliminary report. The preliminary report will be presented to the complainant and the public official. The State Tax Commission investigators will be present when the report is discussed with the public official, subject to investigation, and the complainant. (7-1-99)

g. Comment period. The complainant and the public official will be given a specified time to review and comment on the preliminary report, particularly to correct any errors of fact. (7-1-99)

h. Final report. At the end of the review by the complainant and the public official a final report will be prepared by the investigator and legal council and submitted with any changes from the preliminary report highlighted. (7-1-99)

03. Public Official's Response to Final Report. After the final report is completed, the public official shall outline how the investigator's recommendations will be implemented and provide a written explanation of why any recommendation has been rejected. (7-1-99)

04. Conclusion of Investigation. The investigator's final report and the public official's written response to the report shall conclude the investigation. The conclusion of the investigation does not preclude the State Tax Commission from enforcing additional powers and duties as prescribed by law or the complainant and public official from exercising his or her right to appeal property valuations before a County Board of Equalization, the State Board of Tax Appeals or in District Court. (7-1-99)

121. -- 124. (RESERVED)

125. PROGRAM OF EDUCATION (RULE 125).
Section 63-105A(17), Idaho Code. (3-15-02)

01. Administration. The program of education is the responsibility of the State Tax Commission (Commission). The program of education shall be administered by the Commission's education director (education director). (5-8-09)

02. Appraisal School and Other Courses. An appraisal school shall be held at least once each year. The school shall offer courses for training the Commission's employees, county commissioners, and assessment personnel. The Idaho Association of County Assessors Education Committee and the education director shall approve the curriculum for the annual appraisal school. Other courses may be developed and offered as approved by the education director. (5-8-09)

03. Record Keeping and Reporting of Attendance, Grades, and Credit Hours. The education director shall maintain student attendance records, records of education hours earned, status of certification, and grades. (5-8-09)

a. The education director and course instructors will monitor attendance and hours of education to be awarded to each student attending the Commission administered classes. A certificate of completion showing the number of education hours to be awarded will be issued by the education director for the Commission administered classes. In order to receive credit for classes not administered by the Commission, the student shall provide a certificate of completion showing the number of education hours completed, a course description, and the dates attended. (5-8-09)

b. The education director shall maintain records to show the number of education hours completed during the current year and the previous two (2) years. By June and November of each year, the education director shall send a certification status report to each county assessor or applicable supervisor. This report will list each certified property tax appraiser who is known to be employed by or under contract with said assessor and show the number of hours of education completed during the previous year and current calendar year. (5-8-09)

c. If a test is given for Commission developed courses, the education director will notify the appropriate county assessor or applicable supervisor of the grade achieved on the test. (5-8-09)

04. Examination Committee -- Establishment and Procedures. The examination committee shall be composed of three (3) assessors, one (1) member of the Idaho Association of Assessment Personnel, and the education director. The education director shall appoint the members of the committee. The committee will operate by majority rule. (5-8-09)

a. Terms. The term of the education director shall be continuous. The other members shall serve four (4) year terms. The education director shall maintain records of dates of appointments. (5-8-09)

b. If any member fails to serve the full-appointed term, the education director shall appoint another member for the remainder of the term. The appointee shall be from the same group as the member not completing the term. (5-8-09)

c. The education director shall chair the committee. (5-8-09)

d. An applicant may appeal any rulings, matters involving examination structure, grading, or grievances with the committee to a review board. No board member may be an assessor of the applicant's county or a member of the examination committee. The review board shall consist of the following four (4) persons: (5-8-09)

i. The president of the Idaho Association of County Assessors; (5-8-09)

ii. A person appointed by the president of the Idaho Association of County Assessors; (5-8-09)

iii. A person appointed by the examination committee; and (5-8-09)

iv. A person appointed by the education director. (5-8-09)

e. The committee shall decide which courses meet the requirements for obtaining and maintaining certification and the hours of appraisal education awarded for each course. (5-8-09)

05. Cross Reference. See Rule 126 of these rules for the description of the certified property tax appraiser program and Rule 128 of these rules for the cadastral certification program. (5-8-09)

126. PROPERTY TAX APPRAISER CERTIFICATION PROGRAM (RULE 126). (5-8-09)
Section 63-105A, Idaho Code.

01. Application for Certification. The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor. (5-8-09)

a. After the applicant has completed the requirements of Subsection 126.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following: (5-8-09)

i. The name and address of the applicant, (5-8-09)

ii. The applicant's employer, and (5-8-09)

iii. The courses completed. (5-8-09)

b. The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement. (5-8-09)

c. The education director shall make available information regarding the certification process and the application form to students attending the courses referenced in Subsection 126.02 of this rule. (5-8-09)

02. Certification Requirements. An applicant for certification must pass at least two (2) appraisal courses: Commission Course No. 1 or the International Association of Assessing Officers' (IAAO) Course 101; and IAAO Course No. 102 or IAAO Course 201 or IAAO Course 300 or equivalent courses, and must have a minimum of twelve (12) months experience appraising for tax assessment purposes in Idaho or equivalent property tax appraisal experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (3-29-10)

a. Upon request to the education director, an applicant may receive credit for Commission Course No. 1 by passing an examination developed for this purpose. The education director shall set the time and place for the examination. (5-8-09)

b. Equivalent courses may be approved by the education director and the examination committee. (5-8-09)

c. With the exceptions of the county assessor, the members of the county board of equalization, and the State Tax Commissioners, all persons making decisions regarding final values for assessment purposes shall be certified property tax appraisers. (5-8-09)

03. Maintaining Property Tax Appraisal Certification. (5-8-09)

a. To maintain certification each appraiser must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each appraiser shall have completed thirty two (32) hours of continuing education during the previous two (2) years. (5-8-09)

b. When any certified property tax appraiser fails to meet the continuing education requirements, the examination committee shall place this person on a six (6) month probation. When any certified property tax appraiser fails to meet the continuing education requirements within this probationary period, the person shall forfeit certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. (5-8-09)

c. For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant for recertification must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification. (5-8-09)

04. Cross Reference. See Section 63-201. (1)(a), Idaho Code for the requirement that only assessors or certified property tax appraisers place value on any assessment roll. See Rule 125 of these rules for the description of the examination committee. (5-8-09)

127. (RESERVED)

128. CADASTRAL CERTIFICATION PROGRAM (RULE 128). Section 63-105A, Idaho Code. (5-8-09)

01. Application for Certification. The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor. (5-8-09)

a. After any applicant has completed the requirements provided in Subsection 128.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following: (5-8-09)

i. The name and address of the applicant, (5-8-09)

ii. The applicant's employer, and (5-8-09)

iii. The courses completed. (5-8-09)

b. The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement. (5-8-09)

c. The education director shall make available information regarding the certification process and the application form to students attending the courses mentioned in Subsection 128.02. (5-8-09)

02. Certification Requirements. An applicant for certification must have passed the Commission's Basic Mapping Course and the International Association of Assessing Officers' (IAAO) Course 600 or IAAO Course 601 or both IAAO Courses 650 and 651, or equivalent courses, and must have a minimum of twelve (12) months experience working as a cadastral specialist in Idaho or equivalent cadastral experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (5-8-09)

a. Upon request to the Commission's education director, an applicant may receive credit for the Commission's Basic Mapping Course by passing an examination developed for this purpose. The education director shall set the time and place for the examination. (5-8-09)

b. Equivalent courses may be established by the Commission and approved by the examination committee. (5-8-09)

03. Maintaining Cadastral Specialist Certification. (5-8-09)

a. To maintain certification, each cadastral specialist must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each cadastral specialist shall have completed thirty-two (32) hours of continuing education during the previous two (2) years. (5-8-09)

b. When any certified cadastral specialist fails to meet the continuing education requirements, the education committee shall place this person on a six (6) month probation. When any certified cadastral specialist fails to meet the continuing education requirements within this probationary period, the person shall forfeit certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. (5-8-09)

c. For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant, for recertification, must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification. (5-8-09)

04. Cross Reference. See Rule 125 of these rules for the description of the examination committee. (5-8-09)

129. (RESERVED)

130. DESCRIPTION OF PRIMARY CATEGORIES USED TO TEST FOR EQUALIZATION (RULE 130).

Sections 63-109 and 63-315, Idaho Code. The State Tax Commission establishes the primary categories listed herein for the purpose of testing values in each county and each school district for equalization by the State Tax Commission under Section 63-109, Idaho Code. (3-30-07)

01. Definitions. The following definitions apply for the purposes of testing for equalization under Section 63-109, Idaho Code, notification under Sections 63-301 and 63-308, Idaho Code, and reporting under Section 63-509, Idaho Code. (3-30-07)

a. Primary Category. Primary category means the five categories established and described in Subsections 130.02 through 130.06 of this rule and used by the State Tax Commission to test for equalization under Section 63-109, Idaho Code. (3-30-07)

b. Secondary Category. Secondary category means the categories established and described in Rules 510, 511, and 512 of these rules and used by county assessors to list property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and report values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

02. Vacant Residential Land Category. Vacant residential land is all vacant land used for residential purposes. The assessor listed this land in secondary categories 12, 15, 18, or 20, as described in Rule 510 of these rules, for the purposes of listing property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and reporting values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

03. Improved Residential Property Category. Improved residential property is all improvements used for residential purposes and the land upon which these improvements are located. The assessor listed this property in secondary categories 10 and 31, 46, or 48, 12 and 34, 46, or 48, 15 and 37, 46, or 48, 18 and 40, 20 and 41, 46, or 48, 26, 46, 48, or 50 together with secondary category 47 as appropriate for inclusion when valuing this property, as described in Rules 510 and 511 of these rules, for the purposes of listing property on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and reporting values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

04. Vacant Commercial or Industrial Land Category. Vacant commercial or industrial land is all vacant land used for commercial or industrial purposes. The assessor listed this property in secondary categories 11, 13, 14, 16, 17, 21, or 22, as described in Rule 510 of these rules, for the purposes of listing property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and reporting values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

05. Improved Commercial or Industrial Property Category. Improved commercial or industrial property is all improvements used for commercial or industrial purposes and the land upon which these improvements are located. The assessor listed this property in secondary categories 11 and 33, 13 and 35, 14 and 36, 16 and 38, 17 and 39, 21 and 42, 22 and 43, 27, or 51, as described in Rules 510 and 511 of these rules, for the purposes of listing property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and reporting values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

06. Manufactured Homes on Leased Land Category. Manufactured homes on leased land are all manufactured homes on leased land that the assessor listed in secondary categories 49 or 65 together with secondary category 47 as appropriate for inclusion when valuing this property, as described in Rule 511 of these rules, for the purposes of listing property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and reporting values to the State Tax Commission under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

07. Conversion Table: Secondary Categories to Primary Categories.

| Conversion Table: Secondary Categories to Primary Categories | |
|---|--|
| Secondary Categories | Primary Categories |
| 12, 15, 18, or 20 | Vacant Residential Land |
| 10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, or 50 | Improved Residential Property |
| 11, 13, 14, 16, 17, 21, or 22 | Vacant Commercial or Industrial Land |
| 11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, or 51 | Improved Commercial or Industrial Property |
| 47, 49, or 65 | Manufactured Housing on Leased Land |

(3-30-07)

08. Cross Reference. For clarification of responsibilities relating to listing values on the valuation assessment notices or reporting values on the abstracts, see Rule 114, 115, 509, 510, 511, and 512 of these rules. For descriptions of secondary categories used to list land values on the valuation assessment notices and report land values on the abstracts, see Rule 510 of these rules, used to list improvement values on the valuation assessment notices and report improvement values on the abstracts, see Rule 511 of these rules, and used to list values for all property other than land or improvements on the valuation assessment notices and report these values on the abstracts, see Rule 512 of these rules. (3-30-07)

131. USE OF RATIO STUDY TO TEST FOR EQUALIZATION IN COUNTIES (RULE 131).
Section 63-109, Idaho Code. (3-30-07)

01. Equalization Ratio Study. Each year the State Tax Commission shall conduct a ratio study to assist in the equalization of assessments of property within and among the primary categories established in Rule 130 of these rules. The ratio study shall be conducted in accordance with the "Standard on Ratio Studies" and the "Standard on Verification and Adjustment of Sales" both referenced in Rule 006 of these rules. The annual ratio study shall test assessments as of January 1 of each year. Except when sales or appraisals must be added or deleted to improve representativeness, sales used will be those occurring within each county between October 1 of the year preceding the year for which assessments are to be tested and September 30 of the year for which assessments are to be tested. Each sale price is to be adjusted for time and compared to market value for assessment purposes for the year for which assessments are to be tested, to compute ratios to be analyzed. The State Tax Commission may use sales from extended time periods and may add appraisals when data is lacking. Equalization ratio studies must consist of at least five (5) sales and/or appraisals. The State Tax Commission may delete sales when necessary to improve representativeness. Sales should be considered as potentially valid if a financial institution is the seller, provided that: (4-4-13)

- a.** Such sales comprise more than twenty (20) percent of the sales in any primary category or other category tested for equalization; (4-4-13)
- b.** Such sales are validated to account for changes in property characteristics; and (4-4-13)
- c.** Any properties that have been vandalized are excluded. (4-4-13)
- d.** The study shall be completed in February following the end of the period studied. The appropriate ratio study statistical measure of level shall be the median. (4-4-13)

02. Tested For Equalization. Except as provided in Subsection 131.03 of this rule, categories to be tested for equalization purposes are the primary categories, described in Subsections 130.02 through 130.06 of these rules, provided adequate samples can be obtained. (4-7-11)

03. Follow-Up Ratio Study. When indicated, based on criteria in Paragraph 131.03.a. and 131.03.b. of

this rule, a follow-up ratio study shall be conducted to test the assessments for January 1 of the year following the year tested by the annual ratio study and shall be based on property sales occurring during the calendar year immediately preceding that date. A follow-up ratio study shall be indicated whenever: (4-2-08)

a. The annual ratio study, provided in Subsections 131.01 and 131.02 of this rule, discloses that assessments in any primary category as described in Subsections 130.02 through 130.06 of these rules are out of compliance with the equalization standards of this rule; or (4-2-08)

b. The State Tax Commission is informed after the county board of equalization adjourns and before the state board of equalization adjourns of the implementation of assessment changes likely to result in a finding that a category found in compliance with equalization standards following the annual ratio study would be found out of compliance with these standards for the current year's assessments. The follow-up ratio study authorized under this option shall be conducted for the primary category likely to be out of compliance with equalization standards and for any secondary categories comprising the primary category, provided adequate samples can be obtained. (4-7-11)

04. Notice of Follow-Up Ratio Study. The State Tax Commission shall notify the county assessor of the reason for and results of the follow-up ratio study. If the follow-up ratio study is conducted as provided in Paragraph 131.03.b. of this rule, the notice shall be sent to the county board of equalization and county assessor and shall describe the assessment changes that resulted in the need for the follow-up ratio study. The notice shall indicate whether any adjustments will be considered by the State Tax Commission at its next equalization meeting in August based on either the annual, or any follow-up ratio study, and the reason for the proposed adjustments. (4-2-08)

05. Use of Ratio Study Results. The results of the annual ratio study or any follow-up ratio study shall be one (1) source of information upon which the State Tax Commission may rely when testing assessments for equalization purposes under Section 63-109, Idaho Code. When the results of any ratio study on any primary, or, if applicable under the provisions of Subsection 131.03.b. of this rule, secondary category, described in Subsections 130.02 through 130.07 of these rules, show, with reasonable statistical certainty as defined in Subsection 131.09 of this rule, that the appropriate measure of level of the category studied is less than ninety percent (90%) or greater than one hundred ten percent (110%), the assessment of property within that category may be considered not equalized. When this occurs, the State Tax Commission may, at its annual meeting commencing on the second Monday in August, order the county auditor to adjust the value of all property in the category or any portion of the category included in the analysis conducted in an amount the State Tax Commission finds necessary to accomplish equalization of assessments of property. Within any primary category, except as provided in Subsection 131.06 of this rule, adjustment will not be considered for any secondary category, described in Rule 510, 511, or 512 of these rules, that does not have at least one (1) observation in the ratio study conducted for that primary category. (4-7-11)

06. Exception from Requirement for at Least One (1) Observation for Use of Secondary Category in Adjusted Value Determination. Properties identified as secondary categories 10 and 31 rarely sell separately from farms and therefore do not appear in any ratio study. However, the level of assessment typically is similar to that of other rural residential property, including property in secondary categories 12, 15, 34, and 37. For any ratio study where there is an adjustment to be made to the assessed values in the residential designation, such adjustment shall be applied to any assessed value in secondary category 10, provided there is at least one observation (sale) of property identified in either secondary category 12 or 15. Such adjustment shall also be applied to any assessed value in secondary category 31, provided there is at least one (1) observation (sale) of property identified in either secondary category 34 or 37. (3-30-07)

07. Use of Alternate Ratio Study. When the follow-up ratio study required by Subsection 131.03 of this rule does not measure the true assessment level, the State Tax Commission may consider adjustment based on the most recent annually conducted ratio study or other information relevant to equalization. If the State Tax Commission has reason to question the representativeness of the sample used in an annual or follow-up ratio study conducted on any primary category, the State Tax Commission may delay implementation of any order to adjust property values until two (2) successive years' ratio studies fail to produce an appropriate measure of level between ninety percent (90%) and one hundred ten percent (110%). (3-30-07)

08. Submission of Additional Information. Any party may petition the State Tax Commission to consider any information or studies relevant to equalization. The petition shall include a description of the information to be presented and the petitioner's conclusions drawn from the information. (4-5-95)

09. Reasonable Statistical Certainty. For the purposes of Rule 131 and equalization pursuant to Section 63-109, Idaho Code, “reasonable statistical certainty” that any primary category is not equalized shall mean that the appropriate measure of level determined by the ratio study for any category tested for equalization must be provably less than ninety percent (90%) or greater than one hundred ten percent (110%) of market value for assessment purposes. Such a determination shall occur if: (4-7-11)

a. The appropriate measure of level for the category(ies) being tested is less than ninety percent (90%) or greater than one hundred ten percent (110%) and a ninety percent (90%) two-tailed confidence interval around the appropriate measure of level fails to include ninety percent (90%) or one hundred ten percent (110%); or (4-7-11)

b. The appropriate measure of level for the category(ies) being tested has been less than ninety percent (90%) or greater than one hundred ten percent (110%) as determined by the most recent previous two (2) ratio studies on the category(ies) and an eighty percent (80%) two-tailed confidence interval around the appropriate measure of level fails to include ninety percent (90%) or one hundred ten percent (110%). No ratio study completed prior to August 31, 2007 will be considered as one of the most recent previous two (2) ratio studies. (4-7-11)

10. Cross References. The primary categories are described in Subsections 130.02 through 130.06 of these rules, and the secondary categories are described in Rules 510, 511, and 512 of these rules. (3-30-07)

132. -- 204. (RESERVED)

205. PERSONAL AND REAL PROPERTY -- DEFINITIONS AND GUIDELINES (RULE 205). Sections 39-4105, 39-4301, 63-201, 63-302, 63-309, 63-602KK, 63-1703, 63-2801, Idaho Code. (5-8-09)

01. Real Property. Real property is defined in Section 63-201, Idaho Code. Real property consists of land and improvements. (5-8-09)

a. Land. Land is real property as well as all rights and privileges thereto belonging or any way appertaining to the land. (5-8-09)

b. Law and Courts. Real property also consists of all other property which the law defines, or the courts may interpret, declare, and hold to be real property under the letter, spirit, intent, and meaning of the law. (5-8-09)

c. Improvements. Improvements are buildings, structures, fences, and similar property that is built upon land. Improvements are real property regardless of whether or not such improvements are owned separately from the ownership of the land upon or to which the same may be erected, affixed, or attached. (5-8-09)

02. Personal Property. Personal property is defined in Section 63-201, Idaho Code, as everything that is the subject of ownership that is not real property. (5-8-09)

03. Fixtures. Fixtures are defined in Section 63-201, Idaho Code. (5-8-09)

a. Three part test. If an item of property satisfies all three tests, the item becomes a fixture and therefore real property. (5-8-09)

i. Annexation. Although once moveable chattels, articles become accessory to and a part of improvements to real property by having been physically or constructively incorporated therein or annexed or affixed thereto in such a manner that removing them would cause material injury or damage to the real property; and (5-8-09)

ii. Adaptation. The use or purpose of an item is integral to the use of the real property to which it is affixed; and (5-8-09)

iii. Intent. Items should be considered personal property unless a person would reasonably be considered to intend to make the articles, during their useful life, permanent additions to the real property. The intent

depends on an objective standard and what a reasonable person would consider permanent and not the subjective intention of the owner of the property. (5-8-09)

b. Fixtures does not include machinery, equipment, or other articles that are affixed to real property to enable the proper utilization of such articles. (5-8-09)

04. Operating Property. Operating Property is defined in Section 63-201, Idaho Code. For any purpose for which the distinction between personal property and real property is relevant or necessary for operating property, operating property will be characterized as personal or real based upon the criteria stated in this guideline and the rules of the State Tax Commission. (5-8-09)

206. -- 216. (RESERVED)

217. RULES PERTAINING TO MARKET VALUE DUTY OF COUNTY ASSESSORS (RULE 217).
Section 63-208 Idaho Code. (3-30-07)

01. Market Value Definition. Market value is the most probable amount of United States dollars or equivalent for which a property would exchange hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment. (7-1-97)

a. The assessor shall value the full market value of the entire fee simple interest of property for taxation. Statutory exemptions shall be subtracted. (7-1-97)

b. Personal property shall be valued at retail level. (7-1-93)

02. Appraisal Approaches. Three (3) approaches to value will be considered on all property. The three (3) approaches to market value are: (3-30-07)

a. The sales comparison approach; (3-30-01)

b. The cost approach; and (3-30-01)

c. The income approach. (3-30-01)

03. Appraisal Procedures. Market value for assessment purposes shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission. The appraisal procedures, methods, and techniques using the income approach to determine the market value for assessment purposes of income producing properties must use market rent, not contract rent. (3-29-10)

218. ASSESSOR'S PLAT BOOK (RULE 218).
Sections 50-1304, 63-209, 63-210, 63-212, 63-219, and 63-307, Idaho Code. (5-8-09)

01. Plat Maps. The assessor shall prepare plat maps for all land. (4-4-13)

a. Plat map format. Plat maps may be drafted and maintained either in ink, on drafting film, or in a digital format. When such maps are on drafting film, thirty (30) inch by thirty-six (36) inch, 0.003 inch drafting film (minimum thickness) should be used. Smaller plat map sizes are permitted as long as they clearly depict parcel boundaries and dimensions. (4-4-13)

b. Maintenance of plat maps. Plat maps of townships, sections, aliquot parts, subdivisions, and parcel boundaries completed after July 1, 2013 shall be updated and maintained in accordance with the "Manual of Surveying Instructions" referenced in Rule 006 of these rules. (4-4-13)

c. Maintenance of parcel numbers and all other desired information. Parcel numbers, and all other desired information, shall be maintained in a digital format or drafted with ink. Annotative information shall be added

as necessary and, if plotted by computer be of appropriate font style and size to be easily readable. The minimum letter height shall be one point two five (1.25) millimeters. (4-4-13)

- 02. Section Outlines.** Section outlines shall be mapped according to: (4-4-13)
- a.** Technical descriptions of Bureau of Land Management, formerly the General Land Office (GLO), surveys, (Section 31-2709, Idaho Code); (7-1-97)
 - b.** Descriptions on recorded surveys (Sections 55-1901 through 55-1911, Idaho Code); (7-1-97)
 - c.** Recorded corner perpetuation records (Sections 55-1603 through 55-1612, Idaho Code); (7-1-97)
 - d.** Recorded subdivision plats and assessor's plats (Sections 50-1301 through 50-1330, 63-209, and 63-210(2) Idaho Code); (7-1-97)
 - e.** Deeds or contracts with metes and bounds descriptions (Section 31-2709, Idaho Code); (7-1-97)
 - f.** Highway, railroad, and other engineering quality route surveys; (7-1-97)
 - g.** Relevant court decisions; and (7-1-97)
 - h.** Unrecorded data from registered land surveyors (Section 31-2709, Idaho Code). (7-1-97)
- 03. Subdivision of Sections.** Subdivision of sections shall be mapped in accordance with Sections 31-2709 and 63-209, Idaho Code. (4-4-13)
- 04. Map Scales.** Non-Computer and computer generated maps shall be scaled. (7-1-97)
- a.** Non- computer generated maps. Non computer generated maps shall be: (4-4-13)
 - i.** One (1) township at one (1) inch = fourteen thousand four hundred (14,400) inches (1,200 feet), 1:14,400; (5-8-09)
 - ii.** Four (4) sections at one (1) inch = four thousand eight hundred (4,800) inches (400 feet), 1:4,800; one (1) section at one (1) inch = twenty four hundred (2400) inches (200 feet), 1:2,400; (5-8-09)
 - iii.** One (1) quarter section at one (1) inch = twelve hundred (1,200) inches (100 feet), 1:1,200. (5-8-09)
 - b.** Mapping done from aerial photographs. Mapping done from aerial photographs will have the scale recalculated and shown on the map. (4-4-13)
 - c.** Plat maps of subdivision, townsite, and metes and bounds parcels. Subdivision, townsite, and metes and bounds parcels shall be mapped to include the basis of bearing with monuments and their coordinates relative to the "Idaho Coordinate System" as described by Sections 31-2709, 50-1301, 50-1303, and 50-1304, Idaho Code. (4-4-13)
 - d.** Drafting of plat titles, subdivision names, and parcel dimensions. Plat titles, subdivision names, and parcel dimensions shall be drafted with ink, or generated by computer at an appropriate scale. The minimum letter height shall be one point two five (1.25) millimeters. (4-4-13)
- 05. Property Ownership Records.** Ownership shall be shown on the property ownership records. (7-1-97)
- a.** Ownership notations. Ownership notations include the reputed owner of the property or note that the owner is unknown, or list other persons with interests of record. Ownership may be ascertained from numerous recorded sources as described in Sections 63-212 and 63-307, Idaho Code. (4-4-13)

b. Insertion of additional names. Purchasers, agents, guardians, executors, administrators, heirs, and claimants may have their names inserted with the recorded owner's name as explained in Sections 63-212 and 63-307, Idaho Code. (4-4-13)

219. UNIFORM PARCEL NUMBERING SYSTEM (RULE 219).
Sections 63-209, 63-210, and 63-219, Idaho Code. (5-8-09)

01. Definitions. The following definitions apply to this rule. (5-8-09)

a. Parent parcel. A parcel of land in its original state prior to being segregated. The parcel may be described by a metes and bounds description, lot and block, aliquot part, or government lot. (5-8-09)

b. Child parcel. A parcel of land which has been segregated from the parent parcel. At the time a parent parcel is segregated into one or more parts, the parcels being segregated from the parent parcel shall be known as child parcels. The child parcel may be described by a metes and bounds description, a portion of a lot and block, a portion of an aliquot part, or a portion of a government lot. (5-8-09)

02. Parcel Number Functions. The uniform parcel numbering system shall be used for mapping and record keeping. Each parcel shall be assigned a parcel number that shall appear on the plat map and on a companion sheet. This assigned parcel number may also be the tax number. (5-8-09)

03. Parcel Number Cancellation or Retention Upon Property Transfers. As long as the property boundary does not change, the new owner's name shall be assigned to the same parcel number on the companion sheet. A parcel number that exists at the time a property is divided or added to may be canceled and a new number(s) assigned. If the parent parcel number is not canceled, it shall be assigned to the child parcel complying with the directions in this rule relating to assigning parcel numbers based on geographic location. (5-8-09)

04. Property Split by County Line, Section Line, or Tax Code Area Boundary. Properties contiguous under common ownership but split by county line or tax code area boundary shall require separate parcel numbers. Properties contiguous under common ownership but split by section line(s) and entirely located within the same county and tax code area will not require separate parcel numbers and the lowest section number will be included in the parcel number as explained in Paragraph 219.05.c. of this rule. (3-29-12)

05. Rural Land not Subdivided. Assign parcel numbers to rural land that is not subdivided as follows: (5-8-09)

a. Positions 1, 2, and 3 shall be the township descriptor minus the "T." (5-8-09)

b. Positions 4, 5, and 6 shall be the range descriptor minus the "R." (5-8-09)

c. Positions 7 and 8 shall be the section number. For properties contiguous under common ownership and split by section line(s) so that the parcel is located in multiple sections, the lowest section number shall be used. If the section number is less than ten (10), the section number is in position 8, preceded by a zero ("0") in position 7. (3-29-12)

d. Positions 9, 10, 11, and 12 shall be the quarter section numbers. To assign the quarter section number, begin numbering in the northeast quarter (NE1/4) of the northeast quarter (NE1/4) and proceed counterclockwise. Starting in the NE1/4 of the section the numbers used range from zero to two thousand three hundred ninety nine (0000 to 2399). Continuing counterclockwise, beginning in the NE1/4 of the northwest quarter (NW1/4), the numbers continue from two thousand four hundred to four thousand seven hundred ninety nine (2400 to 4799), thence, starting in the NE1/4 of the southwest quarter (SW1/4), assign numbers from four thousand eight hundred to seven thousand one hundred ninety nine (4800 to 7199), and beginning in the NE1/4 of the southeast quarter (SE1/4), assign quarter section numbers from seven thousand two hundred to nine thousand nine hundred ninety nine (7200 to 9999). The following quarter section breakdown key shows the sequence for assigning quarter section numbers for land not subdivided. (5-8-09)

| North ↑ Standard Section | | | |
|-----------------------------|------|------|------|
| 3000 | 2400 | 600 | 0 |
| 3599 | 2999 | 1199 | 599 |
| 3600 | 4200 | 1200 | 7200 |
| 4199 | 4799 | 1799 | 7799 |
| 5400 | 4800 | 7800 | 7200 |
| 5999 | 5399 | 8399 | 7799 |
| 6000 | 6600 | 8400 | 9000 |
| 6599 | 7199 | 8999 | 9999 |

Note: The northern quarters of sections 1, 2, 3, 4, 5, and 6 may be government lots and the western quarters of Sections 6, 7, 18, 19, 30 and 31 may be government lots. For the purpose of parcel numbering, these government lots shall be treated as if each was the respective quarter-quarter of the section. (5-8-09)

e. The following parcel number example denotes Township 10 North, Range 5 East, Section 4 with the parcel being in the NE1/4, NE1/4: 10N05E040235. (5-8-09)

f. The following table is an example of a companion sheet with parcel numbers for rural land not subdivided.

| Township & Range | Sec. | Parcel No. | Grantor | Grantee | Remarks | Deed Type | Date | Instrument Number |
|------------------|------|------------|---------------|---------------|-------------------|-----------|---------|-------------------|
| 23N11E | 29 | 7985 | Public, John | Citizen, Fred | See Parcel # 7832 | WD | 1/10/93 | 492183 |
| 23N11E | 29 | 7990 | Citizen, Fred | | Split from #7985 | | | |
| 23N11E | 29 | 8000 | Citizen, Fred | Voter, Sue | Split from #7985 | WD | 3/9/99 | 644809 |
| 23N11E | 29 | 8010 | Citizen, Fred | | Split from #7990 | | | |
| 23N11E | 29 | 8250 | Citizen, Fred | Anyone, Jim | Split from #7990 | WD | 4/9/01 | 652186 |

(5-8-09)

- 06. Urban Land not Subdivided.** Assign parcel numbers to urban land that is not subdivided as follows: (5-8-09)
- a.** Position 1 shall be the city letter. Each city shall have a unique letter. (5-8-09)
 - b.** Positions 2, 3, 4, 5, and 6 shall each be the number zero (“0”). (5-8-09)
 - c.** Positions 7 and 8 shall be the section number. Number these positions as directed in Paragraph 219.05.c. of this rule. (3-29-12)
 - d.** Positions 9, 10, 11, and 12 shall be the quarter section number. Number these positions as directed in Paragraph 219.05.d. of this rule. (3-29-12)
 - e.** When a metes and bounds parcel inside city limits is being numbered, positions 9, 10, 11, and 12 locate the parcel to the nearest quarter section. (5-8-09)
 - f.** If a government lot is within a section, or an extended government lot is an extension of a section, the quarter section numbering shall be assigned as rural land not subdivided. For a government lot within a quarter section, the assigned number shall be a number within the sequence of numbers for the quarter section. For an extended section, the assigned number shall be within the sequence from the extended quarter section. (5-8-09)
 - g.** The following parcel number example denotes a parcel in the NE1/4 of section 29 in the city identified by the letter “A”: A00000292163. (5-8-09)
- 07. Subdivided Rural Land.** Assign parcel numbers to subdivided rural land as follows: (5-8-09)
- a.** Position 1 shall be the number zero (“0”). (5-8-09)
 - b.** Positions 2, 3, 4, and 5 shall be the subdivision number. The subdivision number shall not contain alphabetic characters. Each subdivision, whether the original townsite or new subdivision, shall be assigned a four (4) digit number. (5-8-09)
 - c.** Positions 6, 7, and 8 shall be the block number. (5-8-09)
 - d.** Positions 9, 10, and 11 shall be the lot number designated on the subdivision plat or an assigned number if characters on the subdivision plat are not acceptable as a parcel number. (5-8-09)
 - e.** Position 12 shall be the number zero (“0”) if the lot is as originally platted. If a lot has been split once or combined once, then this becomes the letter “A.” If split a second time, the letter becomes a “B,” etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)
 - f.** The following parcel number example denotes a subdivided parcel not in any city, identified by the number zero (“0”), subdivision number 62, block number 200, and lot number 29: 000622000290. (5-8-09)
- 08. Subdivided Urban Land.** Assign parcel numbers to subdivided urban land as follows: (5-8-09)
- a.** Position 1 shall be the city letter. Each city shall have a unique letter. (5-8-09)
 - b.** Positions 2, 3, 4, and 5 shall be the subdivision number. The subdivision number shall not contain alphabetic characters. Each subdivision, whether the original townsite or a new subdivision, shall be assigned a four (4) digit number. (5-8-09)
 - c.** Positions 6, 7, and 8 shall be the block number. (5-8-09)
 - d.** Positions 9, 10, and 11 shall be the lot number designated on the subdivision plat. An assigned subdivision plat number may be used if numbers comply with the parcel numbering system. (5-8-09)

e. Position 12 shall be the number zero (“0”) if the lot is as originally platted. If a lot has been split once or combined once, then this becomes the letter “A.” If split a second time, the letter becomes a “B,” etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)

f. When one (1) whole lot and part of another adjoining lot are under common ownership, one (1) parcel number may be assigned. That parcel number shall be written using the whole lot's number and position 12 shall be a letter. (5-8-09)

g. The following parcel number example denotes a parcel in the city identified by the letter “A,” in subdivision with number 0062, block number 200, lot number 029, and has been modified once: A0062200029A. (5-8-09)

h. The following table is an example of a companion sheet with parcel numbers for subdivided land within a city.

| City No. | Sub. No. | Blk. No. | Lot & Split Number | Grantor | Grantee | Remarks | Deed Type | Date | Instrument Number |
|----------|----------|----------|--------------------|-------------|-------------|----------------------|-----------|---------|-------------------|
| A | 0054 | 001 | 0090 | Owner, Sid | Pat Voter | | WD | 1/11/92 | 190624 |
| A | 0054 | 001 | 009A | Voter, Pat | | Retaining N1/2 Lot 9 | | | |
| A | 0054 | 001 | 009B | Voter, Pat | Public, Joe | S1/2 Lot 9 | WD | 2/12/99 | 299486 |
| A | 0054 | 001 | 009B | Public, Joe | Owns, Tim | S1/2 Lot 9 | WD | 6/9/01 | 299999 |

(5-8-09)

09. Patented Mines and Patented Mining Claims. Assign parcel numbers to patented mines and mining claims as follows: (5-8-09)

a. The number nine (“9”) shall be in positions 1 and 2. (5-8-09)

b. Positions 3 through 8 shall denote the township and range, as in the land not subdivided format. (5-8-09)

c. Positions 9 through 12 shall be a county assigned sequential account number for individual mines. (5-8-09)

d. The following parcel number example denotes a parcel that is a patented mine in township 10 North, Range 36 East, with county assigned number 58: 9910N36E0058. (5-8-09)

10. Condominiums. Assign parcel numbers to condominiums as follows: (5-8-09)

a. Condominiums in a city shall have a letter in position 1 of the parcel number. The letter shall be unique for each city. For condominiums not in any city, position 1 is the number zero (“0”). (5-8-09)

b. Positions 2, 3, 4, and 5 shall be the condominium number and shall be four numbers. To differentiate between condominiums and subdivisions, numbers 0001 through 8999 are to be used for subdivisions, and numbers 9000 through 9999 for condominiums. Fill positions preceding the number with zeros to occupy all four (4) positions (“0000”). (5-8-09)

c. Positions 6, 7, and 8 shall be the block or building number. Position 6 may be a “C” to differentiate between a typical block or building number and a condominium common area. (5-8-09)

d. Positions 9, 10, and 11 shall be the lot or unit number designated on the condominium plat or an

assigned number. An assigned condominium plat number may be used if numbers comply with the parcel numbering system. (5-8-09)

e. Position 12 shall be the number zero (“0”) if the parcel has not been modified since originally platted. If it has been split once or combined once, then this character becomes an “A.” If split a second time, the character becomes a “B,” etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)

f. The following parcel number example denotes a parcel that is in the city identified by the letter “A,” with condominium number 9062, block or building number 007, lot or unit number 029, and has not been modified since originally platted: A90620070290. (5-8-09)

220. RULES PERTAINING TO ASSESSMENT OF INTERNAL REVENUE CODE (IRC) SECTION 42 LOW-INCOME PROPERTIES (RULE 220).
Section 63- 205A Idaho Code. (3-29-10)

01. Definitions. The following definitions apply to the appraisal of IRC section 42 low-income properties as used in Section 63-205A, Idaho Code, and in this rule. (3-29-10)

a. Amount of Housing Tax Credits. The “Amount of Housing Tax Credits” is the Housing Tax Credits divided by the number of years of the term of the Tax Credit Regulatory Agreement. (3-29-10)

b. Asset Management Fee. “Asset Management Fee” is an annual fee paid to the limited partner for property management oversight, tax credit compliance monitoring, and related services. (3-29-10)

c. Audit Fee. “Audit Fee” is the fees and costs that may be charged by accountants for preparation and review of financial statements on behalf of the owner or investor. (3-29-10)

d. Compliance Fee. “Compliance Fee” is the fees and costs, if any, that may be charged by the Idaho Housing Financing Association (IHFA), or its agent, for review and inspection of the owner’s records, or the physical inspection of the project, as are required by the Regulatory Agreement or federal law. (3-29-10)

e. Existing Section 42 Project. An “Existing Section 42 Project” is a Section 42 low-income project for which Housing Tax Credits were entirely distributed before January 1, 2009. (3-29-10)

f. Federal Project Based Assistance. “Federal Project Based Assistance” means: (3-29-10)

i. Rental assistance of any kind provided by the Department of Housing and Urban Development or other agencies of the United States federal government which allow for rental assistance payments to the owner on behalf of the project and not on behalf of any individual tenant; or (3-29-10)

ii. Apartment projects that have federal financing at below market terms at the time when the financing was put in place, which financing is transferable without change in terms and conditions to subsequent transferees; or (3-29-10)

iii. Apartment projects that receive financing from the federal Hope VI programs administered under 42 USC section 1437v. (3-29-10)

g. Financial Statements. “Financial Statements” are profit and loss statements, or equivalent reports, that include a detailed schedule showing income and expense line items, the project’s rent roll showing the rent charged for each unit, and a copy of the IHFA’s Annual Occupancy Report that is submitted annually by each project’s owner or agent to the IHFA. (3-29-10)

h. General Partner Fee. “General Partner Fee” is the portion of cash flow that is paid to the general partner to compensate the general partner for managing the partnership’s operating assets and coordinating the preparation of the required IHFA’s, federal, state, and local tax and other required filings and financial reports. (3-29-10)

i. Housing Tax Credits. The “Housing Tax Credits” are the final total federal income tax credits as shown on the first year’s form 8609 and allocated by the IHFA to the project either in an original allocation or a new allocation and reported to the Tax Commission by the IHFA. (3-29-10)

j. Tax Credit Regulatory Agreement. The “Tax Credit Regulatory Agreement” means the original agreement, or the extended agreement, between the section 42 project owner and the IHFA. (3-29-10)

02. Appraisal Approaches. The cost approach, the sales comparison approach, and the income approach will be considered when appraising section 42 properties. The individual values produced by each approach will be correlated into a single property value. (3-29-10)

a. The Cost Approach. The cost approach shall be adjusted for any economic obsolescence caused by rent restrictions imposed by the Tax Credit Regulatory Agreement. Following are three (3) examples illustrating analysis of economic obsolescence. In these examples intermediate step calculation results are rounded to the nearest dollar. (3-29-10)

i. Example 1: This example illustrates analysis of economic obsolescence in a market that supports construction of market rent apartments. In this example, the annual difference between market rent and the restricted rent of a tax credit project is capitalized. Market rent must consider any adjustments due to physical characteristics of the subject.

| Assumptions | | |
|--|---|---------|
| Number of Units | - | 24 |
| Age | - | 3 Years |
| Monthly Market Gross Rent Per Unit | - | \$550 |
| Monthly Subject Gross Restricted Rent Per Unit | - | \$475 |
| Market Derived Capitalization Rate | - | 7.00% |

| | | |
|------------------------------|-----------|------------------|
| REPLACEMENT COST NEW (RCN) | | \$1,401,961 |
| DEPRECIATION % | | |
| PHYSICAL | 8.00% | \$112,157 |
| FUNCTIONAL & ECONOMIC | See Below | \$308,571 |
| TOTAL DEPRECIATION | | \$420,728 |
| DEPRECIATED REPLACEMENT COST | | \$981,233 |
| LAND VALUE | | \$35,000 |
| TOTAL COST APPROACH | | \$1,016,233 |

Example 1 Economic Obsolescence Calculation

| Step | Description | Calculations |
|------|--|---|
| 1 | Monthly Market Gross Rent Per Unit | \$550 |
| 2 | Monthly Subject Gross Restricted Rent Per Unit | \$475 |
| 3 | Difference | Subtract Step 2 from Step 1 \$550 - \$475 = \$75 |
| 4 | Number of Units | 24 |
| 5 | Monthly Rent Loss | Multiply Step 3 by Step 4 \$75 x 24 = \$1,800 |
| 6 | Annual Rent Loss | Multiply Step 5 by 12 Months \$1,800 x 12 = \$21,600 |
| 7 | Market Derived Capitalization Rate | 7.00% |
| 8 | Economic Obsolescence | Divide Step 6 by Step 7 \$21,600 / .07 = \$308,571 |

(3-29-10)

ii. Example 2: This example illustrates analysis of economic obsolescence in a market that does not support construction of market rate apartments. The difference between the subject gross restricted rent and the feasible gross monthly rent is capitalized, and the resulting calculation shows the total economic obsolescence. Feasible gross monthly rent is calculated by adding the physically depreciated cost plus land value and dividing it by a gross income multiplier, which is found by analyzing sales of similar market rate apartments. The result is the market rent required to support the cost of the subject apartment project.

| Assumptions | |
|--|-----------|
| Number of Units | - 24 |
| Age | - 3 Years |
| Monthly Market Gross Rent Per Unit | - \$550 |
| Monthly Subject Gross Restricted Rent Per Unit | - \$475 |
| Market Derived Capitalization Rate | - 7.00% |

| | | |
|----------------------------|-----------|-------------|
| REPLACEMENT COST NEW (RCN) | | \$1,401,961 |
| DEPRECIATION % | | |
| PHYSICAL | 8.00% | \$112,157 |
| FUNCTIONAL & ECONOMIC | See Below | \$271,543 |
| TOTAL DEPRECIATION | | |
| | | \$383,700 |

| | |
|------------------------------|-------------|
| DEPRECIATED REPLACEMENT COST | \$1,018,261 |
| | |
| LAND VALUE | \$35,000 |
| | |
| TOTAL COST APPROACH | \$1,053,261 |

Example 2 Economic Obsolescence Calculation

| Step | Description | Calculations |
|------|--|--|
| 1 | Physically Depreciated Cost Plus Land Value | Subtract Physical Depreciation From RCN and Add Land Value $\$1,401,961 - \$112,157 + \$35,000 = \$1,324,804$ |
| 2 | Market Gross Income Multiplier | 8.5 |
| 3 | Annual Feasible Gross Rent | Divide Step 1 by Step 2 $\$1,324,804 / 8.50 = \$155,859$ |
| 4 | Annual Feasible Gross Rent Per Unit | Divide Step 3 by 24 Units $\$155,859 / 24 = \$6,494$ |
| 5 | Monthly Feasible Gross Rent Per Unit | Divide Step 4 by 12 Months $\$6,494 / 12 = \541 |
| 6 | Monthly Subject Gross Restricted Gross Rent Per Unit | 475 |
| 7 | Monthly Per Unit Rent Loss | Subtract Step 6 from Step 5 $\$541 - \$475 = \$66$ |
| 8 | Monthly Project Rent Loss | Multiply Step 7 by 24 Units $\$66 \times 24 = \$1,584$ |
| 9 | Annual Project Rent Loss | Multiply Step 8 by 12 Months $\$1,584 \times 12 = \$19,008$ |
| 10 | Capitalization Rate | 0.07 |
| 11 | Depreciation (Economic/Functional) | Divide Step 9 by Step 10 $\$19,008 / 0.07 = \$271,543$ |

(3-29-10)

iii. Example 3: This example illustrates that when subject gross restricted rents are at or above market gross rental rates, and the feasible gross rent per unit is less than the subject gross restricted rent, no economic obsolescence is found.

(3-29-10)

| Assumptions | |
|--|-----------|
| Number of Units | - 24 |
| Age | - 15 Year |
| Monthly Market Rent Per Unit | - \$475 |
| Monthly Subject Restricted Rent Per Unit | - \$475 |
| Market Derived Capitalization Rate | - 7.00% |

| | | |
|------------------------------|-----------|-------------|
| REPLACEMENT COST NEW (RCN) | | \$1,401,961 |
| DEPRECIATION % | | |
| PHYSICAL | 20.00% | \$280,392 |
| FUNCTIONAL & ECONOMIC | See Below | \$0 |
| TOTAL DEPRECIATION | | \$280,392 |
| DEPRECIATED REPLACEMENT COST | | \$1,121,569 |
| LAND VALUE | | \$35,000 |
| TOTAL COST APPROACH | | \$1,156,569 |

| Step | Calculations |
|--|--|
| 1 Physically Depreciated Cost Plus Land Value | $\$1,401,961 - \$280,392 + \$35,000 = \$1,156,569$ |
| 2 Market Gross Income Multiplier | 8.5 |
| 3 Annual Feasible Gross Rent | $\$1,156,569 / 8.50 = \$136,067$ |
| 4 Annual Feasible Gross Rent Per Unit | $\$136,067 / 24 = \$5,669$ |
| 5 Monthly Feasible Gross Rent Per Unit | $\$5,669 / 12 = \472 |
| 6 Monthly Subject Gross Restricted Gross Rent Per Unit | \$475 |
| 7 Monthly Per Unit Rent Loss | <\$3> |
| 8 Monthly Project Rent Loss | |
| 9 Annual Project Rent Loss | |
| 10 Capitalization Rate | 0.07 |
| 11 Depreciation (Economic/Functional) | |

(3-29-10)

b. The Sales Comparison Approach. When available, sales of section 42 low-income properties that are similar and comparable shall be used. When non-section 42 comparable sales are used in this approach, the sales must be adjusted for the appropriate property attributes. (3-29-10)

c. The Income Approach. The application of the income approach shall include the following procedures and provisions: (3-29-10)

i. Market rents of section 42 properties and normalized expenses of section 42 properties must be used to determine net income unless the taxpayer fails to provide the Financial Statements in accordance with Subsection 220.03 of this rule. If the Financial Statements are not provided, the assessor may use market rents of non-section 42 properties and normalized expenses of non-section 42 properties to determine net income. If Financial Statements are not provided, the Amount of Housing Tax Credits shall not be added to the capitalized net income. (3-29-10)

ii. The Amount of Housing Tax Credits shall not be used in the appraisal of Existing Section 42 Projects. (3-29-10)

iii. The Amount of Housing Tax Credits shall, for the duration of the Tax Credit Regulatory Agreement, be included in the appraisal of section 42 properties that have received or will receive an allocation of Housing Tax Credits after January 1, 2009. (3-29-10)

iv. The Amount of Housing Tax Credits, when applicable to the appraisal, shall not be included in the net income capitalized to value but shall be added to the capitalized net income. (3-29-10)

v. The Tax Commission's determination of capitalization rates derived from sales shall not preclude the use by the assessor of other methods for determining the capitalization rate, provided however, such other methods are consistent with Section 63-205A, Idaho Code, and this rule. (3-29-10)

03. Financial Statements to be Provided by the Owners. The owners of section 42 properties shall, by April 1 of each year, provide to the Tax Commission the prior year's Financial Statements. Failure to provide the Financial Statements by April 1 shall result in the appraisal of the section 42 property as if it were an unrestricted rent, non-section 42 property. The Tax Commission shall forward to the assessor all Financial Statements received from the owners of section 42 properties and the information received from the IHFA by April 15. The assessor shall use the Financial Statements to develop normalized income and expense information to be used in the appraisal of section 42 properties. (3-29-10)

04. Tax Commission to Provide Information on Section 42 Property Sales. The Tax Commission shall gather information from sale transactions of section 42 properties and shall compute the capitalization rate for each sale. The Tax Commission shall, for sales acquired during the immediate prior year, send capitalization rates and all information used to determine these rates to each county assessor by April 15. If information from three (3) or more comparable sale transactions of section 42 properties is sent to the assessors, the assessors will consider these sales' capitalization rates in their determination of the capitalization rate to be used in appraising the particular section 42 property or group of section 42 properties. (3-29-10)

05. Cross Reference. For an explanation of why income tax credits should be allowed in section 42 assessments, see *Brandon Bay, Ltd. Partnership v. Payette County*, 142 Idaho 681, 132 P.3d 438 (2006). (3-29-10)

221. -- 224. (RESERVED)

225. DOCUMENTATION FOR NEWLY ORGANIZED OR ALTERED TAXING DISTRICTS OR REVENUE ALLOCATION AREAS (RAAS) UNDER THE JURISDICTION OF URBAN RENEWAL AGENCIES (RULE 225).

Sections 31-1411, 50-2907, 50-2908, 63-215, 63-807, 63-1202, 63-3029B, and 63-3638, Idaho Code. (3-30-07)

01. Definitions. The following definitions apply for cities, taxing districts, or revenue allocation areas (RAAs) under the jurisdiction of urban renewal agencies being organized or formed or altering boundaries. (3-15-02)

a. Taxing Districts. The term taxing districts as used in this rule means taxing districts and taxing units. (3-15-02)

b. Alter. Alter or any derivatives of the word as used in Section 63-215, Idaho Code, means annex, deannex, or consolidate or derivatives of these words. (3-15-02)

c. Contiguous. Contiguous means being in actual contact or touching along a boundary or at a point

and is synonymous with abutting on. (3-15-02)

d. Deannex. Deannex means to delete or remove a portion but not all of a boundary for a city, taxing district, or RAA by completing all legal requirements to establish a new boundary for the city, taxing district or RAA. (4-6-05)

e. Disincorporate. Disincorporate or any derivatives of the word as used in Section 63-3638, Idaho Code, means completing all legal requirements to end the existence of a city. (4-6-05)

f. Dissolve. Dissolve or any derivatives of the word as used in Section 63-3638, Idaho Code, means completing all legal requirements to end the existence of a taxing district or RAA. (4-6-05)

g. Legal Description. Legal description means a narrative that describes by metes and bounds a definite boundary of an area of land that can be mapped on a tax code area map and shall include: (3-15-02)

i. Section, township, range and meridian. (3-15-02)

ii. An initial point, being a government surveyed corner, such as a section corner, quarter corner or mineral survey corner. (3-15-02)

iii. A true point of beginning, defined by bearings and distances from the initial point, that begins a new city, taxing district, RAA or any alteration thereto. (3-15-02)

iv. Bearings and distances that continuously define the boundary of any area with a closure accuracy of at least one (1) part in five thousand (5,000). Variations from this closure requirement may be approved by the State Tax Commission if the description is sufficiently certain and accurate to ensure that the property is assigned to the proper tax code area. Such variations may include: (3-15-02)

(1) Boundaries which follow mountain ranges, rivers, highways, lakes, canals and other physical features that are clearly delineated on published U.S. Geological Survey quadrangle maps at scale 1:24,000; or (3-15-02)

or (2) References to cardinal directions, government survey distances, and section or aliquot part corners; (3-15-02)

(3) References to recorded subdivision or town site plats, with copies of such plats; or (3-15-02)

(4) Legislatively established boundaries as defined by reference to Idaho Code sections. (3-15-02)

v. The legal description to annex to or deannex from an existing city, taxing district, or RAA shall plainly and clearly define the boundary lines of the deannexed or annexed area and include a reference to existing boundaries where contiguous. (3-15-02)

h. Map Prepared in a Draftsman-like Manner. Map prepared in a draftsman-like manner means an original graphic representation or precise copy matching the accompanying legal description and drafted to scale using standard mechanical drawing instruments or a computer. The map shall include: (3-15-02)

i. Section, township, range, and meridian identifications. (3-15-02)

ii. North arrow, bar scale, and title block. (3-15-02)

iii. District name and ordinance number or order date. (3-15-02)

iv. Bearing and distance annotation between boundary points or a legend or table identifying the bearing and distance between each set of boundary points. (3-15-02)

v. Clearly defined boundary lines of the newly formed city, taxing district, or RAA or of the alteration

to an existing one together with reference to the existing boundary where contiguous. (3-15-02)

vi. Variations from the requirements of Paragraph 225.01.h. of this rule for what must be included on the map may be approved by the State Tax Commission if the map is sufficiently certain and accurate to ensure that the property is assigned to the proper tax code area. (4-6-05)

i. Countywide taxing district. A countywide taxing district is a taxing district having the same boundaries as one (1) or more counties. (5-8-09)

02. Documentation to Be Filed for Newly Created or Altered Cities, Taxing Districts, or RAAs.

The following documentation shall be filed with the county assessor, county recorder, and the State Tax Commission no later than thirty (30) days following the effective date of any action creating or altering a city, taxing district, or RAA boundary, but no later than January 10 of the following year when any action creating or altering said boundary occurs after December 10. (3-15-02)

a. A legal description which plainly and clearly defines the boundary of a newly formed city, taxing district, or RAA or the boundary of an alteration to an existing one. (3-15-02)

b. A copy of a map prepared in a draftsman-like manner or a record of survey as defined by Chapter 19, Title 55, Idaho Code, which matches the legal description. (4-5-00)

c. A copy of the ordinance or order effecting the formation or alteration. (4-5-00)

d. For fire districts annexing territory within an existing fire district and/or city, a copy of the written approval from that existing fire district and/or city. (3-30-07)

e. In cases where newly created taxing district boundaries are countywide a copy of the ordinance or order effecting the formation which clearly states that the newly formed district is to be countywide shall fulfill the requirements of documents to be filed in Paragraphs 225.02.a. through 225.02.c. of this rule. (5-8-09)

03. Documentation to Be Filed for Disincorporated Cities or Dissolved Taxing Districts, or RAAs.
(3-15-02)

a. No later than thirty (30) days following the effective date of the final action disincorporating a city or dissolving a taxing district or RAA, but no later than January 10 of the following year when the final action occurs after December 10, for the distributions of revenue as provided for in Sections 50-2908, 63-1202, 63-3029B and 63-3638, Idaho Code, the disincorporating or dissolving entity shall file a copy of the ordinance or order causing the disincorporation or dissolution with the county assessor, county recorder and the State Tax Commission. (4-4-13)

b. Upon receipt of the ordinance or order from a disincorporating city or dissolving taxing district, or RAA, the State Tax Commission shall prepare and send a list of the affected tax code area number(s) to the city, taxing district, or urban renewal agency and to the appropriate assessor(s) and recorder(s) within thirty (30) days except for any ordinance or order received after January 1 when the list shall be sent by the fourth Friday of January. (4-4-13)

c. After fourteen (14) days from the date of the mailing of the list of the affected tax code area(s), the State Tax Commission shall process the disincorporation or dissolution unless it receives a response from the disincorporating city, or dissolving taxing district, appropriate urban renewal agency, appropriate recorder(s) or appropriate assessor(s) that an error exists in the identification of the tax code area(s). (3-15-02)

d. For RAAs formed prior to July 1, 2011, within thirty (30) days of the earlier of one (1) year prior to any dissolution date found in the formation ordinance or the date as of which an RAA has been in existence for twenty-three (23) years, the State Tax Commission will notify the urban renewal agency of the date by which the RAA will be considered dissolved. Such notice shall include a statement indicating that the RAA may remain in existence if necessary to pay off existing bonded indebtedness, provided that, within thirty (30) days of receipt of this notice, the urban renewal agency notifies the State Tax Commission of such bonded indebtedness. Failure to provide notice of the dissolution date by the State Tax Commission to the urban renewal agency does not negate the statutory

requirement for the urban renewal agency to dissolve. (3-29-12)

e. For RAAs formed beginning July 1, 2011, the notification procedures in Paragraph 225.03.d. of this rule shall be initiated within thirty (30) days of the earlier of one (1) year prior to any dissolution date found in the formation ordinance or the date as of which an RAA has been in existence for twenty (20) years. (3-29-12)

04. Digital Map Information. Digital map information in a format usable by the State Tax Commission may be submitted in addition to or as a substitute for any cloth, film, or paper copy maps. Such information shall be accompanied by metadata that clearly defines map projection, datum and attributes. (3-15-02)

05. Deadline for Completion. December 31 of the current year shall be the deadline for completing of any action that creates, alters, or dissolves any taxing district or RAA or creates, alters or disincorporates any city requiring a revision of the State Tax Commission's tax code area maps for the following year, unless the law provides otherwise. (3-15-02)

06. Approval of Property Tax Levy or Revenue Allocation. For the purpose of levying property taxes or receiving revenue allocations no newly formed or altered city, taxing district, or RAA shall be considered formed or altered by the State Tax Commission if it: (3-15-02)

a. Fails to provide the correct documentation plainly and clearly designating the boundaries of a newly formed city, taxing district, or RAA or of an alteration to an existing one; or (3-15-02)

b. Fails to provide the correct documentation in sufficient time for the State Tax Commission to comply with Rule 404 of these rules; or (4-5-00)

c. Has boundaries which overlap with like cities, taxing districts or RAAs. (3-15-02)

d. Has had one (1) previous annexation on or after July 1, 2011 and is requesting to annex additional area. In this case, the annexation request will be denied, and the area of the RAA established prior to the new annexation will be considered to comprise the entire RAA. (3-29-12)

07. Notification of Approval or Disapproval. The State Tax Commission shall send a letter of approval or disapproval to the taxing district or municipality. A copy of said letter shall be submitted to any affected urban renewal agency and the auditor(s) and assessor(s) of the involved county(ies). In the case of disapproval said letter will state the reason(s) for disapproval, the corrective action(s) needed for approval, and the time within which such corrective action(s) must be taken. The State Tax Commission shall send such letter within thirty (30) days of receipt of the document to which the disapproval relates, but not later than the fourth Friday of January except during the first quarter of the calendar year for documents relating to the next tax year. (4-6-05)

08. One Uniform System. The State Tax Commission will prepare one (1) uniform system of tax code area numbers and maps which shall be used by each county for property tax purposes. (4-5-00)

09. Tax Code Areas. The State Tax Commission shall create a separate, unique number for each tax code area. If any area annexed to an existing RAA includes a taxing district with any fund levying prior to January 1, 2008, and continuing to levy but which is not to be used to generate funds to be distributed to an urban renewal agency, the boundaries of the area added to the existing RAA shall constitute a separate tax code area. Only the State Tax Commission shall initiate or change a tax code area number. (5-8-09)

10. Furnished By The State Tax Commission. (3-29-12)

a. Annually, the State Tax Commission will post the following documents on the State Tax Commission's website: (3-29-12)

i. Updated tax code area maps: (3-29-12)

ii. Updated taxing district maps; (3-29-12)

- iii. Updated urban renewal revenue allocation area maps; and (3-29-12)
- iv. Documentation of changes related to the above maps. (3-29-12)

b. This information is available to all parties. Upon specific request, the State Tax Commission will furnish without charge, one (1) hardcopy set of the above documents to each appropriate assessor, recorder, treasurer, and entity with operating property assessed by the State Tax Commission. There shall be a charge for all other hardcopy maps. (3-29-12)

226. -- 229. (RESERVED)

230. EXTENSIONS OF STATUTORY DEADLINES FOR DISASTER RELIEF (RULE 230).

01. Application by County Officials. A county official who, because of any extension of time authorized by Section 63-220, Idaho Code, is unable to comply with a statutory deadline imposed in Title 63, Idaho Code, may apply to the State Tax Commission for a reasonable delay, not to exceed sixty (60) days, of any such act. (3-23-98)

02. Contents of Application. The application shall be submitted prior to the statutory deadline in regard to which the approval of delay is sought and shall include: (3-23-98)

a. A description of the nature of the relief granted, or expected to be granted, to taxpayers pursuant to Section 63-220(1), Idaho Code, by the Board of County Commissioners; and (3-30-01)

b. Identification of any statutory deadline in regard to which the delay is sought; and (3-23-98)

c. The date by which the official making the application expects to accomplish the action in regard to which the delay is sought; and (3-23-98)

d. A request that the State Tax Commission approve the delay sought. (3-23-98)

03. Procedure. Within five (5) working days of receipt of the request the State Tax Commission shall respond in writing to the official requesting the delay. The State Tax Commission shall approve any request for extension that complies with Subsections 230.01 and 230.02 of this rule. (3-30-01)

231. -- 303. (RESERVED)

304. MANUFACTURED HOME DESIGNATED AS REAL PROPERTY (RULE 304).
Sections 63-304 and 63-305, Idaho Code. (5-3-03)

01. Statement of Intent to Declare (SID). To declare a manufactured home real property, the homeowner shall complete a "Statement of Intent to Declare," SID form, as prescribed by the State Tax Commission. (4-6-05)

a. All information and signatures requested on the form shall be provided prior to recordation. (3-23-94)

b. The homeowner shall record the completed form. (3-23-94)

c. The homeowner shall provide the assessor a copy of the recorded SID form and the title or Manufacturer's Statement of Origin (MSO). If proof of ownership is being provided through the MSO, the buyer's purchase agreement shall be accepted by the assessor pending receipt of the MSO. For the purpose of this rule, the Manufacturer's Statement of Origin and Manufacturer's Certificate of Origin are synonymous. (3-30-01)

d. For new manufactured homes, the assessor shall verify that sales or use tax has been collected or shall collect such tax. Any sales or use tax collected by the assessor shall be remitted to the State Tax Commission. (3-30-01)

e. The assessor shall forward a copy of the SID form and the title or MSO to the Idaho Transportation Department. The Idaho Transportation Department will cancel the title. (3-23-94)

02. Reversal of Declaration of Manufactured Home as Real Property. To provide for the reversal of the declaration of the manufactured home as real property, the homeowner shall complete the "Reversal of Declaration of Manufactured Home as Real Property" form as prescribed by the State Tax Commission. The homeowner shall submit this completed form to the assessor within the required time period. (3-30-01)

a. The homeowner shall also submit to the assessor a title report with the appropriate signatures of consent attached and shall make application for a title to the manufactured home. (5-3-03)

b. The assessor shall transmit to the Idaho Transportation Department a copy of the completed reversal form, title report with appropriate signatures of consent, and the application for title to the manufactured home. (3-23-94)

03. Definition of Permanently Affixed. In the year any manufactured home is to be declared to be real property, permanently affixed means complying with the Idaho Manufactured Home Installation Standard as adopted by IDAPA 07.03.12, "Rules Governing Manufactured Home Installations," Section 004. (4-6-05)

04. Status of Manufactured Housing Previously Declared Real. All manufactured housing upon which a "nonrevocable option to declare the mobile home as real property" or SID was correctly completed and properly recorded and filed shall be treated as real property until such time as a reversal (as provided for in Section 63-305, Idaho Code, and this rule) is correctly completed and properly recorded and filed. This status as real property is based on all criteria existing when said manufactured housing was originally declared real property. This property must be treated as real property and considered "permanently affixed" without any need to be retrofitted to comply with subsequent changes to the requirements for "permanently affixed," including changes to the Idaho Manufactured Home Installation Standard as adopted by IDAPA 07.03.12, "Rules Governing Manufactured Home Installations," Section 004, that occur after the manufactured home was originally declared real property. (4-6-05)

305. -- 311. (RESERVED)

312. PARTIAL YEAR ASSESSMENT OF REAL AND PERSONAL PROPERTY (RULE 312).
Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

01. Quarterly Assessment. For each partial year assessment of any non-transient personal property, the assessment shall comply with the quarterly schedules provided in Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

02. Change of Status. The real or personal property that has a change of status as described in Section 63-602Y, Idaho Code, does not include federal or state of Idaho property. The property of the United States, except when taxation thereof is authorized by the Congress of the United States, the state, counties, cities, school districts, and other taxing districts that is transferred to a private owner continues to maintain a non-taxable status until January 1 of the year immediately after transfer. However, property owned by an urban renewal agency that is transferred to a private owner is subject to property tax according to the proration as described in Section 63-602Y, Idaho Code. (3-29-12)

03. Cross Reference. The partial year assessment of any non-transient personal property shall comply with the Idaho Supreme Court decision in *Xerox Corporation v. Ada County Assessor*, 101 Idaho 138, 609 P.2d 1129 (1980). When assessing all non-transient personal property, each assessor should be aware of the following quotation from this decision: "Where the county undertakes to update its initial (personal property) declarations during the course of the tax year, it cannot increase a taxpayer's tax burden to reflect the taxpayer's acquisition of non-exempt property without decreasing that tax burden to reflect the fact that property reported by the taxpayer in an earlier declaration was no longer subject to the county's ad valorem tax." (Clarification added.) (5-3-03)

313. ASSESSMENT OF TRANSIENT PERSONAL PROPERTY (RULE 313).
Sections 63-213, 63-313, and 63-602KK, Idaho Code. (5-8-09)

01. Definitions. The following definitions apply for the assessment of transient personal property. (5-3-03)

a. Home County. Home county is identified in Section 63-313, Idaho Code, as the county selected by the owner of any transient personal property as that county where that transient personal property is usually kept. That county selected by the owner shall be a county in the state of Idaho. (5-3-03)

b. Periods of Thirty (30) Days or More. Periods of thirty (30) days or more mean increments of no less than thirty (30) consecutive, uninterrupted days, during which any transient personal property is located in any one (1) county. For any period of less than thirty (30) days, the property owner shall report the transient personal property as being in the home county. (4-4-13)

c. Prorated Assessment. Prorated assessment means the ratio of the number of days, exceeding twenty-nine (29), to three hundred sixty-five (365) days multiplied by the total market value of the transient personal property. For additional clarification, refer to the following examples. (5-3-03)

i. If located in a second Idaho county (not the home county) for twenty-nine (29) consecutive, uninterrupted days and in the home county for the remainder of the year, the transient personal property should be assessed for the total market value in the home county. (5-3-03)

ii. If located in a second Idaho county (not the home county) for fifty-nine (59) consecutive, uninterrupted days and in the home county for the remainder of the year, the transient personal property should be assessed for fifty-nine/three hundred sixty-five (59/365) of the total market value in the second county and for three hundred six/three hundred sixty-five (306/365) of the total market value in the home county. (5-3-03)

iii. If located in a second Idaho county (not the home county) for thirty-one (31) consecutive, uninterrupted days, in a third Idaho county (not the home county) for fifty-nine (59) consecutive, uninterrupted days, and in the home county for the remainder of the year, the transient personal property should be assessed for thirty-one/three hundred sixty-five (31/365) of the total market value in the second county, fifty-nine/three hundred sixty-five (59/365) of the total market value in the third county, and two hundred seventy-five/three hundred sixty-five (275/365) of the total market value in the home county. (5-3-03)

iv. If located in a second Idaho county (not the home county) for twenty-nine (29) consecutive, uninterrupted days and later in that same county for twenty-nine (29) consecutive, uninterrupted days and in the home county for the remainder of the year, the transient personal property should be assessed for the total market value in the home county. (5-3-03)

v. If located in a second Idaho county (not the home county) for fifty-nine (59) consecutive, uninterrupted days, outside the state of Idaho for any thirty-five (35) days and taxed in the other state, and in the home county for the remainder of the year, the transient personal property should be assessed for fifty-nine/three hundred sixty-five (59/365) of the value in the second county and for two hundred seventy-one/three hundred sixty-five (271/365) of the total market value in the home county. However, if the property in this example that was outside the state of Idaho for thirty-five (35) days was not taxed in the other state, then the time should be counted in the home county, and the property therefore should be assessed for three hundred six/three hundred sixty-five (306/365) of the total market value in the home county. (4-4-13)

d. Transient Personal Property. Transient personal property is defined in Section 63-201, Idaho Code. (5-3-03)

02. Overassessment Prohibited. Section 63-213, Idaho Code, prohibits the assessment of any property in any one (1) county for the same period of time that property has been assessed in another county. The sum of the assessments of transient personal property in the home county and each other county where the property has been located shall not exceed the market value of the property. (5-3-03)

03. Nontaxable Transient Personal Property. (3-20-04)

a. Transient Personal Property in Transit. Under Subsection 63-313(4), Idaho Code, any transient personal property only in transit through the home county or any other county and not remaining in any county for the purpose of use is not subject to property taxation. (3-20-04)

b. Sold Transient Personal Property on Which Taxes Have Been Paid. Under Subsection 63-313(4), Idaho Code, any transient personal property, which was sold by the owner in the home county and upon which the full current year's property taxes were paid, is not subject to property taxation for the current year in any other county regardless of whether that property is to be used in or only in transit through any other county. (3-20-04)

c. Qualified Investment Exemption. For information and directions relating to the qualified investment exemption, see Rule 988 of these rules. (3-20-04)

04. Exempt Transient Personal Property. (5-8-09)

a. Section 63-602KK, Idaho Code, when applicable provides for exemption of each eligible taxpayer's personal property to the extent of one hundred thousand dollars (\$100,000) within each county. The limit on the exemption shall apply to the sum of the taxpayer's non-transient personal property and transient personal property. Prior to applying the exemption, transient personal property shall be allocated among the counties based on the prorated value as provided in Subsection 63-313(2), Idaho Code. (5-8-09)

b. In cases where the taxpayer has transient personal property located in multiple places within the county, the taxpayer may elect the location of the property to which the exemption will apply. Should the taxpayer not make an election as to where to apply the exemption, the county shall have discretion regarding the property to which the exemption shall apply. (5-8-09)

314. COUNTY VALUATION PROGRAM TO BE CARRIED ON BY ASSESSOR (RULE 314).
Sections 63-314 and 63-316, Idaho Code. (3-30-01)

01. Definitions. (7-1-99)

a. Continuing Program of Valuation. "Continuing program of valuation" means the program by which each assessor completes the assessment of all taxable properties each year. (7-1-99)

b. Field Inspection. The "field inspection" shall include an observation of the physical attributes of all structures which significantly contribute to the property value, the visible land amenities, and a notation of any other factors which may influence the market value of any improvements. (7-1-99)

c. Index. "Index" refers to any annual adjustment or trending factor applied to existing assessed values to reflect current market value. Ratio studies or other market analyses can be used to develop indexes based on property type, location, size, age or other characteristics. (7-1-99)

d. Prediction of Market Value. As used in Section 63-314, Idaho Code, "prediction of market value" means an estimate of market value. (7-1-99)

e. Category to be Assessed at Current Market Value. The level of assessment of each category will be considered to be current market value unless there is reasonable statistical certainty that the category is not equalized pursuant to Section 63-109, Idaho Code, and Rule 131. (3-30-01)

02. Plan for Continuing Program of Valuation. The plan for continuing program of valuation shall include: (7-1-99)

a. General Contents. A parcel count by category, the number of parcels to be appraised each year, maps that show each of the market areas, an analysis of staff requirements, a budget analysis that provides adequate funding for labor costs, capital and supply costs, travel and education costs and the method of program evaluation. (3-30-01)

b. Market Data Bank. A market data bank including collection, verification and analysis of sales,

income and expense data, building cost information, and application of this information to estimate market value. To mail assessment notices by the first Monday in June as required by Section 63-308, Idaho Code, assessors should include income and expense data submitted by property owners by the first Monday in April. Income and expense data for low-income housing properties receiving tax credits under Section 42 of the Internal Revenue Code includes actual rents, the monetary benefit of income tax credits, and expenses. (4-2-08)

c. Maps. Maps prepared in accordance with Section 63-209, Idaho Code, which identify characteristics of each geographic area. (7-1-99)

d. Property Record. A property record for each parcel, complete with the assigned secondary category and property characteristics necessary for an estimate of the current market value. Such characteristics may include data elements as described in the International Association of Assessing Officers (IAAO) Standard on Mass Appraisal of Real Property and the IAAO Standard on Digital Cadastral Maps and Parcel Identifiers. Common elements identified in these standards include: (3-29-12)

i. Date of most current physical review. (3-29-12)

ii. Significant improvements, buildings and structures. (3-29-12)

iii. Photographs of significant improvements. (3-29-12)

iv. Sketches and/or blue prints of significant improvements. (3-29-12)

v. Location data, such as market area, neighborhood, site amenities and external nuisances. (3-29-12)

vi. Year built, effective age and/or condition of significant improvements. (3-29-12)

vii. Land size or diagram of all taxable parcels within the county. (3-29-12)

03. Date Plan Is Submitted. The plan must be submitted to the State Tax Commission on or before the first Monday of February in 1997, and every fifth year thereafter. (7-1-99)

04. Request for Extension. As provided in Section 63-314, Idaho Code, a county may request an extension to the current five (5) year county valuation plan. (3-30-01)

a. Amended Plan. Any request for an extension must include an amended plan incorporating an inventory of the parcels to be appraised during the period of the approved extension. This inventory shall constitute the schedule of required appraisals for the initial year or years of the subsequent five (5) year valuation program. Parcels appraised during the extension will be considered appraised during both the current and subsequent five (5) year plan valuation program periods, maintaining the same five (5) year cycle for all counties. (3-30-01)

b. Approval of the Extension and Amended Plan. A county shall be notified of the State Tax Commission's decision regarding the granting of an extension as provided in Section 63-314, Idaho Code, within thirty (30) days of receipt of the written request for the extension when accompanied by an amended plan. (3-30-01)

c. Approval of the Amended Plan. The State Tax Commission's approval of any extension shall specify timing and nature of progress reports. (3-30-01)

d. Voiding of the Extension. The State Tax Commission can void an extension unilaterally. (3-30-01)

05. Testing for Current Market Value. Assessed values shall be tested annually by the State Tax Commission as described in Section 63-109, Idaho Code, and Rule 131 of these rules to determine whether the level of assessment reflects "current market value." (3-30-01)

06. Cross Reference. For clarification on tax credits when valuing low-income housing properties receiving tax credits under Section 42 of the Internal Revenue Code, see the case of Brandon Bay, Ltd. Partnership v. Payette County, 142 Idaho 681, 132 P.3d 438 (2006). (5-8-09)

315. USE OF RATIO STUDY TO EQUALIZE BOISE SCHOOL DISTRICT (RULE 315).

Section 63-315, Idaho Code.

(3-30-07)

01. Procedures for Boise School District Ratio Studies. The ratio study conducted by the State Tax Commission to comply with the requirements of Section 63-315, Idaho Code, shall be conducted in accordance with the "Standard on Ratio Studies" referenced in Rule 006 of these rules. The following specific procedures will be used. (4-2-08)

a. Information on property sales, which meet the requirements of arm's length and market value sales, will be obtained and assembled into samples representing various primary categories, described in Subsections 130.02 through 130.06 of these rules, and secondary categories, described in Rules 510, 511, and 512 of these rules, within designations defined in Subsection 315.02 of this rule in the Boise School District. Except when sales or appraisals must be added or deleted to improve representativeness, sales used will be those occurring within the Boise School District between October 1 of the year preceding the year for which adjusted market value is to be computed and September 30 of the year for which adjusted market value is to be computed. Each sale price is to be adjusted for time and compared to market value for assessment purposes for the year for which adjusted market value is to be computed, to compute ratios to be analyzed. The State Tax Commission may use sales from extended time periods and may add appraisals when data is lacking. The State Tax Commission may delete sales when necessary to improve representativeness. (4-2-08)

b. A ratio will be determined for each sale by dividing the market value for assessment purposes of the property by the adjusted sale price or appraised value. (7-1-98)

c. A statistical analysis is to be conducted for the sales and any appraisals in each property designation described in Subsection 315.02 of this rule in the Boise School District and appropriate measures of central tendency, uniformity, reliability, and normality computed. (4-2-08)

d. With the exception of any property designations with extended time frames or added appraisals, if fewer than five (5) sales and appraisals are available, no adjustment to the taxable value of the designation will be made. (7-1-98)

e. If there are five (5) or more sales and appraisals and it is determined with reasonable statistical certainty that the property designation is not already at market value for assessment purposes, an adjusted market value will be computed for the Boise School District by dividing the taxable value for the year for which adjusted market value is to be determined by the appropriate ratio derived from the ratio study. The appropriate ratio to be used shall be the weighted mean ratio calculated from the sample for each designation, unless it can be clearly demonstrated that this statistic has been distorted by nonrepresentative ratios. In this case the median may be substituted: (4-2-08)

f. Within the Boise School District, adjusted market value or taxable value for each primary and each applicable secondary category of real, personal and operating property will be summed to produce the total adjusted market value for the Boise School District. The Boise School District taxable value will then be divided by this adjusted market value to produce the overall ratio of assessment in the Boise School District. Statewide totals are to be calculated by compiling county totals. (4-2-08)

g. Urban renewal increment values will not be included in the taxable value or the adjusted market value for the Boise School District. (4-2-08)

h. "Reasonable statistical certainty," that the property designation in question is not at market value for assessment purposes, is required. Such certainty is tested using ninety percent (90%) confidence intervals about the weighted mean or median ratios. If the appropriate confidence interval includes ninety-five percent (95%) or one hundred five percent (105%), there is not "reasonable statistical certainty" that the property designation is not at market value for assessment purposes. (3-30-01)

i. Primary and secondary categories subject to adjustment following the procedure outlined in this rule and ratio study designations from which measures of central tendency used for adjustments will be derived are:

| Secondary Categories | Primary Categories | Ratio Study Designations |
|---|--|--------------------------|
| 12, 15, 18, or 20 | Vacant Residential Land | Residential |
| 10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, or 50 | Improved Residential Property | Residential |
| 47, 49, or 65 | Manufactured Home on Leased Land | Residential |
| 11, 13, 14, 16, 17, 21, or 22 | Vacant Commercial or Industrial Land | Commercial |
| 11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, or 51 | Improved Commercial or Industrial Property | Commercial |

(3-30-07)

j. For all secondary categories, described in Rule 510, 511, or 512 of these rules but not contained in the list in Paragraph 315.01.i. of this rule, adjusted market value will equal taxable value. (3-30-07)

k. “Appraisal” or “appraised value” refers to any State Tax Commission provided independently conducted property appraisal. (7-1-98)

02. Use of Property Designations. In computing the ratio for the Boise School District, the State Tax Commission will designate property as residential or commercial and shall assign appropriate primary categories, described in Subsections 130.02 through 130.06 of these rules, and secondary categories, described in Rules 510, 511, and 512 of these rules, to these designations as shown in Paragraph 315.01.i. of this rule. For the Boise School District, adjusted market value shall be computed by dividing the appropriate ratio ascertained for each of these designations into the sum of the taxable values for each primary and secondary category assigned to a designation. Except as provided in Subsection 315.06 of this rule, for the taxable value in any secondary category to be included in said sum, at least one (1) observation (sale or appraisal) from that secondary category must be present in the ratio study. If the ratio for any given designation in the Boise School District indicates that the market value for assessment purposes cannot be determined with reasonable statistical certainty to differ from statutorily required market value, the taxable value shown on the Boise School District abstract(s) required pursuant to Subsection 315.04 of this rule for each of the secondary categories included in that designation shall be the adjusted market value for said designation for said school district. (4-2-08)

03. Assessor to Identify Boise School Districts. Each county assessor will identify for the State Tax Commission which sales submitted for the ratio study are located within the Boise School District. (4-2-08)

04. Abstracts of Value for the Boise School District. Each applicable county auditor shall provide to the State Tax Commission abstracts of the taxable value of all property within the portion of the Boise School District in that county. These abstracts shall be submitted in the same manner and at the same time as provided for county abstracts of value. (4-2-08)

05. Urban Renewal Increment and Exemption to be Subtracted. The taxable value of each primary or secondary category within the Boise School District shall not include the value that exceeds the value on the base assessment roll in any urban renewal district pursuant to Chapter 29, Title 50, Idaho Code, and shall not include the value of any exemption pursuant to Sections 63-602G, 63-602K, 63-602P, 63-602X, 63-602AA, 63-602BB, 63-602CC, 63-602DD, 63-602GG, 63-602HH, 63-602II, 63-606A, or 63-3029B, Idaho Code. (4-2-08)

06. Exception from Requirement for at Least One Observation for Use of Secondary Category in Adjusted Value Determination. Properties identified as secondary categories 10 and 31 rarely sell separately from farms and therefore do not appear in any ratio study. However, the level of assessment typically is similar to that of other rural residential property, including property in secondary categories 12, 15, 34, and 37. For any ratio study where there is an adjustment to be made to the assessed values in the residential designation, such adjustment shall be

applied to any assessed value in secondary category 10, provided there is at least one (1) observation (sale) of property identified in either secondary category 12 or 15. Such adjustment shall also be applied to any assessed value in secondary category 31, provided there is at least one (1) observation (sale) of property identified in either secondary category 34 or 37. (3-30-07)

07. Certification of Values. The values required to be certified to the county clerk by the first Monday in April each year under Section 63-315, Idaho Code, shall be published on the State Tax Commission's web site or provided in an alternate format on request by the first Monday in April each year to satisfy this required certification. (3-30-07)

08. Cross References. The primary categories are described in Subsections 130.02 through 130.06 of these Rules, and the secondary categories are described in Rules 510, 511, and 512 of these rules. (3-30-07)

316. COMPLIANCE OF CONTINUING VALUATION PROGRAM (RULE 316).
Sections 63-314 and 63-316, Idaho Code. (5-3-03)

01. Definitions. (5-3-03)

a. Continuing Appraisal. "Continuing appraisal" means the program by which each assessor completes the assessment of all taxable properties each year. This term includes any appraising or indexing done to accomplish the continuing program of valuation as defined in Rule 314 of these rules. (5-3-03)

b. Monitor. "Monitor" means collecting data and compiling statistical reports that show the number and percentage of parcels physically inspected at scheduled intervals within each year of each five (5) year appraisal cycle. The term "monitor" also includes an examination of and summary report of compliance with the most recently completed ratio study under Section 63-109, Idaho Code, and Rule 131 of these rules showing the status of appraisal and indexing to achieve market value. (5-3-03)

c. Progress Reports. "Progress reports" mean any informational or statistical report compiled and distributed by the State Tax Commission regarding the physical appraisal progress of a county. (5-3-03)

d. Appraisal Cycle. "Appraisal cycle" means consecutive five (5) year periods beginning with appraisals completed for the 1998 property roll, as established by the requirement in Section 63-314, Idaho Code. (5-3-03)

e. Remediation Plan. "Remediation plan" means, a written statement of the actions that will be taken by the county not in compliance with the requirements of Section 63-314, Idaho Code, to bring the continuing program of valuation into compliance with said Section. (5-3-03)

02. Monitoring Procedure. The State Tax Commission will monitor compliance with the continuing program of valuation in each county no less than annually. The State Tax Commission will monitor the completion of the appraisal of not less than fifteen percent (15%) of all parcels by the end of the first year of the appraisal cycle, not less than thirty-five percent (35%) by the end of the second year, not less than fifty-five percent (55%) by the end of the third year, not less than seventy-five percent (75%) by the end of the fourth year, and not less than one hundred percent (100%) by the end of the fifth year in order that all parcels are appraised not less than every five (5) years. As a result of the monitoring process, the State Tax Commission will prepare and distribute progress reports to each county assessor at the end of each monitoring period. Each monitoring period will be conducted in the following manner: (3-20-04)

a. The State Tax Commission will compile a progress report each July. The State Tax Commission will use this progress report in each county to determine compliance with Section 63-314, Idaho Code. This report will consist of an analysis of the county's progress within the current appraisal cycle as well as a summary report of the most recently completed ratio study showing the status of appraisal and indexing to achieve market value. The State Tax Commission will notify each county assessor on or before August 15 each year of the current status of the continuing program of valuation progress and any necessary corrective action. The State Tax Commission will notify the board of county commissioners that this report has been provided to the county assessor. (5-3-03)

b. Upon receipt of a written request from the county assessor, the State Tax Commission will complete and distribute a six (6) month progress report in January. This January report will show the total parcels in the county, the number of parcels that need to be physically inspected for the current year's assessment, a summary report of the most recently completed ratio study, and the number of parcels upon which physical inspections were completed during the preceding six (6) months. The State Tax Commission will distribute any January progress report only to inform the county assessor of the status of the continuing program of valuation and will not use the data gathered for this report to determine compliance with Section 63-314, Idaho Code. The State Tax Commission will notify the board of county commissioners that this report has been provided to the county assessor. (5-3-03)

03. Remediation Plans. If the results of any July report show that a county has not achieved the adequate appraisal of the required percent of the parcels, as stated in Subsection 316.02 of this rule, the assessor and board of county commissioners will be required to submit to the State Tax Commission, a remediation plan that demonstrates how compliance will be achieved. The remediation plan will be submitted to the State Tax Commission on or before September 15. The State Tax Commission will determine whether the plan is acceptable on or before October 1. Once a remediation plan has been approved, the continuing valuation program of the county will be considered in compliance so long as the county meets the terms of the remediation plan. The State Tax Commission will monitor progress toward successful completion of any remediation plan at intervals scheduled with the county assessor. (5-3-03)

04. State Tax Commission To Ensure Corrective Action. (5-3-03)

a. During the first four (4) years of any appraisal cycle, if any July progress report shows that a county assessor has not achieved the adequate appraisal of the required percent of parcels, as stated in Subsection 316.02 and implementation of the subsequent remediation plan does not achieve the required percent or the next July progress report shows the number of completed appraisals continues to be less than the required percent, the State Tax Commission will begin proceedings to ensure corrective action is taken up to and including taking exclusive and complete control of the continuing program of valuation as provided for in Section 63-316, Idaho Code. (5-3-03)

b. If, at the end of any appraisal cycle a county has not achieved adequate appraisal of all parcels, the State Tax Commission may begin proceedings to ensure corrective action is taken, up to and including taking exclusive and complete control of the continuing program of valuation as provided for in Section 63-316, Idaho Code. If, at the end of an appraisal cycle, a county has not met the requirements of Section 63-314, Idaho Code, and no extension has been granted pursuant to the provisions of Section 63-316(6), Idaho Code, the county plan for the next appraisal cycle submitted to the State Tax Commission must include provision for field inspection of those parcels not field inspected by the end of the expired appraisal cycle and an additional field inspection of the same parcels for the current plan for the continuing program of valuation. (5-3-03)

05. Compliance Procedure Examples. (5-3-03)

a. Example 1: The following chart outlines what will occur if a county assessor fails to complete the appraisal of the required number of parcels for 2003 and subsequently fails to complete the appraisal of the required number of parcels for 2004.

| | | |
|------------------------------|---|-----------------------------------|
| January 2003 (If requested.) | - | Informational Progress Report |
| July 2003 | - | First Compliance Progress Report |
| Compliance | - | No Action |
| Noncompliance | - | Remediation Plan and Monitoring |
| January 2004 (If requested.) | - | Informational Progress Report |
| July 2004 | - | Second Compliance Progress Report |
| Compliance | - | No Action |

| | |
|---------------|---|
| Noncompliance | - Enforcement of Section 63-316, Idaho Code (State Tax Commission may start proceedings to take exclusive and complete control of the program.) |
|---------------|---|

(5-3-03)

b. Example 2: The following chart outlines what will occur if a county assessor successfully completes the appraisal of the required number of parcels for 2003, 2004, and 2005 but fails to complete the appraisal of the required number of parcels for 2006 and subsequently fails to complete the appraisal of the required number of parcels for 2007.

| | |
|------------------------------|---|
| January 2003 (If requested.) | - Informational Progress Report |
| July 2003 | - First Compliance Progress Report |
| Compliance | - No Action |
| January 2004 (If requested.) | - Second Informational Progress Report |
| July 2004 | - Second Compliance Progress Report |
| Compliance | - No Action |
| January 2005 (If requested.) | - Informational Progress Report |
| Compliance | - No Action |
| July 2005 | - Third Compliance Progress Report |
| Compliance | - No Action |
| January 2006 (If requested.) | - Informational Progress Report |
| July 2006 | - Fourth Compliance Progress Report |
| Compliance | - No Action |
| Noncompliance | - Remediation Plan and Monitoring |
| January 2007 (If requested.) | - Informational Progress Report |
| July 2007 | - Fifth Compliance Progress Report |
| Compliance | - No Action |
| Noncompliance | - Enforcement of Section 63-316, Idaho Code (State Tax Commission may start proceedings to take exclusive and complete control of the program.) |

(5-3-03)

317. OCCUPANCY TAX ON NEWLY CONSTRUCTED IMPROVEMENTS ON REAL PROPERTY (RULE 317).

Section 63-317, Idaho Code.

(5-3-03)

01. Property Subject to Occupancy Tax. Excluding additions to existing improvements, the occupancy tax shall apply to improvements upon real property, whether under the same or different ownership. The occupancy tax shall also apply to new manufactured housing, as defined in Section 63-317, Idaho Code, excluding additions to existing manufactured housing. (4-6-05)

02. Prorated Market Value. The market value for occupancy tax purposes shall be the full market value on January 1 and shall be prorated at least monthly from the occupancy date to the end of the year. (3-29-10)

03. Notice of Appraisal. When notifying each owner of the appraisal, the county assessor shall include at a minimum the full market value before any exemptions and before any prorating of the value, the length of time subject to the occupancy tax, and the prorated value. (5-3-03)

04. Examples for Calculation of Value Less Homestead Exemption (HO). The following examples show the procedure for the calculation of the taxable value subject to the occupancy tax less the homestead exemption (HO): (3-30-07)

a. Example for prorated market value exceeding maximum amount of the homestead exemption for tax year 2009. Each year the maximum amount of the homestead exemption is subject to modification by the Housing Price Index.

| | |
|--|--|
| Full Market Value of Home | - \$300,000 |
| Prorated Market Value for 11 Month Occupancy | - $\$300,000 \times 11/12 = \$275,000$ |
| Taxable Value | - $\$275,000 - \$104,471 \text{ (HO)} = \$170,529$ |

(3-29-10)

b. Example for prorated market value resulting in less than the maximum amount of the homestead exemption.

| | |
|---|---|
| Full Market Value of Home | - \$120,000 |
| Prorated Market Value for 3 Month Occupancy | - $\$120,000 \times 3/12 = \$30,000$ |
| Taxable Value | - $\$30,000 - \$15,000 \text{ (HO)} = \$15,000$ |

(3-30-07)

05. Market Value. The market value for occupancy tax purposes shall be entered on an occupancy tax valuation roll. Occupancy tax valuation shall not be included in the assessed value of any taxing district, but occupancy tax must be declared in the certified budget. (3-30-07)

06. Allocation to Urban Renewal Agencies. Occupancy tax revenue shall be distributed to urban renewal agencies in the same manner as property taxes. (4-7-11)

a. The portion of the occupancy tax raised for funds specified in Section 50-2908, Idaho Code, and Rule 804 of these rules must be distributed to the taxing districts levying property taxes for those funds and, therefore, must not be distributed to the urban renewal agency. (5-8-09)

b. Except for occupancy tax raised for funds specified in Section 50-2908, Idaho Code, and Rule 804 of these rules, for parcels within a newly formed revenue allocation area or within an area newly annexed to an existing revenue allocation area, occupancy tax for the tax year during which the formation or annexation took effect must be distributed to the urban renewal agency. (4-7-11)

07. Property Qualifying for the Homestead Exemption on Occupancy Value. When property is subject to occupancy tax, only the improvements shall be eligible for the homestead exemption found in Section 63-602G, Idaho Code. (3-30-07)

318. -- 403. (RESERVED)

404. OPERATOR'S STATEMENT -- CONTENTS (RULE 404). Sections 63-401 and 63-404, Idaho Code. (5-3-03)

01. Operator's Statement. In the operator's statement, the number of miles of railroad track, electrical and telephone wire, pipeline, etc., must be reported to the hundredth mile in decimal form (0.00) in each taxing

district or taxing authority and must be reported by the uniform tax code area method. (7-1-99)

02. Tax Code Area Maps. By March 1 of each year, the State Tax Commission shall furnish to all entities having operating property within the state of Idaho, except private railcar fleets, a list of all changes in tax code area boundary lines. In case the State Tax Commission receives corrections to any tax code area boundaries, these changes must be furnished by March 15. Every day that the tax code area map deadline is extended beyond March 1 allows for an automatic operator's statement extension equal to the delay. The reporting entity shall review the list of changes to identify any tax code areas, within which any of the entity's operating property is located. The reporting entity shall report, under Subsection 404.01 of this rule based on these identified tax code areas. The State Tax Commission shall provide the tax code areas maps to the reporting entity as provided for in Rule 225 of these rules. (5-3-03)

03. Reporting of Mileage. The following procedures apply for reporting mileage. (7-1-99)

a. Railroad Track Mileage. The railroad track mileage shall be reported by the name of the main line and branch lines with the track mileage for the main line and branch lines reported as Main Track Miles. Track miles consisting of passing track, yard switching, spurs, sidings, etc., shall be reported as Secondary Track Miles. (5-3-03)

b. Electric Power Line Mileage. The electric power companies shall report electric power line mileage by transmission and distribution lines. The transmission lines are the lines at a primary source of supply to change the voltage or frequency of electricity for the purpose of its more efficient or convenient transmission; lines between a generating or receiving point and the entrance to a distribution center or wholesale point; and lines whose primary purpose is to augment, integrate, or tie together the sources of power supply. The distribution lines are the lines between the primary source of supply and of delivery to customers, which are not includible in transmission lines. Cooperative electrical associations may include lines designed to accommodate thirty-four thousand five hundred (34,500) volts or more as transmission or distribution lines. Transmission or distribution lines shall be reported by single linear wire mile. (5-3-03)

c. Telephone Wire Mileage. All telephone wire mileage shall be reported on a single linear wire mile basis, and include any ground wires. (5-3-03)

d. Natural Gas Pipeline and Gathering Line and Water Distribution Pipeline Mileage. Beginning January 1, 2013, all natural gas and water distribution companies shall report pipeline and gathering line miles on a three (3) inch comparison basis. For example, a company with five (5) miles of six (6) inch pipe will report ten (10) pipeline miles: five (5) times six (6) divided by three (3) equals ten (10) miles. (4-4-13)

e. Transmission Pipeline Mileage. All transmission pipeline companies shall report pipeline miles on a one-inch (1") comparison basis. (4-2-08)

04. Situs Property. Situs property includes microwave stations and radio relay towers. This property also includes facilities, used for and in conjunction with thermal generation of electricity, constructed after January 1, 2004, and located in or within five (5) miles of an incorporated city. The investment in this property shall be reported in the tax code area(s), within which it is located. (4-2-08)

05. Record of Property Ownership. The following procedures apply for maintaining records of operating property ownership. (7-1-99)

a. STC Form R. A record of each property owned, leased, or otherwise operated by each railroad, private railcar fleet or public utility shall be maintained by the State Tax Commission, the appropriate railroad, private railcar fleet or public utility, and the appropriate county assessor's office. Each record shall be maintained on a form identified as STC Form R. The State Tax Commission shall send a copy of each STC Form R to the appropriate company and the appropriate county assessor's office. (7-1-99)

b. Identification of Operating Property and Nonoperating Property. On the STC Form R, the State Tax Commission shall identify which property is operating property and which property is nonoperating property. (5-3-03)

c. Filing of Property Ownership by Railroad Companies. Each railroad company shall file the original railroad right-of-way maps with the State Tax Commission. Each railroad shall file an STC Form R, only, for property that is acquired, leased, or transferred between operating and nonoperating status, or sold during the prior year.

(7-1-99)

06. Filing Date for Operator's Statement. By April 30 each year, each railroad, private railcar fleet, and or public utility operating in Idaho shall file information pertinent to the entity's ownership and operation with the State Tax Commission. This information must be reliable for preparing an estimate of market value. For each entity submitting a written request for an extension on or before April 30, the State Tax Commission may grant an extension of the filing date until May 31. An automatic extension beyond April 30 may be granted as set out in Subsection 404.02 of this rule.

(4-6-05)

07. Cross Reference. For information relating to the exemption of certain intangible personal property, see Section 63-602L, Idaho Code, and Rule 615 of these rules. For valuation, allocation, and apportionment information, see Section 63-405, Idaho Code, and Rule 405 of these rules.

(4-2-08)

405. ASSESSMENT OF OPERATING PROPERTY (RULE 405).
Section 63-405, Idaho Code.

(4-2-08)

01. The Unit Method. The unit method of valuation is preferred for valuing a railroad or public utility when the individual assets function collectively, are operated under one ownership and one management, are interdependent, and the property would be expected to trade in the marketplace as a unit. Under the unit method, the value of the tangible and intangible property is equal to the value of the going concern. The market value of the unit shall be referred to as the system value. For interstate property, allocation factors shall be used to determine what part of the system value is in Idaho.

(7-1-99)

02. Identify the Unit. The unit includes all property used or useful to the operation of the system, property owned, used or leased by the business and the leased fee and leasehold interests. Assess all title and interest in unit property shall be assessed to the owner, lessee or operating company.

(4-2-08)

03. Appraisal Approaches. The three (3) approaches to value may be considered for all property.

(7-1-99)

04. Appraisal Procedures. Market value shall be determined through procedures, methods, and techniques accepted by nationally recognized appraisal and valuation organizations. For operating property, the direct capitalization techniques or derivatives thereof shall not be used in estimating value.

(7-1-99)

05. The Cost Approach. For operating property, the appraiser may consider replacement, reproduction, original or historical cost.

(7-1-99)

a. Contributions in aid of construction. Contributions in aid of construction are valued at zero in the cost approach.

(7-1-99)

b. Construction work in progress. Construction work in progress may be considered in the cost approach.

(7-1-99)

c. Obsolescence. The appraiser shall attempt to measure obsolescence, if any exists. If obsolescence is found to exist, it may be considered in the cost approach.

(7-1-99)

06. The Income Approach. For operating property, the income approach is based on the premise that value can be represented by the present worth of future benefits derived from the ownership, use or operation of the unit. The appraiser shall consider yield capitalization in processing the income approach.

(7-1-99)

07. The Market Approach. In the market approach for operating property, the appraiser shall consider the sales comparison approach or the stock and debt approach.

(7-1-99)

08. Reconciliation. Reconciliation, also called correlation, is an opinion regarding the weight that

should be placed on each approach. The appropriate weight to be given each indicator is based on the appraiser's opinion of the inherent strengths and weaknesses of each approach and the data utilized. The appraisal report shall disclose the weight given to the indicators. (7-1-99)

09. Allocation. Use readily available data from existing records to calculate the factors that are multiplied by the correlated system value to allocate that value to Idaho. (4-2-08)

10. Situs Property Apportionment. For situs property, as described in Subsection 404.04 of these rules, apportionment is based on physical location meaning the taxable value shall not be apportioned based on mileage but only to the tax code area(s) within which said property is situs or physically located. (4-2-08)

11. Cross Reference. For reporting information, see Section 63-404, Idaho Code, and Rule 404 of these rules. For information relating to the exemption of certain intangible personal property, see Section 63-602L, Idaho Code, and Rule 615 of these rules. (4-2-08)

406. (RESERVED)

407. APPEAL OF OPERATING PROPERTY ASSESSMENTS (RULE 407).

01. Procedure Governed. This rule shall govern all practice and procedure before the State Tax Commission sitting as a Board of Equalization in hearings under Section 63-407, Idaho Code. (7-1-99)

02. Liberal Construction. These rules shall be liberally construed to secure just, speedy and economical determination of all issues presented to the State Tax Commission. For good cause the State Tax Commission may permit deviation from these rules. (7-1-99)

03. Communication. All notices and petitions required to be filed with the State Tax Commission must be in writing. Each notice must identify the filing party, be signed by the filing party, be dated and give the filing party's mailing address and telephone number. The provisions of Section 63-217, Idaho Code, apply to the filing of documents with the State Tax Commission. (7-1-99)

04. Service by State Tax Commission. All notices and orders required to be served by the State Tax Commission may be served by mail. Service shall be complete when a true copy of the document, properly addressed and stamped, is deposited in the United States mail. (7-1-99)

05. Notice to County Assessors. When the calendar of hearings under Section 63-407, Idaho Code, is final, the State Tax Commission shall send a copy of this calendar to the assessor of each county. (7-1-99)

06. Parties. The following are parties to a hearing of the State Tax Commission meeting as Board of Equalization. (7-1-99)

a. Petitioner. A person petitioning for a hearing shall be called the petitioner. (7-1-99)

b. Staff. The State Tax Commission staff may appear as a party at the hearing and may be represented by one (1) or more Deputy Attorneys General assigned to the State Tax Commission. (7-1-99)

c. Legal advisor to the commission. When sitting as a Board of Equalization, the State Tax Commission may obtain legal advice from a Deputy Attorney General who is not representing the State Tax Commission staff. (7-1-99)

07. Appearances and Practice. The following apply for appearances and practice in a hearing. (7-1-99)

a. Rights of parties. At any hearing, both parties may appear, introduce evidence, examine and cross-examine witnesses, make arguments, and generally participate in the conduct of the proceeding. (7-1-99)

b. Taking of appearances. The presiding officer conducting the hearing shall require appearances to be

stated and shall see that both parties present are identified on the record. (7-1-99)

c. Representation of taxpayers. An individual may represent himself or herself or be represented by an attorney. A partnership may be represented by a partner, authorized employee or by an attorney. A corporation may be represented by an officer, authorized employee or by an attorney. (7-1-99)

08. Pre-Hearing Conferences. The following apply for holding pre-hearing conferences. (7-1-99)

a. Reasons for holding pre-hearing conferences. The State Tax Commission may, upon notice to both parties, hold a pre-hearing conference for the following purposes: (7-1-99)

i. Formulating or simplifying the issues; (7-1-99)

ii. Obtaining admissions of fact and of documents which will avoid unnecessary proof; (7-1-99)

iii. Arranging for the exchange of proposed exhibits or prepared expert testimony; (7-1-99)

iv. Limiting the number of witnesses; (7-1-99)

v. Setting the procedure at for the hearing; and (7-1-99)

vi. Reviewing other matters to expedite the orderly conduct and disposition of the proceedings. (7-1-99)

b. Action taken. Any action taken at the conference and any agreement made by the parties concerned may be recorded and the State Tax Commission may issue a pre-hearing order which will control the course of subsequent proceedings unless modified. (7-1-99)

c. Compromise and offers to compromise. Evidence of an offer or agreement to compromise the dispute and the conduct and statements made in compromise negotiations are not admissible at the hearing. (7-1-99)

09. Hearings. The following apply to the hearings. (7-1-99)

a. Request for hearing. A request for a hearing shall be in the form of a petition filed with the State Tax Commission on or before August 1 of the current year. The petition shall state the factual and legal basis on which the request is based. (7-1-99)

b. Notice of hearing. The State Tax Commission shall notify both parties and all counties of the place, date and time of the hearing. (7-1-99)

c. Motions. Motions may be submitted for the State Tax Commission's decision by written or oral argument or both. The filing of affidavits in support or opposition is permitted. Motions filed by different parties but involving the same point of law may be set for hearing at the same time. The practice for motions shall generally conform to the Idaho Rules of Civil Procedure, with modifications and exceptions as ordered by the State Tax Commission. (7-1-99)

d. Presiding officer. The Chairman of the State Tax Commission shall appoint an individual who is not a member of the State Tax Commission's staff to conduct the hearing. In the absence of a conflict of interest or other good cause, this person will normally be the Commissioner overseeing the centrally assessed property section of the State Tax Commission or the designee thereof. A Commissioner shall not vote on any matters where he has oversight. (7-1-99)

e. Testimony under oath. All testimony to be considered by the State Tax Commission in hearings, except matters noticed officially or entered by stipulation, shall be under oath. Before taking the witness stand each person shall swear, or affirm, that the testimony he is about to give shall be the truth. (7-1-99)

f. Rules of evidence. No informality in any proceeding or in the manner of taking testimony shall

invalidate any order or decision made by the State Tax Commission. The Idaho Rules of Evidence will be generally followed but may be modified at the discretion of the State Tax Commission to aid in ascertaining the facts. When objection is made to the admissibility of evidence, the evidence may be received subject to later ruling by the State Tax Commission. The State Tax Commission, at its discretion either with or without objection may limit or exclude inadmissible, incompetent, cumulative or irrelevant evidence. Parties objecting to the introduction of evidence shall briefly state the grounds of objection at the time such evidence is offered. (7-1-99)

g. Recessing hearing for conference. In any proceeding the presiding officer may, in at his discretion, call both parties together for a conference prior to the taking of testimony, or may recess the hearing for a conference. The presiding officer shall state on the record the results of the conference. (7-1-99)

h. Transcript. An official transcript of the hearing will be taken. A petitioner desiring the taking of stenographic notes by a qualified court reporter may notify the State Tax Commission in writing and shall arrange for the hiring of a reporter and bear the expense of the reporter's fees. If the reporter's transcript is deemed by the State Tax Commission or presiding officer as the official transcript of the hearing, the petitioner shall furnish the State Tax Commission a transcript free of charge. (7-1-99)

i. Transcript copies. A request for a copy of the transcript of proceedings at any hearing must be in writing or on the record. Upon completion of the transcript, the State Tax Commission shall notify the person requesting a copy of the fee for producing the transcript. Upon receipt of the fee, the State Tax Commission will send a copy of the transcript. (7-1-99)

408. RE-EXAMINATION OF VALUE -- COMPLAINT BY ASSESSOR (RULE 408).

01. Request for Reexamination of Value. Section 63-408, Idaho Code, entitles the assessor (complainant) of any county in which the value of operating property is apportioned, to request that the State Tax Commission reexamine the valuation. (7-1-99)

02. Information to be Provided by the State Tax Commission. After final values are established and sent to the respective taxpayers, the State Tax Commission shall send to each County Assessor a statement of the value allocated to Idaho for each centrally assessed taxpayer, together with the previous year's Idaho value for that taxpayer. (7-1-99)

03. Complaint. On or before July 15, a complainant may file a complaint under Section 63-408, Idaho Code. A complaint by an assessor to the State Tax Commission to examine the valuation and allocation of value of operating property must be in writing and contain clear and concise questions regarding the valuation and allocation in question. The State Tax Commission shall send a copy of the complaint promptly to the taxpayer. (7-1-99)

04. Meeting to Examine Valuation and Allocation. Upon receipt of a complaint under Section 63-408, Idaho Code, the staff of the State Tax Commission shall schedule a meeting between the staff appraiser(s) who performed the valuation and allocation and the complainant. Notice of this meeting shall be sent to the taxpayer in question. At this meeting, the staff appraiser(s) shall answer the complainant's questions to the best of his knowledge. The taxpayer or representative may participate in this meeting. (7-1-99)

409. -- 410. (RESERVED)

411. PRIVATE CAR REPORTING BY RAILROAD COMPANIES (RULE 411).

Section 63-411, Idaho Code. The president or other officer of each railroad company whose railroad tracks run through, in or into Idaho shall, by April 15 of each year file a report with the State Tax Commission. The report form is available from the State Tax Commission upon request. The completed report shall include the following: (5-3-03)

01. Name of Reporting Railroad Company. Report the name of the railroad company making the report. (5-3-03)

02. Name of Private Railcar Fleet. Report the name of each private railcar fleet, defined under Sections 63-201(14) and 63-411, Idaho Code, having traveled on the reporting railroad company's track. (5-3-03)

- 03. Private Railcar Fleet's Address.** Report the business address of each reported private railcar fleet. (5-3-03)
- 04. Car Type.** Report the type of cars by symbol, according to the edition of the "Official Railway Equipment Register" referenced in Rule 006 of these rules. (5-3-03)
- 05. Marks.** Report the car marks. (5-3-03)
- 06. Miles Traveled.** Report the total number of miles traveled on the reporting railroad's track, including main line, branches, sidings, spurs, and warehouse or industrial track in Idaho during the year ending December 31 of the preceding year. (5-3-03)
- 412. (RESERVED)**
- 413. SPECIAL PROVISIONS FOR PRIVATE RAILCAR FLEETS (RULE 413).**
- 01. Definitions.** The following terms are defined for the valuation, allocation and apportionment of private railcar fleets. (7-1-99)
- a. Idaho Miles.** The Idaho miles are the total number of miles traveled in Idaho by all cars in the private railcar fleet during the calendar year immediately preceding the current tax year. (7-1-99)
 - b. Idaho Taxable Value.** The Idaho taxable value is that portion of the system value that reflects the value of that part of the private railcar fleet located in Idaho during all or part of a tax year. (7-1-99)
 - c. System Miles.** The system miles are the total number of miles, both in and out of Idaho, traveled by all cars in the private railcar fleet during the calendar year immediately preceding the current tax year. (7-1-99)
 - d. System Value.** The system value is the value of the entire private railcar fleet regardless of the location of its various components. (7-1-99)
- 02. Railcar Valuation, Allocation and Apportionment.** For tax years beginning on or after 1998, the State Tax Commission will appraise the system value of each private railcar fleet and allocate a portion of the system value to Idaho to obtain the Idaho taxable value as set forth below. The Idaho taxable value will be apportioned to the appropriate counties in Idaho pursuant to section 63-411, Idaho Code. (7-1-99)
- 03. Allocation.** System value is allocated using the "miles to miles" method of allocation. (7-1-99)
- 04. "Miles to Miles" Method of Allocation.** The State Tax Commission will divide Idaho miles by system miles and multiply the quotient by five-tenths (0.5). The product of this calculation will be multiplied by the system value to determine Idaho taxable value. (7-1-99)
- 414. (RESERVED)**
- 415. APPORTIONMENT OF RAILCAR FLEET'S ASSESSED VALUES WITHIN THE STATE (RULE 415).**
Section 63-411, Idaho Code. (4-2-08)
- 01. Private Railcar Fleet Apportionment.** Railroad track miles shall be used for the apportionment of each private railcar fleet's assessed value when the value within Idaho equals five hundred thousand dollars (\$500,000) or more. The Idaho value of each private railcar fleet shall be multiplied by a ratio of this private railcar fleet's mileage for each railroad to this private railcar fleet's total mileage in Idaho and divided by the in service main track mileage of that particular railroad, to obtain a rate per mile. This rate per mile is multiplied by the in service main track mileage in each county and tax code area to calculate the apportioned value. For the purpose of apportioning value by miles traveled, main track includes branch lines, as well as main lines, but does not include industrial spurs, sidings or passing tracks. (7-1-99)

02. Determination of Average Tax Rate -- Private Railcar Fleets Under Five Hundred Thousand Dollars Assessed Value. For private railcar fleets having an assessed value of less than five hundred thousand dollars (\$500,000), the average tax rate is computed each year by dividing the current taxes for all private railcar fleets with assessed value of five hundred thousand dollars (\$500,000) or more by the current Idaho value of all such fleets. By November 15 of each year, each county treasurer must provide the State Tax Commission with the amount of taxes due from all private railcar fleets in the county. (4-2-08)

416. (RESERVED)

417. PENALTY FOR FAILURE TO MAKE STATEMENT (RULE 417).

If a private railcar fleet fails or refuses to file the operator's statement as provided by Section 63-404, Idaho Code, by April 30 of each year, the State Tax Commission shall add a penalty. The penalty is fifty percent (50%) of the assessed value, determined by the State Tax Commission, as provided by Section 63-411, Idaho Code. When an emergency exists, the company may petition the State Tax Commission for an extension of time for filing, not to exceed thirty (30) days. For such petition to be valid it must be submitted in writing to the State Tax Commission by April 30 of each year. (7-1-99)

418. -- 507. (RESERVED)

508. NOTIFICATION OF PERSONAL PROPERTY EXEMPT VALUE BY TAXING DISTRICT OR UNIT (RULE 508).

Sections 63-510 and 63-602KK, Idaho Code. In addition to the requirements of Section 63-510, Idaho Code, for reporting of net taxable value for each taxing district or unit, the value of property exempt pursuant to Section 63-602KK, Idaho Code, shall be reported to the Tax Commission. The value of such exempt property that is included in the increment value within each tax code area in each revenue allocation area shall also be reported. This report shall be submitted by the August and March dates provided under Section 63-510, Idaho Code. (5-8-09)

509. CITY, COUNTY, SCHOOL DISTRICT, AND SPECIAL DISTRICT OR UNIT OF GOVERNMENT ABSTRACTS OF VALUE AND IDENTIFICATION OF URBAN RENEWAL INCREMENT AND PARTIAL EXEMPTION VALUES (RULE 509).

Sections 63-105A and 63-509, Idaho Code. (3-30-07)

01. Definitions. The following definitions apply for the purposes of testing for equalization under Section 63-109, Idaho Code, notification under Sections 63-301 and 63-308, Idaho Code, and reporting under Section 63-509, Idaho Code. (3-30-07)

a. Increment Value. Increment value means, as defined in Section 50-2903, Idaho Code, the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is positive. (3-30-07)

b. Primary Category. Primary category means the categories established and described by Subsections 130.02 through 130.06 of these rules and used by the State Tax Commission to test for equalization under Section 63-109, Idaho Code. (3-30-07)

c. Secondary Category. Secondary category means the categories established and described by Rules 510, 511, and 512 of these rules and used by county assessors to list property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and report values to the State Tax Commission under Section 63-509, Idaho Code, and this Rule. Secondary categories may also be tested for equalization purposes, provided they meet the criteria in Subsection 131.05 of these rules. (3-29-12)

02. Indicate Increment and Exemption Values. In addition to the value of exemptions required under Section 63-509, Idaho Code, any increment value and the value of any exemption provided under Sections 63-602W(4), 63-602GG, 63-602HH, 63-602II, 63-602KK, 63-602NN, 63-4502, 63-606A, and 63-3029B, Idaho Code, shall be indicated and subtracted from the taxable value shown for each secondary category of property on each city and county abstract, and the Boise School District abstract. Increment value and the value of the exemptions found in this subsection shall also be indicated and subtracted from the taxable value for each secondary category subject to

taxation by special districts and units of government which do not levy property tax against all otherwise taxable property. (4-4-13)

03. Submittal of Corrections to Erroneous Abstracts or Related Documents. When completing the procedures set forth in Section 63-810, Idaho Code, boards of county commissioners should submit the corrections to the taxable values submitted on the abstracts or related documents under provisions of Section 63-509, Idaho Code, and this rule, no later than when they submit the corrected levies under Section 63-810, Idaho Code. (4-2-08)

04. Cross Reference. See Rule 115 of these rules for requirements to submit city, Boise School District, and special district or unit of government abstracts. For the descriptions of the categories used to test for equalization, see Subsections 130.02 through 130.06 of these rules. For descriptions of secondary categories used to list and report land values, see Rule 510 of these rules, used to list and report the value of improvements, see Rule 511 of these rules, or used to list and report all property values other than that for land or improvements, see Rule 512 of these rules. For information relating to notification of corrections to erroneous levies, see Sections 63-809 and 63-810, Idaho Code, and Rule 809 of these rules. (3-29-12)

510. SECONDARY CATEGORIES FOR LAND - LISTING AND REPORTING (RULE 510).

Section 63-509, Idaho Code. County assessors will use the secondary categories described in the following subsections, indicated by numbers, to list land values on the valuation assessment notices under Sections 63-301 and 63-308, Idaho Code. County assessors will use these secondary categories described in the following subsections, indicated by numbers, and the secondary categories described in the following paragraphs, indicated by letters, to report land values to the State Tax Commission on the abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. For all of the above listed functions, assign all appropriate secondary land categories to parcels of property put to multiple uses. (4-2-08)

01. Secondary Category 1 - Irrigated Agricultural Land. Irrigated land and only such irrigated land eligible for and granted the partial exemption for the current year's assessment roll as actively devoted to agriculture. (See Sections 63-604 and 63-602K, Idaho Code, and Rule 645 of these rules.) Only place land meeting the definition of "land actively devoted to agriculture" under Section 63-604, Idaho Code, or the requirements for "wildlife habitat" or "conservation agreement" under Section 63-605, Idaho Code, for the current assessment year in this secondary category. This irrigated land must be capable of and normally producing harvestable crops and may be located inside or outside the boundaries of a subdivision without restrictions on such use or the boundaries of an incorporated city. (3-30-07)

02. Secondary Category 2 - Irrigated Grazing Land. Irrigated land and only such irrigated land eligible for and granted the partial exemption for the current year's assessment roll as actively devoted to agriculture. (See Sections 63-604 and 63-602K, Idaho Code, and Rule 645 of these rules.) Only place land meeting the definition of "land actively devoted to agriculture" under Section 63-604, Idaho Code, or the requirements for "wildlife habitat" or "conservation agreement" under Section 63-605, Idaho Code, for the current assessment year in this secondary category. This irrigated land must be used for grazing and not normally capable of producing harvestable crops and may be located inside or outside the boundaries of a subdivision without restrictions on such use or the boundaries of an incorporated city. (3-30-07)

03. Secondary Category 3 - Non-Irrigated Agricultural Land. Land and only such land eligible for and granted the partial exemption for the current year's assessment roll as actively devoted to agriculture. (See Sections 63-604 and 63-602K, Idaho Code, and Rule 645 of these rules.) Only place land meeting the definition of "land actively devoted to agriculture" under Section 63-604, Idaho Code, or the requirements for "wildlife habitat" or "conservation agreement" under Section 63-605, Idaho Code, for the current assessment year in this secondary category. This non-irrigated land must be capable of and normally producing harvestable crops without man-made irrigation and may be located inside or outside the boundaries of a subdivision without restrictions on such use or the boundaries of an incorporated city. (3-30-07)

04. Secondary Category 4 - Meadow Land. Land and only such land eligible for and granted the partial exemption for the current year's assessment roll as actively devoted to agriculture. (See Sections 63-604 and 63-602K, Idaho Code, and Rule 645 of these rules.) Only place land meeting the definition of "land actively devoted to agriculture" under Section 63-604, Idaho Code, or the requirements for "wildlife habitat" or "conservation agreement" under Section 63-605, Idaho Code, for the current assessment year in this secondary category. This

meadow land must be capable of lush production of grass and may be located inside or outside the boundaries of a subdivision without restrictions on such use or the boundaries of an incorporated city. (3-30-07)

05. Secondary Category 5 - Dry Grazing Land. Land and only such land eligible for and granted the partial exemption for the current year's assessment roll as actively devoted to agriculture. (See Sections 63-604 and 63-602K, Idaho Code, and Rule 645 of these rules.) Only place land meeting the definition of "land actively devoted to agriculture" under Section 63-604, Idaho Code, or the requirements for "wildlife habitat" or "conservation agreement" under Section 63-605, Idaho Code, for the current assessment year in this secondary category. This land must be capable of supporting grasses and not normally capable of supporting crops on regular rotation and may be located inside or outside the boundaries of a subdivision without restrictions on such use or the boundaries of an incorporated city. (3-30-07)

06. Secondary Category 6 - Productivity Forestland. All land and only such land designated by the owner for assessment, appraisal, and taxation under Section 63-1703(a), Idaho Code, for the current year's assessment roll. This land must be assessed as forest land under the productivity option and may be located inside or outside the boundaries of an incorporated city. Also included is all land assessed under Section 63-1704, Idaho Code. (3-30-07)

07. Secondary Category 7 - Bare Forestland. All land and only such land designated by the owner for assessment, appraisal, and taxation under Section 63-1703(b), Idaho Code, for the current year's assessment roll. This land must be assessed as bare land with the yield tax option and may be located inside or outside the boundaries of an incorporated city. (3-30-07)

08. Secondary Category 8. Not presently used. (4-4-13)

09. Secondary Category 9 - Patented Mineral Land. All land used solely for mines and mining claims and only the part of such land not used for other than mining purposes for the current year's assessment roll. This land may be located inside or outside the boundaries of an incorporated city. See Section 63-2801, Idaho Code. (3-30-07)

10. Secondary Category 10 - Homesite Land. Rural non-subdivided land being utilized for homesites with secondary categories 1 through 9. Note: This land is always land with improvements located on it since land with no improvements should be in one (1) or more of categories 1 through 9. (4-2-08)

11. Secondary Category 11 - Recreational Land. Rural land used in conjunction with recreation but not individual homesites. (3-30-07)

a. Secondary Category 11 - Vacant Recreational Land. Vacant rural land used for recreational purposes but not individual homesites or in a properly recorded subdivision. (3-30-07)

b. Secondary Category 11 - Improved Recreational Land. Rural land with improvements, including exempt improvements, used for recreational purposes on that land but not individual homesites or in a properly recorded subdivision. (3-30-07)

12. Secondary Category 12 - Rural Residential Tracts. Rural residential land not in a properly recorded subdivision. (3-30-07)

a. Secondary Category 12 - Vacant Rural Residential Tracts. Vacant rural land used for residential purposes but not in a properly recorded subdivision. (3-30-07)

b. Secondary Category 12 - Improved Rural Residential Tracts. Rural land with improvements, including exempt improvements, used for residential purposes on that land but not in a properly recorded subdivision. (3-30-07)

13. Secondary Category 13 - Rural Commercial Tracts. Rural commercial land not in a properly recorded subdivision. (3-30-07)

a. Secondary Category 13 - Vacant Rural Commercial Tracts. Vacant rural land used for commercial

purposes but not in a properly recorded subdivision. (3-30-07)

b. Secondary Category 13 - Improved Rural Commercial Tracts. Rural land with improvements, including exempt improvements, used for commercial purposes on that land but not in a properly recorded subdivision. (3-30-07)

14. Secondary Category 14 - Rural Industrial Tracts. Rural industrial land not in a properly recorded subdivision. (3-30-07)

a. Secondary Category 14 - Vacant Rural Industrial Tracts. Vacant rural land used for industrial purposes but not in a properly recorded subdivision. (3-30-07)

b. Secondary Category 14 - Improved Rural Industrial Tracts. Rural land with improvements, including exempt improvements, used for industrial purposes on that land but not in a properly recorded subdivision. (3-30-07)

15. Secondary Category 15 - Rural Residential Subdivisions. Rural residential land in a properly recorded subdivision. (3-30-07)

a. Secondary Category 15 - Vacant Rural Residential Subdivisions. Vacant rural land used for residential purposes and in a properly recorded subdivision. (3-30-07)

b. Secondary Category 15 - Improved Rural Residential Subdivisions. Rural land with improvements, including exempt improvements, used for residential purposes on that land and in a properly recorded subdivision. Also use this category for rural homesites within subdivisions when the remaining acreage qualifies as actively devoted to agriculture under Section 63-604, Idaho Code, or has been designated forestland under Chapter 17, Title 63, Idaho Code. (4-2-08)

16. Secondary Category 16 - Rural Commercial Subdivisions. Rural commercial land in a properly recorded subdivision. (3-30-07)

a. Secondary Category 16 - Vacant Rural Commercial Subdivisions. Vacant rural land used for commercial purposes and in a properly recorded subdivision. (3-30-07)

b. Secondary Category 16 - Improved Rural Commercial Subdivisions. Rural land with improvements, including exempt improvements, used for commercial purposes on that land and in a properly recorded subdivision. (3-30-07)

17. Secondary Category 17 - Rural Industrial Subdivisions. Rural industrial land in a properly recorded subdivision. (3-30-07)

a. Secondary Category 17 - Vacant Rural Industrial Subdivisions. Vacant rural land used for industrial purposes and in a properly recorded subdivision. (3-30-07)

b. Secondary Category 17 - Improved Rural Industrial Subdivisions. Rural land with improvements, including exempt improvements, used for industrial purposes on that land and in a properly recorded subdivision. (3-30-07)

18. Secondary Category 18 - Other Land. Land not compatible with other secondary categories. (3-30-07)

a. Secondary Category 18 - Vacant Other Land. Vacant land not compatible with other secondary categories. (3-30-07)

b. Secondary Category 18 - Improved Other Land. Land with improvements, including exempt improvements, on that land but not compatible with other secondary categories. (3-30-07)

19. Secondary Category 19 - Waste. Public Rights-of-Way includes roads, ditches, and canals. Use this secondary category to account for total acres of land ownership. Only list acres, not value, in this secondary category on the abstract. (3-30-07)

20. Secondary Category 20 - Residential Lots or Acreages. Land used for residential purposes and inside city limits. (3-30-07)

a. Secondary Category 20 - Vacant Residential Lots Or Acreages. Vacant land used for residential purposes and inside city limits. (3-30-07)

b. Secondary Category 20 - Improved Residential Lots Or Acreages. Land with improvements, including exempt improvements, used for residential purposes on that land and inside city limits. Also use this category for urban homesites when the remaining acreage qualifies as actively devoted to agriculture under Section 63-604, Idaho Code, or has been designated forestland under Chapter 17, Title 63, Idaho Code. (4-2-08)

21. Secondary Category 21 - Commercial Lots or Acreages. Land used for commercial purposes and inside city limits. (3-30-07)

a. Secondary Category 21 - Vacant Commercial Lots Or Acreages. Vacant land used for commercial purposes and inside city limits. (3-30-07)

b. Secondary Category 21 - Improved Commercial Lots Or Acreages. Land with improvements, including exempt improvements, used for commercial purposes on that land and inside city limits. (3-30-07)

22. Secondary Category 22 - Industrial Lots or Acreages. Land used for industrial purposes and inside city limits. (3-30-07)

a. Secondary Category 22 - Vacant Industrial Lots Or Acreages. Vacant land used for industrial purposes and inside city limits. (3-30-07)

b. Secondary Category 22 - Improved Industrial Lots Or Acreages. Land with improvements, including exempt improvements, used for industrial purposes on that land and inside city limits. (3-30-07)

23. Secondary Category 25 - Common Area Vacant Land. Common area vacant land not included in individual property assessments. (3-30-07)

24. Secondary Category 45 - Utility System Vacant Land. Vacant land used for locally assessed utility systems not under the jurisdiction of the State Tax Commission for appraisal. (3-30-07)

25. Secondary Category 57 - Equities In Vacant Land Purchased From the State. For identification purposes under Section 63-211, Idaho Code, vacant land purchased from the state under contract. (3-30-07)

26. Secondary Category 81 - Exempt Land. Category 81 is for county use to keep an inventory, including acreage, of exempt land. (3-30-07)

27. Cross Reference. For descriptions of secondary categories used to list values for improvements, see Rule 511 of these rules, or used to list property values other than that for land or improvements, see Rule 512 of these rules. For the descriptions of primary categories and the assignment of secondary categories therein, see Subsections 130.02 through 130.06 of these rules. (3-30-07)

511. SECONDARY CATEGORIES FOR IMPROVEMENTS - LISTING AND REPORTING (RULE 511).

Section 63-509, Idaho Code. County assessors will use the following secondary categories to list improved property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and to report improved property values to the State Tax Commission on the abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. For all of the above listed functions, assign all appropriate secondary improvement categories to parcels

- of property put to multiple uses. (4-2-08)
- 01. Secondary Category 25 - Common Area Land and Improvements.** Common area land and improvements on that land not included in individual property assessments. (3-30-07)
 - 02. Secondary Category 26 - Residential Condominiums.** Land and improvements included in individual assessments of condominiums or townhouses and used for residential purposes. (3-30-07)
 - 03. Secondary Category 27 - Commercial or Industrial Condominiums.** Land and improvements included in individual assessments of condominiums and used for commercial or industrial purposes. (3-30-07)
 - 04. Secondary Category 30 - Improvements.** Improvements, other than residential, located on secondary category 20. (3-30-07)
 - 05. Secondary Category 31 - Improvements.** Improvements used for residential purposes and located on secondary category 10. (3-30-07)
 - 06. Secondary Category 32 - Improvements.** Improvements, other than residential, located on secondary categories 1 through 12 and 15. (3-30-07)
 - 07. Secondary Category 33 - Improvements.** Improvements used in conjunction with recreation but not associated with homesites and located on secondary category 11. (3-30-07)
 - 08. Secondary Category 34 - Improvements.** Improvements used for residential purposes and located on secondary category 12. (3-30-07)
 - 09. Secondary Category 35 - Improvements.** Improvements used for commercial purposes and located on secondary category 13. (3-30-07)
 - 10. Secondary Category 36 - Improvements.** Improvements used for industrial purposes and located on secondary category 14. (3-30-07)
 - 11. Secondary Category 37 - Improvements.** Improvements used for residential purposes and located on secondary category 15. (3-30-07)
 - 12. Secondary Category 38 - Improvements.** Improvements used for commercial purposes and located on secondary category 16. (3-30-07)
 - 13. Secondary Category 39 - Improvements.** Improvements used for industrial purposes and located on secondary category 17. (3-30-07)
 - 14. Secondary Category 40 - Improvements.** Improvements located on secondary category 18. (3-30-07)
 - 15. Secondary Category 41 - Improvements.** Improvements used for residential purposes and located on secondary category 20. (3-30-07)
 - 16. Secondary Category 42 - Improvements.** Improvements used for commercial purposes and located on secondary category 21. (3-30-07)
 - 17. Secondary Category 43 - Improvements.** Improvements used for industrial purposes and located on secondary category 22. (3-30-07)
 - 18. Secondary Category 44.** Not presently used. (4-4-13)
 - 19. Secondary Category 45 - Utility System Land and Improvements.** Locally assessed land and improvements used as utility systems and not under the jurisdiction of the State Tax Commission for appraisal.

(3-30-07)

20. **Secondary Category 46 - Manufactured Housing.** Structures transportable in one (1) or more sections, built on a permanent chassis, for use with or without permanent foundation located on land under the same ownership as the manufactured home but assessed separate from the land. Include any manufactured home located on land under the same ownership as the manufactured home on which a statement of intent to declare as real property has been filed but becomes effective the following year. (3-30-07)

21. **Secondary Category 47 - Improvements to Manufactured Housing.** Additions not typically moved with manufactured housing. (3-30-07)

22. **Secondary Category 48 - Manufactured Housing.** Manufactured housing permanently affixed to land under the same ownership as the manufactured home and on which a statement of intent to declare as real property has been filed and has become effective. (3-30-07)

23. **Secondary Category 49 - Manufactured Housing.** Manufactured housing permanently affixed to leased land and on which a statement of intent to declare as real property has been filed and has become effective. (3-30-07)

24. **Secondary Category 50 - Residential Improvements on Leased Land.** Improvements used for residential purposes and located on leased land, including railroad rights-of-way under separate ownership, exempt land, or any other land under different ownership than the improvements. (4-4-13)

25. **Secondary Category 51 - Commercial or Industrial Improvements on Leased Land.** Improvements used for commercial or industrial purposes and located on leased land, including railroad rights-of-way under separate ownership, exempt land, or any other land under different ownership than the improvements. (4-4-13)

26. **Secondary Category 57 - Equities in Land With Improvements Purchased From the State.** Land with the improvements on that land that are purchased from the state under contract. (3-30-07)

27. **Secondary Category 60.** Not presently used. (4-4-13)

28. **Secondary Category 61.** Not presently used. (4-4-13)

29. **Secondary Category 62.** Not presently used. (4-4-13)

30. **Secondary Category 65 - Manufactured Housing.** Manufactured housing not designated real property and located on exempt, rented or leased land under separate ownership. Include any manufactured home located on exempt, rented or leased land on which a statement of intent to declare as real property has been filed but becomes effective the following year. (3-30-07)

31. **Secondary Category 69 - Recreational Vehicles.** Unlicensed recreational vehicles. (3-30-07)

32. **Secondary Category 81 - Exempt Improvements.** Category 81 is for county use to keep an inventory of exempt improvements. (3-30-07)

33. **Cross Reference.** For descriptions of secondary categories used to list land values, see Rule 510 of these rules, or used to list property values other than that for land or improvements, see Rule 512 of these rules. For the descriptions of primary categories and the assignment of secondary categories therein, see Subsections 130.02 through 130.06 of these rules. (3-30-07)

512. SECONDARY CATEGORIES, OTHER THAN LAND OR IMPROVEMENTS - LISTING AND REPORTING (RULE 512).

Section 63-509, Idaho Code. County assessors will use the following secondary categories to list property values, other than that for land or improvements, on assessment notices under Sections 63-301 and 63-308, Idaho Code, and will use these secondary categories to report values for property, other than land or improvements, to the State Tax

Commission on the abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. (3-30-07)

01. Secondary Category 45 - Utility System Personal Property. Personal property that is part of locally assessed utility systems not under the jurisdiction of the State Tax Commission for appraisal. (3-30-07)

02. Secondary Category 55 - Boats or Aircraft. Unlicensed watercraft or unregistered aircraft. (3-30-07)

03. Secondary Category 56 - Construction Machinery, Tools, and Equipment. Unlicensed equipment such as cranes, tractors, scrapers, and rock crushers, used in the building trade or road construction. (3-30-07)

04. Secondary Category 57 - Equities in Personal Property Purchased From the State. Personal property purchased from the state under contract. (3-30-07)

05. Secondary Category 59 - Furniture, Fixtures, Libraries, Art, and Coin Collections. Trade articles used commercially for convenience, decoration, service, storage, including store counters, display racks, typewriters, office machines, surgical and scientific instruments, paintings, books, coin collections, and all such items held for rent or lease. (3-30-07)

06. Secondary Category 63 - Logging Machinery, Tools, and Equipment. Unlicensed logging machinery, shop tools, and equipment not assessed as real property. (3-30-07)

07. Secondary Category 64 - Mining Machinery, Tools, and Equipment. Unlicensed mining machinery, shop tools, and equipment not assessed as real property. (3-30-07)

08. Secondary Category 66 - Net Profits of Mines. That amount of money or its equivalent received from the sale or trade of minerals or metals extracted from the Earth after deduction of allowable expenses. See Section 63-2802, Idaho Code, and Rule 982 of these rules. (3-30-07)

09. Secondary Category 67 - Operating Property. Property assessed and apportioned by the State Tax Commission. (3-30-07)

10. Secondary Category 68 - Other Miscellaneous Machinery, Tools, and Equipment. Unlicensed machinery, tools, and equipment not used in construction, logging, mining, or not used exclusively in agriculture. (3-30-07)

11. Secondary Category 70 - Reservations and Easements. Reservations, including mineral rights reserved, divide ownership of property rights. Easements convey use but not ownership. (3-30-07)

12. Secondary Category 71 - Signs and Signboards. Signs and signboards, their bases and supports. (3-30-07)

13. Secondary Category 72 - Tanks, Cylinders, Vessels. Containers. (3-30-07)

14. Secondary Category 81 - Exempt Property, Other Than Land or Improvements. Category 81 is for county use to keep an inventory of exempt property other than land or improvements. (3-30-07)

15. Cross Reference. For descriptions of secondary categories used to list land values on the valuation assessment notice or report land values on the abstracts, see Rule 510 of these rules or used to list values for improvements on the valuation assessment notice or report improvement values on the abstracts, see Rule 511 of these rules. For the descriptions of primary categories and the assignment of secondary categories therein, see Subsections 130.02 through 130.06 of these rules. (3-30-07)

513. -- 599. (RESERVED)

600. PROPERTY EXEMPT FROM TAXATION (RULE 600).

Section 63-602, Idaho Code. (4-4-13)

01. Burden of Proof. The burden of proof of entitlement to the exemption is on the person claiming exemption for the property. (4-4-13)

02. Notice of Decision. (4-4-13)

a. For property subject to local assessment with exemptions requiring annual application as specified in the statute providing the exemption or in Section 63-602(3), Idaho Code, the taxpayer must be notified of the decision of the county commissioners to grant or deny the exemption by May 15 unless a different date is prescribed in the law providing the exemption. (4-4-13)

b. For property subject to assessment by the State Tax Commission, application for any exemption shall be included with the operator's statement to be submitted as provided in Rule 404 of these rules. (4-4-13)

03. Confidentiality. Information disclosed as part of an application for an exemption is confidential to the extent provided by in Section 9-340D, Idaho Code, or elsewhere in law. Information disclosed to the county commissioners as part of the application process for an exemption shall be deemed submitted to the assessor and entitled to any confidentiality that would have been conferred had such information been disclosed initially to the assessor. (4-4-13)

601. -- 602. (RESERVED)

603. PROPERTY EXEMPT FROM TAXATION – RELIGIOUS CORPORATIONS OR SOCIETIES (RULE 603).
Section 63-602B, Idaho Code. (4-2-08)

01. Valuing the Taxable Part of Qualifying Property. Under Section 63-602B(2), Idaho Code, a county shall determine the value of the part of the property used or leased for business or commercial purposes by considering the particular facts of each case, examining the amount of time, during the calendar year, the property is used for business or commercial purposes, the percentage of the property used for business or commercial purposes, or a combination thereof. The county may require reporting by the religious corporation or society of any use of the property for business or commercial usage in such form, and by such date, as the county establishes. (4-2-08)

02. Comparable Valuation Methodology to Partially Exempt Property Under Section 63-602C, Idaho Code. To value the taxable part of any otherwise qualifying property exempt under Section 63-602B, Idaho Code, each county should use comparable methods to those being used to value the taxable part of qualifying exempt property under Section 63-602C, Idaho Code. (4-2-08)

604. (RESERVED)

605. PROPERTY EXEMPT FROM TAXATION - PROPERTY USED FOR SCHOOL OR EDUCATIONAL PURPOSES (RULE 605).
Section 63-602E, Idaho Code. (4-4-13)

01. Eligibility of Leased Property. Leased property used exclusively for nonprofit school or educational purposes, including charter school purposes, shall be eligible for the exemption provided in Section 63-602E, Idaho Code, provided the following criteria are met: (4-4-13)

a. Leased real property must be exclusively used for the educational purposes identified in Subsection 605.01 of this rule. Such leased real property may be part of a multi-use property, in which case only the portions of the property used for the educational purposes shall be eligible for the exemption. (4-4-13)

b. Leased personal property must be exclusively used for the educational purposes identified in Subsection 605.01 of this rule. To be considered exclusively used in this manner, such personal property must: (4-4-13)

- i. Be used exclusively at a nonprofit school or charter school facility; or (4-4-13)
- ii. Have its use constrained or restricted in such a way as to effectively eliminate the possibility of use for other than educational purposes. (4-4-13)

02. Application for Exemption for Leased Personal Property. Only the owner of leased personal property can apply for this exemption. Proof of compliance with the requirements of Paragraph 605.01.b. of this rule is required and may be provided by the lessee. (4-4-13)

606. -- 607. (RESERVED)

608. PROPERTY EXEMPT FROM TAXATION - HOMESTEAD - CONTINUED ELIGIBILITY AFTER DEATH OF CLAIMANT (RULE 608).
Section 63-602G, Idaho Code. (4-4-13)

01. Ownership Interest. For the homestead previously qualifying for the exemption provided in Section 63-602G, Idaho Code, to continue to qualify in the year following the death of the qualifying claimant, the homestead must continue to be part of the claimant's estate, without change in record owner. If the ownership interest upon which the exemption had been granted was a life estate, the continuation provided in Section 63-602G(8), Idaho Code, does not apply. (4-4-13)

02. Occupancy. The continuation of this exemption shall not be affected by occupancy status of the property during the year following the claimant's death. For example, the property may be vacant or rented during that period and may be used for something other than residential purposes. (4-4-13)

609. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD (RULE 609).
Sections 63-602G, 63-701, 63-703, and 63-3077, Idaho Code. (3-30-07)

01. Homestead Exemption. The Homestead Exemption granted in 63-602G, Idaho Code shall also be known as the homeowner's exemption. (3-30-07)

02. Idaho Annual House Price Index Change. The successor to the United States Office of Federal Housing Enterprise Oversight is the Federal Housing Finance Agency. Annually, the State Tax Commission shall calculate the maximum dollar-value limit for the homeowner's exemption based on the annual change in the Idaho House Price Index-All-Transactions, published by the Federal Housing Finance Agency or its successor. The following procedure shall be used: (4-7-11)

a. Step 1. Calculate the average Idaho House Price Index-All-Transactions of the four (4) most recently available quarters as of September 15. (4-7-11)

b. Step 2. Calculate the average Idaho House Price Index-All-Transactions of the four (4) quarters immediately preceding the earliest quarter used in Step 1. (4-7-11)

c. Step 3. Divide the Step 1 average by the Step 2 average to determine a factor. (3-30-07)

d. Step 4. Multiply the factor determined in Step 3 by the current maximum dollar-value limit on the homeowner's exemption to produce the new dollar-value limit. (3-30-07)

03. Partial Ownership. Any partial ownership shall be considered ownership for determining qualification for the homeowner's exemption; however, the amount of the exemption shall be decided on the reduced proportion of the value commensurate with the proportion of partial ownership. The proportional reduction shall not apply to the ownership interests of a partner of a limited partnership, a member of a limited liability company or a shareholder of a corporation when that person has no less than five percent (5%) ownership interest in the entity unless any ownership interest is shared by any entity other than the limited partnership, limited liability company or corporation. For tenants in common with two (2) improvements located on one (1) parcel of land, determine the applicable value for the homeowner's exemption using the procedure shown in Example 1 of Paragraph 609.03.a., of this rule unless the owner-occupant provides documented evidence of a different ownership interest in the

improvement. See Examples 2, 3, and 4 in Paragraphs 609.03.b., 609.03.c., and 609.03.d. of this rule for additional partial ownership guidance. To calculate property tax reduction benefits when partial ownership exists, see Paragraph 700.05.b. of this rule. (4-2-08)

a. Example 1. John Smith and Bob Anderson own a property as tenants in common with two (2) residential improvements located on the property. Each residential improvement is owner occupied by one (1) of the tenants in common. The homeowner's exemption is calculated as follows:

| Description | Value | Notes |
|--|----------|------------------------------------|
| Land | \$42,000 | |
| Residential Improvement | \$82,000 | Occupied by Mr. Smith |
| Prorated Ownership Interest (land and improvement) | \$62,000 | Mr. Smith's interest |
| Homeowner's Exemption | \$31,000 | For Mr. Smith as owner occupant |
| Residential Improvement | \$67,000 | Occupied by Mr. Anderson |
| Prorated Ownership Interest (land and improvement) | \$54,500 | Mr. Anderson's interest |
| Homeowner's Exemption | \$27,250 | For Mr. Anderson as owner occupant |

(3-30-07)

b. Example 2. John Smith and Bob Anderson own a parcel of land as tenants in common with two (2) residential improvements located on the parcel. Mr. Smith has documented evidence of one hundred percent (100%) interest in one (1) residential improvement and Mr. Anderson has documented evidence of one hundred percent (100%) interest in the remaining residential improvement. Each residential improvement is owner occupied. The homeowner's exemption is calculated as follows:

| Item Description | Value | Notes |
|-------------------------|----------|------------------------------------|
| Land | \$42,000 | |
| Residential Improvement | \$82,000 | Owned and occupied by Mr. Smith |
| Homeowner's Exemption | \$51,500 | For Mr. Smith |
| Residential Improvement | \$67,000 | Owned and occupied by Mr. Anderson |
| Homeowner's Exemption | \$44,000 | For Mr. Anderson |

(3-30-07)

c. Example 3. Tom Johnson and Marie Johnson, husband and wife, and June Smith jointly own a property and occupy one (1) residential improvement located on the property. The following example shows how to calculate each homeowner's exemption.

| Description | Value | Notes |
|-------------------------|-----------|-------|
| Land | \$95,000 | |
| Residential Improvement | \$215,000 | |
| Land and Improvement | \$310,000 | |

| Description | Value | Notes |
|---|-----------|--|
| Prorated ownership interest (land and improvement) (\$310,000 X 66.67%) | \$206,677 | Mr. & Mrs. Johnson's interest |
| Homeowner's Exemption Maximum for 2010 (\$101,153 X 66.67%) | \$67,439 | Mr. & Mrs. Johnson's Homeowner's Exemption |
| Prorated ownership interest (land and improvement) (\$310,000 X 33.33%) | \$103,323 | Ms. Smith's interest |
| Homeowner's Exemption Maximum for 2010 (\$101,153 X 33.33%) | \$33,714 | Ms. Smith's Homeowner's Exemption |

(4-7-11)

d. Example 4. John and Susan Doe, husband and wife, and Mike Person jointly own a property, and Mr. and Mrs. Doe occupy the one (1) residential improvement located on the property. The following example shows how to calculate each homeowner's exemption.

| Description | Value | Notes |
|---|-----------|---|
| Land | \$65,000 | |
| Residential Improvement | \$195,000 | |
| Land and Improvement | \$260,000 | |
| Prorated ownership interest (land and improvement) (\$260,000 X 66.67%) | \$173,342 | Mr. & Mrs. Doe's interest |
| Homeowner's Exemption (Maximum for 2010 is 50% up to \$101,153) | \$86,671 | Mr. & Mrs. Doe's Homeowner's Exemption |
| Prorated ownership interest (land and improvement) (\$260,000 X 33.33%) | \$86,658 | Mr. Person's interest |
| Homeowner's Exemption | \$0 | Mr. Person does not qualify for a homeowner's exemption on this property. |

(4-7-11)

04. Determination of Residency. The State Tax Commission may release pertinent information from any Idaho income tax return to the county assessor and the county Board of Equalization for the sole purpose of providing one (1) indicator of eligibility for the homeowner's exemption. According to Section 63-3077(4), Idaho Code, this information is confidential and is not subject to public disclosure. (4-11-06)

05. Notification of Erroneous Claims. When it is determined that an exemption granted under this Section to a taxpayer who has also received property tax relief under Chapter 7, Idaho Code, should not have been granted, the county assessor shall notify the State Tax Commission of the determination. (3-29-10)

610. PROPERTY EXEMPT FROM TAXATION -- RESIDENTIAL IMPROVEMENTS -- SPECIAL SITUATIONS (RULE 610).

Sections 63-602G and 63-701(2), Idaho Code.

(4-7-11)

01. Scope. This rule addresses issues relating to the homeowner's exemption as it applies to certain unusual factual situations. It states general principles applicable to unusual cases and provides some illustrative examples. The rule cannot address every conceivable situation that may arise, but the principles established may apply to the resolution of situations not addressed in the rule. (7-1-99)

02. Definitions. The following definitions apply to this rule: (4-7-11)

a. Dual Residency Couples. As used in this rule, “dual residency couple” means a husband and wife, each of whom has established a different dwelling place as his or her primary dwelling place as defined in Section 63-602G, Idaho Code, and Subsection 609.03 of these rules. (4-2-08)

b. Multidwelling or Multipurpose Building. “Multidwelling or Multipurpose Building” means a building which is the primary dwelling place of the owner and which has a portion used for any purpose other than the primary dwelling place of the owner. (4-7-11)

c. Related Land. “Related Land” means land, not to exceed one (1) acre, that is reasonably necessary for the use of the dwelling as a home. (4-7-11)

03. Dual Residency Couples -- General Principles. (7-1-99)

a. Whether a particular residential improvement is an individual’s primary dwelling place is a question of fact for each individual. Each spouse of a dual residency couple can maintain a separate primary dwelling place for purposes of the homeowner’s exemption. The test to be applied is the general test set out in Subsection 609.03 of these rules. (4-2-08)

b. If a residential improvement is community property, either the husband or wife may exercise full management or control over it, except that neither the husband nor the wife can sell or encumber the property without the written consent of the other. Thus, either the husband or the wife can file an application for the homeowner’s exemption regarding community property on his or her own authority. The signature of the other spouse is not required on the application. See Section 32-912, Idaho Code. (7-1-99)

c. Neither spouse is a partial owner of community property. (This principle is an exception to laws generally governing community property interests. It applies only for matters relating to the homeowner’s exemption or the circuit breaker property tax relief program. See Section 63-701(7) Idaho Code.) Thus, there is no authority to reduce the value of the improvement proportionally to reflect one (1) spouse's ownership in community property before determining the amount of the homeowner's exemption. For purposes of the homeowner’s exemption, a community property interest is treated the same as a full ownership interest. (3-15-02)

d. An owner may apply only once for the homeowner’s exemption. See Section 63-602G(c), Idaho Code. Thus, an application by one (1) spouse regarding a residential improvement that is community property, precludes the other spouse from making a second application on any other residential improvement whether held by the other spouse as community or separate property except as provided in Subsection 610.07. (3-15-02)

04. Example -- Both Residences are Community Property. (7-1-99)

a. Each member of a dual residency couple maintains his or her primary dwelling in a different residential improvement, each of which is owned by the couple as community property. Each applies for the homeowner’s exemption for the residence in which he or she resides. (7-1-99)

b. The first application is valid. Any subsequent application, though filed by the other spouse, is not valid because the couple can not make more than one (1) application. The homeowner’s exemption applies to the full value of the first residential improvement to qualify without any proportional reduction. The other residential improvement does not qualify. (3-15-02)

05. Example -- One Residence Is Community Property, the Other Is Separate Property. (7-1-99)

a. Each member of a dual residency couple maintains his or her primary dwelling in a different residential improvement. One (1) is owned by the spouse who resides in it as his or her separate property, the other is owned by the couple as community property. Each applies for the homeowner’s exemption for the residence in which he or she resides. (7-1-99)

b. The first application is valid. Any subsequent application, though filed by the other spouse, is not valid. If the first application relates to the community property, it is an application on behalf of both members of the community. Thus, the other spouse can not file a second application relating to his or her separate property. If the first application relates to the separate property, then the subsequent application relating to the community property is a second application by the spouse owning the separate property and is not valid. The homeowner's exemption applies to the full value of the first residential improvement to qualify without any proportional reduction. The other residential improvement does not qualify. (3-15-02)

06. Example -- Both Residences are Separate Property. (7-1-99)

a. Each member of a dual residency couple maintains his or her primary dwelling in a different residential improvement, each of which is owned by the spouse residing in it as his or her separate property. Each applies for the homeowner's exemption for the residence in which he or she resides. (7-1-99)

b. Both residential improvements qualify for the full homeowner's exemption. Neither application is a second application by the same owner. Each spouse is a sole owner of the residential improvement, so the proportional reduction provisions for partial ownership do not apply. (7-1-99)

07. Apportionment of Homeowner's Exemption by Dual Residency Couples. Both spouses of a dual residency couple may elect to equally apportion the homeowner's exemption between the two (2) residential improvements if each files a written election with the county assessor of the county in which each property is located. When the election is made each residential improvement shall be entitled to one-half (1/2) of the exemption applicable to that property alone. The total exempted value of both properties shall not exceed the amount of exemption available to the individual residential improvement with the greatest market value if no election were made. (4-5-00)

08. Multiple Ownerships Including Community Interests as Partial Owners. A community property interest in a residential improvement is a partial ownership when combined with the ownership of another individual who is not a member of the marital community. For example, if a deed conveys title to real property to a husband and wife and to an adult child of theirs, the husband and wife hold a community property interest in the improvement and the child is a tenant-in-common. The parents collectively hold a two-thirds (2/3) partial interest and the child holds a one-third (1/3) partial interest in the property. Qualification of the property for the homeowner's exemption is as follows: (7-1-99)

a. If the residential improvement is the primary dwelling of the husband and wife but not the child, the homeowner's exemption applies to two-thirds (2/3) of the value of the improvement. (3-15-02)

b. If the residential improvement is the primary dwelling of the child, but not of the husband or wife, the homeowner's exemption applies to one-third (1/3) of the value of the improvement. (3-15-02)

c. If the residential improvement is the primary dwelling of the husband, wife and child, the homeowner's exemption applies to the full value of the improvement. (3-15-02)

d. If the residential improvement is the primary dwelling of one (1) spouse but of neither the other spouse nor the child, the homeowner's exemption applies to two-thirds (2/3) of the value of the improvement unless the residential improvement of the other spouse has previously qualified for the homeowner's exemption under the dual residency couple rules set out in Subsections 610.02 through 610.07. The two-thirds (2/3) qualification results from the statutory provision that a community property interest is not considered a partial interest of either spouse. See Paragraph 610.03.c. of this rule. (4-7-11)

e. If the residential improvement is the primary dwelling of one (1) spouse and the child, the homeowner's exemption applies to the full value of the improvement unless the residential improvement of the other spouse has previously qualified for the homeowner's exemption under the dual residency couple rules set out in Subsections 610.02 through 610.07. (3-15-02)

09. Determining the Qualifying Portion of a Multidwelling or Multipurpose Building and the Related Land. The portion of a Multidwelling or Multipurpose Building and Related Land used for the primary

dwelling place of the owner qualifies for the homeowner's exemption. When determining the value of the qualifying portion, the assessor shall include the Related Land value. (4-7-11)

611. VALUE OF RESIDENTIAL PROPERTY IN CERTAIN ZONED AREAS (RULE 611). (4-5-00)
Sections 63-602H, Idaho Code.

01. Residential Property. Residential property that may qualify for the special valuation exemption provided in Section 63-602H, Idaho Code, may include land and residential improvements. Such property may be owner or non-owner occupied, but must have been in continuous residential use from the time zoning was changed to other than residential. If use of any portion of the property changes to other than residential, the property loses this exemption. (4-5-00)

02. Qualifying Residential Improvements. Qualifying residential improvements are those improvements categorized by the assessor as residential and not consisting of more than four (4) residential units within any qualifying structure. (4-5-00)

612. PROPERTY EXEMPT FROM TAXATION -- MOTOR VEHICLES, RECREATIONAL VEHICLES, AND VESSELS PROPERLY REGISTERED (RULE 612). (4-4-13)
Sections 49-123, 49-401, 49-402A, 49-422, 49-432, 49-445, 49-446, and 63-602J, Idaho Code.

01. Motor Vehicle Defined. Motor vehicle means any vehicle as defined in Section 49-123(2)(g), Idaho Code, and any personal property permanently affixed to that vehicle. (4-11-06)

02. Exempt Motor Vehicles. Except as provided in Subsection 612.03 of this rule, any motor vehicle, as defined in Subsection 612.01 of this rule, registered for any part of the previous year under Chapter 4, Title 49, Idaho Code, is exempt from property taxation under Sections 49-401 and 63-602J, Idaho Code. (4-11-06)

03. Taxable Vehicles. The following registered or permitted vehicles are taxable and not eligible for the exemption under Sections 49-401 and 63-602J, Idaho Code. (4-11-06)

a. Any vehicle issued a permit in lieu of registration under Section 49-432, Idaho Code. (4-11-06)

b. Any manufactured home registered under Section 49-422, Idaho Code. (4-11-06)

04. Exempt Permanently Affixed Personal Property. Except as provided in Subsection 612.05 of this rule, any personal property permanently affixed to any motor vehicle registered as described in Subsection 612.02 of this rule is part of that vehicle. Hence, that permanently affixed personal property is exempt from property taxation under Section 63-602J, Idaho Code. (4-11-06)

05. Taxable Personal Property. The following personal property, not otherwise exempt under Chapter 6, Title 63, Idaho Code, is taxable and not eligible for the exemption under Section 63-602J, Idaho Code. (4-11-06)

a. Any personal property on, but not permanently affixed to, any motor vehicle registered as described in Subsection 612.02 of this rule. (4-11-06)

b. Any personal property on or affixed, permanently or otherwise, to any vehicle issued a permit in lieu of registration under Section 49-432, Idaho Code. (4-11-06)

c. Any personal property on or affixed, permanently or otherwise, to any utility trailer registered under Section 49-402A, Idaho Code. (4-11-06)

06. Recreational Vehicles. The owner of a recreational vehicle must pay a recreational vehicle annual license fee as authorized by Section 49-445, Idaho Code, and as computed in accordance with Rule 020 of these rules in order to be exempt under Section 63-602J, Idaho Code. Recreational vehicles that are wider than eight and one-half (8½) feet cannot be licensed by the Idaho Department of Transportation and therefore must be included on the assessment roll. (4-4-13)

613. PROPERTY EXEMPT FROM TAXATION -- SPECULATIVE PORTION OF VALUE OF AGRICULTURAL LAND (RULE 613).

Section 63-602K, Idaho Code. (4-6-05)

01. Definitions. (4-5-00)

a. Taxable Value of Agricultural Land. The taxable value of agricultural land shall be the landlord's share of net income per acre, capitalized by the annual rate required by Section 63-602K, Idaho Code, plus a component for the local tax rate. The component for local taxes achieves the necessary allowance for the expense of property taxes. (4-5-00)

b. Speculative Portion. The speculative portion is the difference between the current market value and the taxable value of agricultural land. The market value of agricultural land is established from market sales of similar land. (4-5-00)

c. Economic Rent. Economic rent is the average gross income per acre received by a landlord from either a cash rent or crop share rental agreement. The rent attributable to exempt irrigation equipment is not included in economic rent. Only the rent solely attributable to the agricultural land is included in economic rent. (4-7-11)

d. Net Income. Net income is determined by deducting the landlord's share of current expenses from economic rent per acre. (4-5-00)

02. Calculation of Net Income from Cash Rent. Net Income from cash rent is calculated in the following manner. (4-5-00)

a. Crops Grown. Determine the crops typically grown in the area. (4-5-00)

b. Economic Rent. Determine the average per acre gross income from individual crop rents typical to the area over the immediate past five (5) years. (4-5-00)

c. Landlord's Expenses. Determine the landlord's share of typical contracted expenses paid in the immediately preceding growing season. (4-5-00)

d. Landlord's Net Income. Subtract the landlord's share of typical contracted expenses from the average gross income per acre for the immediately preceding growing season to determine net income. (4-5-00)

03. Calculation of Net Income from Crop Share Rent. Net income from crop share rent is calculated in the following manner. (4-5-00)

a. Crops Grown. Determine the crops typically grown in the area. (4-5-00)

b. Average Crop Production. Determine average crop production per acre based on the most recent five (5) years. (4-5-00)

c. Average Commodity Prices. Determine average commodity prices based on the most recent five (5) years. (4-5-00)

d. Gross Income. Multiply average crop production per acre times the average commodity price to determine gross income per acre. (4-5-00)

e. Landlord's Share of Gross Income. Determine the landlord's share of gross income per acre from a crop rotation typical to the area. (4-5-00)

f. Expenses. Determine the landlord's share of water, fertilizer, chemical, seed and harvest cost per acre for the immediately preceding growing season. (4-5-00)

g. Net Income. Subtract the landlord's share of expenses from the landlord's share of gross income to

determine net income. (4-5-00)

04. Determination of Five Year Average Crop Prices. The State Tax Commission shall determine five (5) year average crop prices to be used in determining net income by surveying publicly available data from various sources, including the annual crop summary published by the Idaho Agricultural Statistics Service. Average crop prices determined in this manner by the State Tax Commission should be considered guidelines subject to modification based on local market data. (4-6-05)

05. Farm Credit System Interest Rate. Annually, the State Tax Commission shall calculate the five (5) year rolling average Farm Credit System interest rate (FCSIR). Using the twenty (20) year fixed rate interest rates received bi-monthly from Northwest Farm Credit Services in Spokane, Washington, calculate the average Farm Credit System interest rate for the prior year applying the formula in Paragraph 613.05.a. of this rule. Calculate the five (5) year rolling average Farm Credit System interest rate applying the formula in Paragraph 613.05.b. of this rule. (3-30-07)

a. Formula for Calculating Average Farm Credit System Interest Rate for Prior Year. $FCSIR_5 = (R_1 + R_2 + R_3 + R_4 + R_5 + R_6 + R_7 + R_8 + R_9 + R_{10} + R_{11} + R_{12})/12$.

| | |
|--------------------|---|
| FCSIR ₅ | is the average Farm Credit System interest rate for the prior year. |
| R ₁ | is the interest rate received for January of the prior year. |
| R ₂ | is the interest rate received for February of the prior year. |
| R ₃ | is the interest rate received for March of the prior year. |
| R ₄ | is the interest rate received for April of the prior year. |
| R ₅ | is the interest rate received for May of the prior year. |
| R ₆ | is the interest rate received for June of the prior year. |
| R ₇ | is the interest rate received for July of the prior year. |
| R ₈ | is the interest rate received for August of the prior year. |
| R ₉ | is the interest rate received for September of the prior year. |
| R ₁₀ | is the interest rate received for October of the prior year. |
| R ₁₁ | is the interest rate received for November of the prior year. |
| R ₁₂ | is the interest rate received for December of the prior year. |

(3-30-07)

b. Formula for Calculating Five (5) Year Rolling Average Farm Credit System Interest Rate. $FCSIR = (FCSIR_1 + FCSIR_2 + FCSIR_3 + FCSIR_4 + FCSIR_5)/5$.

| | |
|--------------------|--|
| FCSIR ₅ | is the average Farm Credit System interest rate for the prior year. |
| FCSIR ₄ | is the average Farm Credit System interest rate for two (2) years ago. |
| FCSIR ₃ | is the average Farm Credit System interest rate for three (3) years ago. |
| FCSIR ₂ | is the average Farm Credit System interest rate for four (4) years ago. |
| FCSIR ₁ | is the average Farm Credit System interest rate for five (5) years ago. |

(3-30-07)

06. Notification. In addition to providing notification of the Farm Credit System interest rate, the State Tax Commission will annually notify each county assessor of the most recent five (5) year average crop prices for the state. (4-6-05)

07. Cross Reference. For agricultural land taxable value calculation examples, see Rule 614 of these rules. For eligibility criteria, see Rule 645 of these rules. For information relating to Christmas tree farms, other annual forest products, and yield tax, see Rule 968 of these rules. (3-30-07)

614. SPECULATIVE PORTION OF VALUE OF AGRICULTURAL LAND - EXAMPLES (RULE 614). Sections 63-602K and 63-604, Idaho Code. The following examples show calculations for the taxable value of agricultural land. The example in Subsection 614.01 of this rule shows one (1) calculation of an average property tax rate, the example in Subsection 614.02 of this rule shows one (1) calculation of a capitalization rate (cap rate), the example in Subsection 614.03 of this rule shows calculations using cash rent agreements, and the example in Subsection 614.04 of this rule shows calculations using crop share agreements. The choice to use cash rent or crop share analysis in determining the taxable value of agricultural land should be predicated on the quantity and quality of data available and the analysis that produces the most reliable and supportable value conclusion. (4-7-11)

01. Average Property Tax Rate Calculation Example.

| | Tax Code Areas | Property Tax Rates |
|--|----------------|--------------------|
| | 8 | 1.1323951% |
| | 9 | 1.1186222% |
| | 10 | 1.1226782% |
| | 11 | 1.1714841% |
| | 12 | 1.1674300% |
| | 13 | 1.0692041% |
| | 15 | 1.1603100% |

| | Tax Code Areas | Property Tax Rates |
|----------------------------------|----------------|--------------------|
| | 16 | 1.1323951% |
| | 17 | 1.1323951% |
| Average Property Tax Rate | | 1.1341015% |

(3-30-07)

02. Capitalization Rate Calculation Example.

| | |
|---|--------------|
| Average Property Tax Rate | 1.13% |
| 5-Year Average Farm Credit Bank Interest Rate | 8.22% |
| Total Capitalization Rate (Cap Rate) | 9.35% |

(3-30-07)

03. Cash Rent Agreement Calculation Example.

| Crops | Contract Rents Per Acre (Land Only) | Rotation In Percent | Weighted Income Per Acre |
|------------------------------|-------------------------------------|---------------------|--------------------------|
| Barley | \$100.00 | 14.42% | \$14.42 |
| Beans | \$100.00 | 22.46% | \$22.46 |
| Beets | \$170.00 | 20.33% | \$34.56 |
| Corn/Grain | \$100.00 | 0.00% | \$0.00 |
| Corn/Silage | \$110.00 | 0.00% | \$0.00 |
| Hay/Alfalfa | \$120.00 | 21.32% | \$25.58 |
| Potatoes | \$200.00 | 0.00% | \$0.00 |
| Wheat | \$100.00 | 21.48% | \$21.48 |
| Peas | \$125.00 | 0.00% | \$0.00 |
| Oats | \$110.00 | 0.00% | \$0.00 |
| Total Income Per Acre | | | \$118.50 |

Value per acre equals net income per acre divided by Cap rate:

| | |
|----------------------------|----------------|
| Total Income Per Acre | \$118.50 |
| Less Water Costs | \$23.00 |
| Less Management (@ 5%) | \$5.93 |
| Net Income Per Acre | \$88.57 |
| Cap Rate | 9.35% |
| Value Per Acre | \$958 |

(4-7-11)

04. Crop Share Agreement Calculation Example:

| Crop | Yield | Price | Gross Income | Landlord Share | Landlord Share Gross Income to Land | Rotation Percent | Per Acre Share of Gross Inc. to Land |
|-----------------------|--------|---------|--------------|----------------|-------------------------------------|------------------|--------------------------------------|
| Barley | 100.00 | \$2.83 | \$283.00 | 33.33% | \$94.32 | 14.42% | \$13.60 |
| Beans | 20.00 | \$21.20 | \$424.00 | 33.33% | \$141.32 | 22.46% | \$31.74 |
| Beets | 23.00 | \$39.74 | \$914.02 | 25.00% | \$228.51 | 20.33% | \$46.46 |
| G/Corn | 0.00 | \$3.22 | \$0.00 | 33.33% | \$0.00 | 0.00% | \$0.00 |
| S/Corn | 0.00 | \$24.40 | \$0.00 | 33.33% | \$0.00 | 0.00% | \$0.00 |
| Hay | 5.50 | \$84.10 | \$462.55 | 50.00% | \$231.28 | 21.32% | \$49.31 |
| Potatoes | 0.00 | \$4.74 | \$0.00 | 25.00% | \$0.00 | 0.00% | \$0.00 |
| Wheat | 98.00 | \$3.73 | \$365.54 | 33.33% | \$121.83 | 21.48% | \$26.17 |
| Peas | 0.00 | \$8.68 | \$0.00 | 33.33% | \$0.00 | 0.00% | \$0.00 |
| Oats | 0.00 | \$1.66 | \$0.00 | 33.33% | \$0.00 | 0.00% | \$0.00 |
| Total Income Per Acre | | | | | | 100.00% | \$167.28 |

Value per acre equals net income per acre divided by Cap rate:

| Total Income Per Acre \$167.28 | | Expenses |
|--------------------------------|---|----------|
| Water | = | \$23.00 |
| Fertilizer | = | \$14.77 |
| Chemicals | = | \$9.04 |
| Seed | = | \$2.05 |
| Management | = | \$8.36 |
| Harvest | = | \$14.67 |
| Total Expense Per Acre | = | \$71.89 |
| Net Income | = | \$95.39 |
| Cap Rate | = | 9.35% |
| Value Per Acre | = | \$1,020 |

(4-7-11)

05. **Cross Reference.** For definitions and general principles relating to the taxable value of land actively devoted to agriculture, see Rule 613 of these rules. For eligibility criteria, see Rule 645 of these rules. For information relating to Christmas tree farms, other annual forest products, and yield tax, see Rule 968 of these rules.

(3-30-07)

615. **PROPERTY EXEMPT FROM TAXATION - CERTAIN INTANGIBLE PERSONAL PROPERTY (RULE 615).**

Section 63-602L, Idaho Code.

(3-30-07)

01. Definitions. The following definitions apply to the exemption for certain intangible personal property. (1-1-99)

a. Contracts and contract rights. Contracts and contract rights are enforceable agreements, which establish mutual rights and responsibilities, and rights created under such agreements. Contracts and contract rights do not include tax credits received by low-income housing properties under Section 42 of the Internal Revenue Code. (3-30-07)

b. Copyrights. Copyrights are rights granted to the author or originator of literary or artistic productions, by which he or she is invested with the sole and exclusive privilege of making, publishing or selling copies for a specified time. (1-1-99)

c. Custom computer programs. Custom computer programs means those programs defined in Section 63-3616, Idaho Code. (1-1-99)

d. Customer lists. Customer lists are proprietary lists containing information about a business enterprise's customers. (1-1-99)

e. Franchises. Franchises are special privileges. (1-1-99)

f. Goodwill. Goodwill is the expectation of continued public patronage of a business. Goodwill is the ability of a business to generate income in excess of a normal rate due to such things as superior managerial skills, superior market position, favorable community and customer reputation and high employee morale. (1-1-99)

g. Licenses. Licenses are permissions to do acts, which are not allowed without such permissions. (1-1-99)

h. Method A. Method A is the method by which the value of exempt intangible personal property is excluded from the value of operating property by subtracting the market value of exempt intangible personal property from the market value of the operating property at the system level. (1-1-99)

i. Method B. Method B is the method by which the value of exempt intangible personal property is excluded from the value of operating property by subtracting the market value of exempt intangible personal property from the market value of the operating property at the state level. (1-1-99)

j. Method C. Method C is the method by which the value of exempt intangible personal property is excluded from the value of operating property by using valuation models which value only the nonexempt assets. (1-1-99)

k. Patents. Patents are grants from the government conveying and securing the exclusive right to make, use and sell inventions. (1-1-99)

l. Rights-of-way which are possessory only and not accompanied by title. Rights-of-way, which are possessory only and not accompanied by title, are easements by which grantees acquire only the rights to pass over or to access for installation or maintenance, without acquiring exclusive use of the rights-of-way. (1-1-99)

m. Trademarks. Trademarks are marks of authenticity, through which products of particular manufacturers or vendible commodities of particular merchants may be distinguished from those of others. (1-1-99)

n. Trade secrets. Trade secrets are formulas, patterns, compilations, programs, devices, methods, techniques or processes, deriving independent economic values from not being generally known by other persons who can obtain economic values from disclosure or use. Trade secrets are the subjects of efforts that are reasonable to maintain secrecy. (1-1-99)

02. Tangible Property Value Not Affected by Intangible Personal Property Value. The values of the exempt intangible personal properties shall not affect the values of any tangible properties or the value of the attributes of any tangible properties, regardless of the role of the intangible personal properties in the use of the

tangible properties. The exempt values shall not include any values attributable to availability of a skilled work force, condition of surrounding property, geographic features, location, rights-of-way, accompanied by title, view, zoning, and attributes or characteristics of real properties. (1-1-99)

03. Operating Property Election, Reporting and Methods. The following apply to operating property for the identification of valuation methods to be used by the State Tax Commission, election of Method A, Method B or Method C by the property owners, reporting by owners and valuation using Method C. (1-1-99)

a. Identification of valuation methods. When the State Tax Commission mails the blank Operators' Statements to the property owners, the State Tax Commission shall identify proposed changes in valuation methods compared to those relied on in the prior year. (1-1-99)

b. Election default. In the event of default of the taxpayer to make an election, the State Tax Commission shall use the method proposed in the notice accompanying the Operator's Statement. (1-1-99)

c. Election of exclusion method. When submitting the Operator's Statement, the owner has the right to elect the method for exclusion of the values of the exempt intangible personal properties from the operating property value. (1-1-99)

d. Amending Election. An owner may amend the elected method if written notice is received at least seven (7) business days prior to a hearing under Rule 407 of these rules. (1-1-99)

e. Reporting. The State Tax Commission shall consider the value and supporting data provided by the owners. If no supporting intangibles valuation information is provided by the owners, known exempt intangible personal property will be subtracted or will not be impounded in the value. (1-1-99)

f. Valuation using Method C. When the owner elects Method C, the State Tax Commission shall give primary consideration to the cost less depreciation model, without regulatory adjustment, in valuing tangible personal property and nonexempt intangible personal property. Only if this model fails to produce market value of the tangible personal property and nonexempt intangible personal property, shall the State Tax Commission consider other appropriate valuation models. (1-1-99)

04. Personal Property Reporting for Locally Assessed Property. The exemption for custom software, contracts and contract rights shall be claimed by scheduling such property on the owner's personal property declaration form. (1-1-99)

05. Cross Reference. For clarification of contracts and contracts rights, see *Brandon Bay, Ltd. Partnership v. Payette County*, 142 Idaho 681, 132 P.3d 438 (2006). (3-30-07)

616. -- 617. (RESERVED)

618. COMPUTATION OF THE IDAHO IRRIGATION EXEMPTION (RULE 618).

01. Production and Delivery Ratio. This ratio is computed by comparing the Idaho investment in production and delivery property to the investment for all Idaho unitary property. The resulting ratio shall be known as the production and delivery ratio. (4-5-95)

02. Idaho Production and Delivery Value. This is computed by multiplying the allocated Idaho unitary value, before any exemptions, by the production and delivery ratio. (4-5-95)

03. Irrigation Use Ratio. This ratio is computed by comparing Idaho irrigation revenue to the total Idaho revenue from unitary operations. The resulting ratio shall be known as the irrigation use ratio. (4-5-95)

04. Idaho Irrigation Exemption. This is computed by multiplying the Idaho production and delivery value by the irrigation use ratio. (4-5-95)

619. PROPERTY EXEMPT FROM TAXATION -- FACILITIES FOR WATER OR AIR POLLUTION CONTROL (RULE 619).

01. Exempt Property. Only those portions of installations, facilities, machinery, or equipment which are devoted exclusively to elimination, control, or prevention of water or air pollution are exempt. The owner of the property shall annually apply for exemption. (4-4-13)

02. Calculation of Partial Exemption. The exemption shall not include the percentage of the value for any portion of the facility which is used for the production of marketable by-products. The exempted value is the difference between the market value of the pollution control facilities and the present value of the net income from the sale of by-products. Net income shall be determined by subtracting the expenses of sale, raw materials required to produce by-products, and transportation to F.O.B. point from gross sales of recovered by-product.

For example:

The industry capitalization rate is 10%.

The purchase price of scrubber is \$1 million with a 20 year life
1st Year, Calculation of Exemption;

| | |
|---|--------------|
| Gross sales of precipitate | \$11,000/yr. |
| Transport to F.O.B. point | \$100/yr. |
| Lime to precipitate products | \$900/yr. |
| Net Income | \$10,000/yr. |
| Present value of net income | \$85,130 |
| Exempt Value is purchase price minus present value of net income (\$1,000,000-\$85,130) | \$914,870 |

Indirect costs associated with operating the scrubber such as power, maintenance, etc., are not to be deducted from gross sales to reach net income. (3-30-01)

03. Ineligibility. Landfills, toxic waste dumps, or storage facilities deriving revenue from processing or storing pollution or pollution by-products generated by other persons or businesses are ineligible for this exemption. (7-1-97)

04. Filing Procedure. Application for exemption shall be made in the following manner: (4-4-13)

a. The property owner may obtain the application form issued by the State Tax Commission from the county assessor or the State Tax Commission. (4-4-13)

b. The property owner completes the application to report an itemized listing of all installations, facilities, machines or equipment qualifying for exemption. Each component part of the system must be identified by a brief description (e.g., Dust Collector), the date of original acquisition, dollar amount of the original cost, and the percentage of the component devoted exclusively to pollution control. The application must be signed by the owner or duly authorized agent. Lack of required information shall be grounds for denial. (4-4-13)

c. The completed application must be filed with the county commissioners by March 15 for locally assessed property or with the State Tax Commission by April 30 for centrally assessed property. (4-4-13)

05. Inspection. The county or State Tax Commission representative may inspect the property or audit the owner's records to identify components for which the exemption has been applied. Those components listed on the application must be identifiable as capital assets of the property. (4-4-13)

06. Exemption Reported on Abstracts. For locally assessed property, exempt value shall be reported on the property abstracts. (4-4-13)

07. Exemption for Portion of Water Corporation Property. A portion of water corporation property may be exempt from taxation. (3-30-01)

a. On or before April 30, each year, the State Tax Commission shall receive a notice from the Idaho Public Utilities Commission listing the value of the investment percentage of the total plant of each water company that is devoted exclusively to the elimination, control, or prevention of water pollution or air pollution. (3-30-01)

b. In estimating the market value of the company for assessment purposes, the State Tax Commission will take into consideration the investment as certified by the Public Utilities Commission that such equipment bears to the total invested plant of the company. (3-30-01)

c. The State Tax Commission will notify the water company of the estimated market value, gross assessed value, and the amount of exemption allowed under Section 63-602P, Idaho Code, on or before July 15. (4-4-13)

d. Any person or party wishing to contest the percentage of exemption reported to the State Tax Commission by the Public Utilities Commission may submit a written request for a public hearing to the State Tax Commission by August 1 of the current tax year. The request for a hearing shall state the petitioner's grounds for contesting the percentage reported by the Public Utilities Commission. On or before the second Monday of August the State Tax Commission shall notify the petitioner of the hearing time and place. (4-4-13)

620. EXEMPTION FOR NEVER OCCUPIED RESIDENTIAL IMPROVEMENTS (RULE 620).

01. Qualifying Residential Improvements. Improvements to any land parcel that are residential and have never been occupied for residential purposes may qualify for the exemption pursuant to Section 63-602W, Idaho Code. This rule is effective January 1, 1998. Such qualifying improvements can include the following: (1-1-98)

a. Single family residences, residential townhouses, and residential condominiums; and (1-1-98)

b. Attached or unattached ancillary structures which are not intended for commercial use and are constructed contemporaneously with the improvements identified in Paragraph 620.01.a. Such structures may include sheds, fences, swimming pools, garages, and other similar improvements, subject to the limitations of Subsection 620.02. (1-1-98)

02. Non-Qualifying Improvements. Never previously occupied residential improvements listed in the following Subsections do not qualify for this exemption. (1-1-98)

a. Location. Ancillary structures (see Paragraph 620.01.b.) that are not located on the parcel on which the improvement is located, identified in Subsection 620.01.a. of this rule, shall not qualify for the exemption provided pursuant to Section 63-602W, Idaho Code. (1-1-98)

b. Remodeled improvements. Remodeling of previously occupied residential improvements does not qualify for the exemption. (1-1-98)

c. Improvements included in land value. Improvements included in land value, such as septic tanks, wells, improvements designed to provide utility services or access, and other similar improvements shall not qualify for the exemption. (1-1-98)

621. -- 624. (RESERVED)

625. HOMEOWNERS EXEMPTION ON OCCUPANCY TAX ROLL (RULE 625). Sections 63-317 and 63-602G, Idaho Code. (3-30-01)

01. Eligibility for Multiple Exemptions. Obtaining the exemption in Section 63-602G, Idaho Code,

will not preclude a property owner from eligibility for the exemption granted by Section 63-317, Idaho Code. More than one (1) property may be eligible for this exemption provided that ownership and occupancy of the properties occurs at different times during the year and that each application is made on the owner's primary residence.

(3-30-01)

02. Separate Applications. The application for this exemption shall not substitute for the application required by Section 63-602G, Idaho Code.

(3-30-01)

626. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY (RULE 626).

Sections 50-2908, 63-105(A), 63-201, 63-302, 63-308, 63-309, 63-313, 63-602Y, and 63-602KK, Idaho Code.

(1-1-13)T

01. Effective Date. The exemption provided in Section 63-602KK, Idaho Code, shall take effect on January 1, 2013. For 2013, the exemption for newly acquired items of personal property as provided in Section 63-602KK(1), Idaho Code, shall apply only to property otherwise required to be listed and assessed pursuant to Sections 63-602Y and 63-313, Idaho Code.

(1-1-13)T

02. Application Required to Establish Initial Eligibility for the Exemption Provided in Section 63-602KK(2), Idaho Code.

(1-1-13)T

a. For 2013, for locally assessed property, initial eligibility for this exemption is established when the taxpayer files one (1) or more of the lists of taxable personal property as required by Section 63-302, Section 63-313, or Section 63-602Y, Idaho Code, or has taxable personal property that is assessed.

(1-1-13)T

i. For taxpayers with personal property listed in more than one location within any county, application to specify the location of the property for the exemption provided for in Section 63-602KK(2), Idaho Code, for property listed as required by Section 63-302, Idaho Code, must be submitted to the county assessor by May 1, 2013. Said application must specify the location(s) at which the personal property is to be considered for the exemption.

(1-1-13)T

ii. For taxpayers with personal property required to be listed as provided in Sections 63-602Y and 63-313, Idaho Code, any application specifying the location of the property to which the exemption provided for in Section 63-602KK(2) will apply must be filed by the dates specified for filing the lists required by these Sections.

(1-1-13)T

iii. Taxpayers wanting to specify the location of their personal property, as provided in Subsection (02)(a)(i) of this rule must use the "Personal Property Exemption Application Form" available from the State Tax Commission (Commission) for this purpose, which must be submitted to the county assessor by May 1, 2013, or, for property to be reported pursuant to Sections 63-602Y and 63-313, Idaho Code, by the date specified for filing the lists required by these Sections.

(1-1-13)T

b. For property centrally assessed by the Commission, except for private railcar fleets, the taxpayer must file a list of personal property with the operator's statement filed pursuant to Rule 404 of these rules. The filing of such a list shall constitute the filing of an application for this exemption. Except as provided in Subsection 626.04.b. of this rule, for such personal property to be considered for the exemption, the operator's statement must include:

(1-1-13)T

i. A description of the personal property, including any tax code area in which the personal property subject to assessment as situs property is located;

(1-1-13)T

ii. Cost and depreciated cost of the personal property;

(1-1-13)T

iii. The county in which the personal property is located, if the taxpayer wishes to receive the exemption on property located in more than one county.

(1-1-13)T

c. For private railcar fleets subject to assessment by the Commission and having an Idaho taxable value of five hundred thousand dollars (\$500,000) or greater, the application procedure described in Subsection

(02)(b) of this rule shall apply. However, the requirements to show specific or county locations, found in (02)(b)(i) and (iii) shall not apply. Instead, the tax commission shall, after using apportionment procedures described in Rule 413 of these rules to apportion the value of these fleets, allow an exemption of up to one hundred thousand dollars (\$100,000) to be applied to the apportioned value within each county. The remaining taxable and exempt value is to be further apportioned to each taxing district and urban renewal allocation area in accordance with Subsection (06) of this rule. (1-1-13)T

d. For private railcar fleets subject to assessment by the state tax commission and having an Idaho taxable value of less than five hundred thousand dollars (\$500,000), the application procedure described in Subsection 626.02.b. of this rule shall apply. However, the property of such fleets is never apportioned to counties, so the exemption amount is limited to one hundred thousand dollars (\$100,000) per company, unless the company provides proof showing the multiple counties in which the personal property is located for the entire tax year, in which case the one hundred thousand dollar (\$100,000) limit shall apply per company per county. (1-1-13)T

e. Beginning in 2014, for locally assessed property, taxpayers establishing initial eligibility for the exemption provided in Section 63-602KK(2), Idaho Code, must, by the date required for filing any applicable personal property list, pursuant to Sections 63-302, 63-313, and 63-602Y, Idaho Code: (1-1-13)T

i. File any applicable list of otherwise taxable personal property and an application for the exemption, if the total value of such property is greater than one hundred thousand dollars (\$100,000); or (1-1-13)T

ii. File an application attesting to ownership of otherwise taxable personal property having a value of one hundred thousand dollars (\$100,000) or less. In providing such value, personal property exempt pursuant to Section 63-602KK(1), Idaho Code, shall not be included. (1-1-13)T

03. Procedure During Years Following Year of Initial Eligibility for Exemption. (3-29-10)

a. Except as provided in Subsection (03)(b) of this rule, for taxpayers with property subject to local assessment, submittal of lists of personal property or an application in any subsequent year is necessary if: (1-1-13)T

i. The subsequent year is the fifth year following the year of initial eligibility; or (1-1-13)T

ii. The exemption granted in the year of initial eligibility was deemed improper. (1-1-13)T

b. In addition to the requirements in Subsection 626.03.a. of this rule, lists of personal property are required annually, as specified in Sections 63-302, 63-313, and 63-602Y, Idaho Code, for taxpayers for whom, in the current tax year, the total value of personal property owned by the taxpayer in any county exceeds one hundred thousand dollars (\$100,000), excluding any items of personal property acquired since January 1, 2013 at an acquisition price, as defined in Section 63-602KK(1), Idaho Code, of three thousand dollars (\$3,000) per item or less. When such lists are required, the taxpayer must list all otherwise taxable personal property, not just the property constituting value in excess of one hundred thousand dollars (\$100,000). (1-1-13)T

c. For taxpayers whose property is centrally assessed by the Commission, annual application for the exemption provided in Section 63-602KK(2), Idaho Code, is required. To apply for the exemption, the list of personal property for which the exemption is requested must be filed with the operator's statement as provided in Subsection 626.02.b. through 626.02.d. of this rule. (1-1-13)T

04. Taxpayers' Election of Property Location. In cases where the taxpayer has personal property located in multiple places within the county, the taxpayer may elect the location of the property to which the exemption will apply. Except for private rail car fleets having an Idaho taxable value of five hundred thousand dollars (\$500,000) or greater, to which the procedures in Subsection (02)(c) of this rule shall apply, in the case of centrally assessed property, subject to assessment by the Commission and owning personal property located in multiple counties, the taxpayer may indicate the county in which the property is located and, if more than one location is chosen within any county, the taxpayer must indicate the tax code area(s) in which the personal property is located. Should the taxpayer not make an election as to where to apply the exemption, or not provide the location of the personal property, the following shall apply: (1-1-13)T

a. In the case of locally assessed property, the county shall have discretion regarding the property to which the exemption shall apply. (1-1-13)T

b. In the case of centrally assessed property, the exemption shall be limited to one hundred thousand dollars (\$100,000) applied to the Idaho value of the taxpayer prior to apportionment. (1-1-13)T

05. Valuation Assessment Notice. The valuation assessment notice required by Section 63-308, Idaho Code, must show the taxable value before granting the exemption provided in Section 63-602KK(2), Idaho Code, the exempt value pursuant to the exemption provided in Section 63-602KK(2), Idaho Code, and the net taxable value of the personal property. For 2013, such notice is required even if the net taxable value is reduced to zero by the exemption. In subsequent years, provided the personal property is still eligible for the exemption and the net taxable value is zero, no such notice is required. (1-1-13)T

06. Reporting Operating Property Exempt Value to Counties. Except for private railcar fleets having an Idaho taxable value of less than five hundred thousand dollars (\$500,000), for 2013, the Commission shall determine the amount of the exemption applicable to each centrally assessed operating property company in each county. (1-1-13)T

a. The value of the exemption in each county shall be determined by the Commission by the fourth Monday in August, 2013. For 2013, the Commission must assign the appropriate portion of this value to each taxing district within the county and must further assign the portion of this value attributed to any increment value within each urban renewal district revenue allocation area to such area in accordance with the procedures used to apportion other operating property. (1-1-13)T

b. For 2013, the certification of operating property value provided to each county by the first Monday of September, pursuant to Section 63-111, Idaho Code, must include a report of the value of the exemption provided by Section 63-602KK(2), Idaho Code. The value of the exemption so reported shall be reported by taxing district and the portion of this value attributed to any increment value must be reported for any revenue allocation area, in accordance with the procedure and report provided to each county for taxable operating property value. (1-1-13)T

c. The report shall not include exempt value for private railcar fleets having an Idaho taxable value of less than five hundred thousand dollars (\$500,000) before the subtraction of the exemption provided in Section 63-602KK(2), Idaho Code. (1-1-13)T

d. The report shall not include exempt value for private railcar fleets having an Idaho taxable value of less than five hundred thousand dollars (\$500,000) before the subtraction of the exemption provided in Section 63-602KK(2), Idaho Code. (1-1-13)T

07. Preliminary and Final Personal Property Tax Reduction Lists. (5-8-09)

a. The personal property tax reduction list shall include the following information pertaining to the personal property accounts eligible to receive the exemption: (1-1-13)T

i. The name of the owner, listed in alphabetical order unless the State Tax Commission grants permission for accounts to be listed in an alternate order; (5-8-09)

ii. The description of the property based on the physical location of the property subject to exemption or partial exemption; (1-1-13)T

iii. The location(s) of the property showing the tax code areas; and (1-1-13)T

iv. The assessed value of the property listed as equalized by the state or county boards of equalization or, if not yet equalized, the current assessed value at the time required for certification of the amount of taxes on the exempt property, pursuant to Section 63-602KK(3), Idaho Code. (1-1-13)T

v. The tax levy applicable to the personal property; (1-1-13)T

- vi. The tax before the exemption; (1-1-13)T
- vii. The tax after the exemption; (1-1-13)T
- viii. The amount of the exemption; (1-1-13)T
- ix. The aggregate total of the tax and value exempted by taxpayer; and (1-1-13)T
- x. The aggregate total of the tax exempted within each taxing district and unit, each revenue allocation area, and a grand total of tax exempted for all taxing districts, units, and revenue allocation areas in the county. (1-1-13)T

b. Except for centrally assessed property, the personal property tax reduction list shall be compiled by the assessor, who shall to the extent available include the information described in Subsection 626.07.a.i. through 626.07.a.iv. of this rule, and shall be sent to the county clerk. The county clerk will then include the centrally assessed property and the information described in Subsection 626.07.a.v. through 626.07.a.x. and certify a copy to the Tax Commission by the third Monday in November in 2013. The list will be reviewed and, if necessary, corrected by the Tax Commission. The personal property tax reduction list may include personal property of operating property as reported by the Commission, personal property listed as required by Section 63-302, Idaho Code, transient personal property and other personal property listed by the taxpayer and otherwise assessable under Sections 63-313 and 63-602Y, Idaho Code, and personal property otherwise eligible for the exemption provided in Section 63-602KK(2), Idaho Code, but listed and assessed by the assessor. (1-1-13)T

c. If, after certifying the personal property tax reduction list, the county learns of any erroneous information included in said list, the county clerk will immediately, and not later than the first Monday in May, 2014, notify the Commission of the correction. If the county cancels the tax otherwise due, the county must notify the Commission of the cancellation and the Commission will adjust the replacement money accordingly. In addition to any other errors, corrections may include value and tax changes resulting from actions of the county board of equalization related to property listed and assessed as required in Sections 63-313 and 63-602Y, Idaho Code. Corrections may also include value changes as a result of appeals to the state board of tax appeals or district court, provided however, that the Commission is notified by the county of such changes by the first Monday in May, 2014. Once notified of any correction, the Commission shall adjust the total certified personal property tax reduction amount for any applicable taxing district or urban renewal agency and shall change any payment due to the county in accordance with the correction. (1-1-13)T

d. For transient personal property and personal property subject to listing under Section 63-602Y, Idaho Code, the prorated value shall be used to fulfill the requirements of Subparagraph 626.07.a.iv. of this rule. (1-1-13)T

e. Taxpayers who are within a relationship described in Section 267 of the Internal Revenue Code, as defined in Section 63-3004, Idaho Code, are single taxpayers and no such single taxpayer shall be listed on the personal property tax reduction list more than once. (1-1-13)T

08. Tax Commission's Review and Correction of the Personal Property Tax Reduction Lists. If an entry on the personal property tax reduction list is found to be erroneous, the Tax Commission shall disapprove as much of the claim as necessary and so notify the county clerk. (1-1-13)T

a. If the disapproval occurs after the Commission has certified the amount to be paid to the county in December, the Commission shall notify the county as soon as practicable and shall make all necessary adjustments in the amount to be paid in June of 2014. (1-1-13)T

b. If the amount of the disapproval exceeds the amount remaining to be paid to the county, the Commission shall adjust the payment to the county and then the county shall begin proceedings to recover any remaining excessive amounts paid on behalf of any taxpayer, pursuant to the recovery procedures found in Section 63-602KK(7), Idaho Code. Any amount so recovered shall be remitted to the Commission. (1-1-13)T

09. Limitation on Eligibility for the Exemption. (1-1-13)T

a. Except for taxpayers claiming and receiving the exemption provided for in Section 63-4502, Idaho Code, taxpayers receiving the personal property exemption provided in Section 63-602KK, Idaho Code, may be eligible for, and are not precluded from, other applicable exemptions. (1-1-13)T

b. Personal property exempt in accordance with statutes other than Section 63-602KK, Idaho Code, shall not be included in determining when the one hundred thousand (\$100,000) limit provided in Section 63-602KK(2) is reached. (1-1-13)T

c. Taxpayers with requirements to annually apply for or list personal property for which other statutorily provided personal property exemptions are sought must continue to comply with the requirements of these statutes. (1-1-13)T

d. Improvements, as defined or described in Sections 63-201 and 63-309, Idaho Code, shall not be eligible for the exemption provided in Section 63-602KK. Improvements shall be deemed to include mobile and manufactured homes and float homes, regardless of whether such property is considered personal property. Leasehold real properties and other leasehold improvements that are structures or buildings shall be considered improvements and therefore ineligible for the exemption. (1-1-13)T

e. Certain personal property is not eligible to receive the exemption otherwise provided in Section 63-602KK(2), Idaho Code. All taxpayers who are within a relationship described in Section 267 of the Internal Revenue Code, as defined in Section 63-3004, Idaho Code, are treated as single taxpayers for purposes of the Section 63-602KK(2), Idaho Code, exemption and are limited to a maximum exemption of one hundred thousand dollars (\$100,000) in each county. (1-1-13)T

10. Special Rules for the Exemption Provided in Section 63-602KK(1). (1-1-13)T

a. Newly acquired items of personal property exempt as provided in Section 63-602KK(1) are not to be reported on any list otherwise required pursuant to Sections 63-302, 63-602Y, and 63-313, Idaho Code. (1-1-13)T

b. The exemption provided in Section 63-602KK(1), Idaho Code, is in addition to the one hundred thousand dollar (\$100,000) per taxpayer per county exemption provided in Section 63-602KK(2), Idaho Code. (1-1-13)T

c. Personal property subject to the exemption provided in Section 63-602KK(1), Idaho Code, must not be listed on the personal property tax reduction list and cannot be used to generate personal property tax reduction replacement amounts. (1-1-13)T

d. No application for the exemption provided in Section 63-602KK(1), Idaho Code, is necessary. (1-1-13)T

11. Limitation on Replacement Money. (1-1-13)T

a. Once the 2013 amount of replacement money for each taxing district and unit and for each urban renewal district revenue allocation area is made final, following corrections, as provided in this rule, there shall be no additions. However, there may be changes and reductions as follow: (1-1-13)T

i. If a taxing district dissolves, the state will make no payment of the amount previously certified for that district and when an urban renewal district revenue allocation area dissolves and is no longer receiving any allocation of property tax revenues, the state will discontinue payment of amounts previously certified for that revenue allocation area, beginning with the next scheduled distribution. (1-1-13)T

ii. If taxing districts or revenue allocation areas within urban renewal districts are consolidated, the amounts of replacement money attributed to each original district or revenue allocation area shall be summed and, in the future, distributed to the consolidated taxing or urban renewal district. (1-1-13)T

iii. No urban renewal district shall receive replacement money based on exempt personal property

within any revenue allocation area (RAA) established on or after January 1, 2013, or within any area added to an existing RAA on or after January 1, 2013. (1-1-13)T

b. If otherwise eligible personal property is exempt in 2013 by reason of any property tax exemption other than the exemption found in Section 63-602KK(2), Idaho Code, there shall be no personal property replacement money related to exempt taxes on this property nor shall the amount of replacement money be adjusted if this personal property receives the exemption in Section 63-602KK(2) in the future. (1-1-13)T

12. Special Provisions for Exempt Personal Property Within Urban Renewal Revenue Allocation Areas (RAAs). (1-1-13)T

a. When personal property subject to the exemption in Section 63-602KK(2), Idaho Code, is within an RAA, any adjustment shall first be to the increment value and there shall be no adjustment to the base value of the RAA unless the remaining taxable value of the parcel is less than the most current base value of the parcel. In that case, the base value shall be reduced. The amount to be subtracted is to be determined on a parcel by parcel basis in accordance with procedures found in Rule 804 of these rules. (1-1-13)T

b. Only the amount of exempt personal property subtracted from the increment value is to be used to determine personal property replacement money to be distributed to the affected urban renewal agency. This exempt amount must be reported in the personal property tax reduction list provided for in Section (07) of this rule. (1-1-13)T

c. Taxing district levies to satisfy obligations specified in Subsection (1)(a) through (f), Section 50-2908, Idaho Code, shall be used to determine replacement money to taxing districts, not urban renewal agencies, even when applied to exempt personal property otherwise within the increment value. (1-1-13)T

13. Cross Reference. For information on transient personal property see Rule 313 of these rules. (1-1-13)T

627. (RESERVED)

628. PARTIAL EXEMPTION FOR REMEDIATED LAND (RULE 628).

01. Definitions. For the purpose of implementing the partial exemption for remediated land the following terms are defined. (7-1-98)

a. Application for Partial Exemption. The “application for partial exemption” is the form, provided by the State Tax Commission, available from the State Tax Commission or the county assessor and used to apply for the exemption provided by Section 63-602BB, Idaho Code. (7-1-98)

b. Certificate of Completion. The “certificate of completion” is the document issued by the Department of Environmental Quality after the successful completion of a voluntary remediation work plan pursuant to Section 39-7207(1), Idaho Code. The person receiving the “certificate of completion” shall record a copy of the “certificate of completion” with the deed for the “site” on which the remediation took place pursuant to Section 39-7207(2), Idaho Code. (7-1-98)

c. Covenant Not to Sue. The “covenant not to sue” is the document issued by the Department of Environmental Quality pursuant to Section 39-7207(4), Idaho Code, upon request from a person receiving the “certificate of completion.” (7-1-98)

d. Qualifying Owner. The “qualifying owner” is the entity identified as the owner on the deed to the property at the time the “certificate of completion” is issued by the Department of Environmental Quality. (7-1-98)

e. Remediated Land. The “remediated land” is the “site” on which the remediation, as defined in Section 39-7203(7), Idaho Code, has been completed. (7-1-98)

f. Remediated Land Value. The “remediated land value” is the market value for assessment purposes

of the land on January 1 of the year following the issuance of the “certification of completion” (after remediation) less the market value for assessment purposes of the land on January 1 prior to the issuance of the “certification of completion” (before remediation). (7-1-98)

g. Site. As defined in Section 39-7203(8), Idaho Code, a “site” is a parcel of real estate for which an application has been submitted under Section 39-7204, Idaho Code. The “site” shall be that parcel identified on the application as described in IDAPA 58.01.18, “Idaho Land Remediation Rules,” Subsection 020.02.c., including the assessor’s parcel numbers(s) and on the voluntary remediation work plan as described in IDAPA 58.01.18, Section 022. (7-1-98)

02. Procedures to Qualify for the Exemption. The “qualifying owner,” or agent thereof, must complete the following procedures for the “site” to qualify for the exemption. (7-1-98)

a. Obtain and complete the “application for partial exemption.” (7-1-98)

b. Submit the “application for partial exemption” and copies of the “certificate of completion” and the “covenant not to sue” to the county assessor of the county in which the “site” is located. If the legal description of the “site” and a map identifying the location and size of facilities and relevant features is included in the information supporting the voluntary remediation work plan, pursuant to IDAPA 58.01.18, “Idaho Land Remediation Rules,” Subsection 022.03.a.i., a copy of this information shall be included with the “application for partial exemption.” (7-1-98)

c. File the “application for partial exemption” with the county assessor on or before March 15 of the year for which the exemption is claimed. The “application for partial exemption” must be filed only once, during the first year of seven (7) year exemption period. (7-1-98)

03. Calculation of the Exemption. The exemption is fifty percent (50%) of the “remediated land value.” This exempt value is constant throughout the term of the exemption. The amount of the exemption shall never exceed the current market value of the land. For example:

| | | |
|--|---|------------|
| Land Value on January 1 (after remediation) | = | \$200,000 |
| Land Value on January 1 (before remediation) | = | -\$125,000 |
| Remediated Land Value | = | \$75,000 |
| Exemption Percent | = | x 50% |
| Exempt Value | = | \$37,500 |

For the example cited, the value of thirty-seven thousand five hundred dollars (\$37,500) would be the exempted value for each of the seven (7) years. (3-30-01)

04. Exempt Value Subject to Taxation. For any property eligible for the exemption provided by Section 63-602BB, Idaho Code, the exempt value will immediately be subject to taxation when any of the following events occur: (3-30-01)

a. If the “covenant not to sue” is rescinded during any year the exemption is in effect, the exempt value will immediately be subject to taxation for the entire year. Pursuant to IDAPA 58.01.18, Subsection 025.02, the Department of Environmental Quality shall notify the assessor of the county in which the “site” is located that the “covenant not to sue” is rescinded. (3-30-01)

b. If the “site” is transferred to a new owner during any year in which the exemption is in effect, the exempt value will immediately be subject to taxation for the entire year. (7-1-98)

c. The seven (7) year exemption period expires. (3-30-01)

05. Sites Previously Granted the Exemption are Ineligible. No “site” shall be granted the exemption provided in this section if said “site” had been previously granted this exemption regardless of whether the entire seven (7) years of the exemption had been used. (3-30-01)

629. PROPERTY EXEMPT FROM TAXATION -- QUALIFIED EQUIPMENT UTILIZING POST CONSUMER OR POST INDUSTRIAL WASTE (RULE 629).

01. Qualified Personal Property. Only that qualified personal property, located in Idaho, which utilizes postconsumer waste or post industrial waste in the production of a “product,” shall be exempt from taxation as personal property. The owner of the equipment shall, annually, petition the assessor for exemption. (7-1-97)

02. Application. The exemption shall be allowed only if the owner files the form prescribed by the State Tax Commission, which reports for the previous calendar year, the actual time each piece of qualified equipment is in use in the production of qualified “product” and non-qualified “product.” (7-1-97)

03. Exempt Petition’s Definitions. Petition for exemption shall be filed in the following manner: (7-1-97)

a. Forms. Declaration forms for the reporting of personal property qualifying for exemption may be obtained from the county assessor or State Tax Commission. (7-1-97)

b. Declaration - qualified equipment. The declaration shall contain an itemized listing of all machinery or equipment qualifying for exemption. Each component part of the system must be identified by a brief description, the date of purchase and original cost, and the percentage of production time the component is devoted exclusively to the production of “product.” The petition must be signed by the owner or duly authorized agent. Lack of required information shall be grounds for denial. (3-30-01)

c. Declaration - non-qualifying equipment. The declaration shall contain an itemized listing of all non-qualifying machinery or equipment used in the production of “product.” This declaration shall list all non-qualifying taxable personal property as described in Section 63-302, Idaho Code. (3-30-01)

d. Timing. The completed declarations must be filed with the county assessor by March 15th of each year. (7-1-97)

e. Inspection. The county or State Tax Commission representative may inspect the property or the owner’s records to identify components petitioned for exemption. Those components listed on the declaration must be identifiable as qualifying personal property assets of the claimant. (3-30-01)

630. TAX EXEMPTION FOR NEW CAPITAL INVESTMENTS (RULE 630).
Section 63-4502, Idaho Code. (3-29-12)

01. Notification of New Capital Investment. (3-29-12)

a. Prior to receiving the benefit of the tax exemption, the taxpayer shall notify the county in which the project site is located that the taxpayer expects to meet the criteria of the New Capital Investments Tax exemption. Notification shall be accomplished by submitting a written declaration or notification with the board of county commissioners containing the following information: (4-4-13)

i. The name and address of the taxpayer; (3-29-12)

ii. A description of the new capital investment project; (3-29-12)

iii. The assessor’s parcel number(s) identifying the location of the project site; (3-29-12)

iv. The date that the qualifying period began; (3-29-12)

v. A statement that the taxpayer will make a qualified new capital investment of at least one billion

dollars (\$1,000,000,000) within the qualifying period, which shall be specified. (3-29-12)

b. The notification required hereunder may be submitted by the taxpayer to the board of county commissioners at any time after the qualifying period begins. However, if the notification is submitted after April 15 in a given year, a taxpayer may receive the benefit of the exemption only for tax years following the year in which the notification is filed. Submittal of the notification required hereunder shall constitute application for the exemption in compliance with Section 63-602, Idaho Code. Until the taxpayer meets all the requirements for the New Capital Investments Tax exemption, for each year after the first year in which the exemption is granted, the notice must identify the name and address of the taxpayer and the location of the project site, but does not need to provide additional information as required in Paragraph 630.01.a. of this rule. (4-4-13)

02. Property of the Taxpayer. Property of a taxpayer includes all real or personal property that is owned by or leased to the taxpayer under an agreement that makes the taxpayer responsible for the payment of any property taxes on the property. (3-29-12)

03. New Construction. Property taxable under Section 63-4502, Idaho Code and that qualifies for listing on the new construction roll as described by Section 63-301(A)3, Idaho Code, should be listed on the new construction roll. (3-29-12)

04. Failure to Make the Qualifying New Capital Investment. (4-4-13)

a. If the taxpayer fails to make the qualifying new capital investment during the qualifying period, the property shall lose the exemption granted by this section at the conclusion of the qualifying period. (4-4-13)

b. In the event that, at any time during the project period, the taxpayer no longer intends to fulfill the qualified new capital investment requirements, the taxpayer must notify the county commissioners who shall notify the county assessor. Upon receipt of such notification, the property shall be taxable for the remainder of the year in which the notification is provided, pursuant to Section 63-602Y, Idaho Code. Failure of the taxpayer to provide such notice does not prevent the county assessor from discovering the taxpayer's intent through alternate procedures and then notifying the county commissioners that the requirements for the exemption are no longer met. In such an instance, the taxpayer must be notified and may appeal loss of the exemption to the county board of equalization as provided in Section 63-501A, Idaho Code. (4-4-13)

05. Continuation of Tax Exemption Following the End of the Project Period. (4-4-13)

a. At any time during the qualifying period, but not later than ninety (90) days after the conclusion of the qualifying period, the taxpayer must provide notice to the county commissioners with sufficient evidence to prove that the required qualifying new capital investment has been made. (4-4-13)

b. Once the taxpayer has successfully met all the requirements pursuant to Section 63-4502, Idaho Code, and provided notice to the county commissioners pursuant to Paragraph 630.05.a. of this rule, the county commissioners shall notify the county assessor and taxpayer of the taxpayer's continuing qualification for the exemption for all years thereafter. The county assessor shall retain this notice. (4-4-13)

c. After the year in which the taxpayer has been notified of continuing qualification as provided in Paragraph 630.05.b. of this rule, the taxpayer must continue to notify the county annually to identify the property to be exempted pursuant to Subsection 630.05. Failure to make such notification will not invalidate the exemption; the county assessor must then apply the exemption against the assessed value of the taxpayer's highest value parcel within the county. (4-4-13)

06. Cross Reference. For an explanation of the treatment of new construction relating to Sections 63-802 and 63-301A, Idaho Code, see Rule 802 of these rules. (3-29-12)

631. TAX EXEMPTION FOR INVESTMENT IN NEW PLANT AND BUILDING FACILITIES UPON COUNTY COMMISSIONERS' APPROVAL (RULE 631).
Section 63-602NN, Idaho Code. (5-8-09)

01. The Investment in Plant. In order to qualify for this exemption a taxpayer must invest at least three million dollars (\$3,000,000) in new plant and building facilities excluding the investment in land. See Section 63-602NN, Idaho Code. (5-8-09)

02. The Exemption. The board of county commissioners may exempt all or a portion of the market value of the project for a period of up to five (5) years. Land is not to be included in this exemption. See Section 63-602NN(2), Idaho Code. (5-8-09)

03. Cross Reference. See Rule 802 of these rules for instructions relating to the valuation of new construction. (5-8-09)

632. PROPERTY EXEMPT FROM TAXATION -- OIL OR GAS RELATED WELLS (RULE 632).
Section 63-60200, Idaho Code. (1-1-13)T

01. Definitions of Oil or Gas Well. (1-1-13)T

a. Wells drilled for the production of oil, gas or hydrocarbon condensate may include the well, casing, and other structures permanently affixed inside the well, and the land inside the perimeter of the well. (1-1-13)T

b. The well shall include the part where the gas producing stratum has been successfully cased off from any oil. (1-1-13)T

02. Ineligible Land and Equipment. (1-1-13)T

a. Wellheads and gathering lines or any line extending above ground level shall not qualify. Equipment used for the extraction, storage, or transportation of oil, gas, or hydrocarbon condensate shall not qualify. (1-1-13)T

b. Land, other than that used for the well as defined in section 01 of these rules, shall not qualify. If the presence of the well increases the market value of nearby land, the assessed value of such land shall reflect the increase, unless the land qualifies independently for any other property tax exemption. (1-1-13)T

03. Application. As provided in section 63-602(3), Idaho Code, annual application is required for the exemption provided in this section. For 2013, such application must be made to the county commissioners by May 1. Subsequently, application must be made to the county commissioners by April 15. (1-1-13)T

633. -- 644. (RESERVED)

645. LAND ACTIVELY DEVOTED TO AGRICULTURE DEFINED (RULE 645).
Section 63-604, Idaho Code. (3-15-02)

01. Definitions. The following definitions apply for the implementation of the exemption for the speculative value portion of agricultural land. (7-1-99)

a. Homesite. The "homesite" is that portion of land, contiguous with but not qualifying as land actively devoted to agriculture, and the associated site improvements used for residential and farm homesite purposes. (7-1-99)

b. Associated Site Improvements. The "associated site improvements" include developed access, grading, sanitary facilities, water systems and utilities. (7-1-99)

c. Nursery Stock. Nursery stock is defined in Section 22-2302, Idaho Code. (3-15-02)

d. Land Used to Produce Nursery Stock. "Land used to produce nursery stock" means land used by an agricultural enterprise to promote or support the promotion of nursery stock growth or propagation, not land devoted primarily to selling nursery stock or related products. This term also includes land under any container used to grow or propagate nursery stock. This term does not include land used for parking lots or for buildings sites used primarily

to sell nursery stock or related items or any areas not primarily used for the nurturing, growth or propagation of nursery stock. (3-15-02)

e. Speculative Value Exemption. The “speculative value exemption” is the exemption allowed on land actively devoted to agriculture. (7-1-99)

02. Homesite Assessment. Effective January 1, 1999, each homesite and residential and other improvements, located on the homesite, shall be assessed at market value each year. (7-1-99)

a. Accepted Assessment Procedures. Market value shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission. Acceptable techniques include those that are either time tested in Idaho, mathematically correlated to market sales, endorsed by assessment organizations, or widely accepted by assessors in Idaho and other states. (7-1-99)

b. Appropriate Market and Comparable Selection. The appropriate market is the market most similar to the homesite and improvements located on the homesite. In applying the sales comparison approach, the appraiser should select comparables having actual or potential residential use. (7-1-99)

c. Assigning secondary category. List and report the secondary category for the homesite using the chart in Subsection 645.02.c.

| Description of Land | Secondary Category |
|-------------------------|--------------------|
| Rural and Nonsubdivided | 10 |
| Rural and Subdivided | 15 |
| Urban | 20 |

(4-2-08)

d. Homesite Independent of Remaining Land. The value and classification of the homesite will be independent of the classification and valuation of the remaining land. (7-1-99)

03. Valuing Land, Excluding the Homesite. The assessor shall value land, excluding the homesite, on the following basis: (5-3-03)

a. Land Used for Personal Use or Pleasure. Any land, regardless of size, utilized for the grazing of animals kept primarily for personal use or pleasure and not a portion of a for profit enterprise, shall be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule and shall not qualify for the speculative value exemption. (4-11-06)

b. Land in a Subdivision. Land in a subdivision with restrictions prohibiting agricultural use shall be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule and shall not qualify for the speculative value exemption. Land meeting the use qualifications identified in Section 63-604, Idaho Code, and in a subdivision without restrictions prohibiting agricultural use shall be valued as land actively devoted to agriculture using the same procedures as used for valuing land actively devoted to agriculture and not located in a subdivision. (4-11-06)

c. Land, Five (5) Contiguous Acres or Less. Land of five (5) contiguous acres or less shall be presumed nonagricultural, shall be valued at market value using appraisal procedures identified in Paragraph 645.02.a of this rule, and shall not qualify for the speculative value exemption. If the owner produces evidence that each contiguous holding of land under the same ownership has been devoted to agricultural use for the last three (3) growing seasons and it agriculturally produced for sale or home consumption fifteen percent (15%) or more of the owner’s or lessee’s annual gross income or it produced gross revenue in the immediate preceding year of one thousand dollars (\$1,000) or more, the land actively devoted to agriculture, shall qualify for the speculative value exemption. For holdings of five (5) contiguous acres or less income is measured by production of crops, nursery

stock, grazing, or net income from sale of livestock. Income shall be estimated from crop prices at harvest or nursery stock prices at time of sale. The use of the land and the income received in the prior year must be certified with the assessor by March 15, each year. (4-11-06)

d. Land, More Than Five (5) Contiguous Acres. Land of more than five (5) contiguous acres under one (1) ownership, producing agricultural field crops, nursery stock, or grazing, or in a cropland retirement or rotation program, as part of a for profit enterprise, shall qualify for the speculative value exemption. Land not annually meeting any of these requirements fails to qualify as land actively devoted to agriculture and shall be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule. (4-11-06)

04. Cross Reference. For definitions and general principles relating to the taxable value of land actively devoted to agriculture, see Rule 613 of these rules. For agricultural land taxable value calculation examples, see Rule 614 of these rules. For information relating to Christmas tree farms, other annual forest products, and yield tax, see Rule 968 of these rules. (3-30-07)

646. -- 699. (RESERVED)

700. DEFINITIONS FOR PROPERTY TAX REDUCTION BENEFIT (RULE 700). Section 63-701, Idaho Code. (3-15-02)

01. Blind. A person for whom there exists the medically documented opinion that the person is functionally blind as defined in Section 67-5402(2), Idaho Code. (3-30-01)

02. Burden of Proof. See Rule 600 of these rules. (3-15-02)

03. Claimant's Income. All income defined in Section 63-701(5), Idaho Code, that is received by either spouse is included in household income even if one spouse lives in a medical care facility or otherwise lives outside the home except as provided in Rule 709 of these rules. For the purposes of excluding from claimant's income any return of principal paid by the recipient of an annuity, follow these guidelines. (3-30-07)

a. An annuity means a contract sold by an insurance company to the claimant or claimant's spouse and designed to provide payments to the holder at specified equally spaced intervals or as a lump sum payment with the following conditions: (3-30-07)

i. The annuity must not be part of any pension plan available to an employee; (3-30-07)

ii. No tax preference is given to the money spent to purchase the annuity (purchase payments must not reduce the buyer's taxable income); (3-30-07)

iii. The buyer of the annuity must have purchased the annuity voluntary and not as a condition of employment or participation in an employer provided pension system; and (3-30-07)

iv. Earnings from investments in the annuity must be tax-deferred prior to withdrawal. (3-30-07)

b. Annuities do not include KEOGH plans, Individual Retirement Accounts (IRAs), employer provided pensions, and similar financial instruments. Life insurance premiums shall not be treated as the principal of an annuity. (3-30-07)

c. The recipient of the annuity payment(s), the claimant or claimant's spouse, has the burden of proving the income is the principal paid by the recipient. Such proof includes copies of the holder's annuity contract and any other documentation clearly indicating the conditions listed in Subparagraphs 700.03.a.i. through 700.03.a.iv. of this Rule are met. IRS form 1099 does not provide sufficient proof. (3-30-07)

04. Fatherless/Motherless Child. Fatherless/Motherless child for purposes of Section 63-701(1), Idaho Code, means a child judicially determined to be abandoned, as defined by Sections 16-1602 or 16-2005, Idaho Code, by the child's male/female parent or a child whose male/female parent has had his parental rights terminated pursuant to court order or is deceased. (3-30-01)

05. Proportional Reduction of Value. Proportional reduction of value pursuant to Section 63-701(7), Idaho Code, is required for partial ownership of otherwise eligible property. (3-15-02)

a. There is no reduction of value for community property with no other interests except as provided in Rules 610.07 and 709.04 of these rules. Additionally, there is no reduction in value for the ownership interests of a partner of a limited partnership, a member of a limited liability company or a shareholder of a corporation when that person has no less than a five percent (5%) interest in the entity unless any interests are shared by any entity other than the limited partnership, limited liability company or corporation. (3-15-02)

b. In other cases, benefits are to be calculated by applying the claimant's property tax reduction benefit to the eligible net taxable value of the claimant's share of the property. This value is determined by multiplying the market value of the land and of the improvement times the claimant's percent of ownership and subtracting the claimant's homeowner's exemption. (4-2-08)

i. Example 1. The claimant is the sole occupant of the property but only owns fifty percent (50%) of the property. In this example, the claimant's property tax reduction benefit will be applied to the tax on his/her net taxable market value of \$50,000.

| | |
|--|------------|
| Land Market Value | \$50,000 |
| Improvement Market Value | \$150,000 |
| Gross Market Value | \$200,000 |
| Percent of Ownership of Claimant | 50% |
| Claimant's Share of Land Market Value & Improvement Market Value (Land Market Value & Improvement Market Value x Percentage of Ownership) | \$100,000 |
| Claimant's Homeowner's Exemption (Claimant's Share of Improvement and Land Market Value x 50%, not to exceed \$89,325 for 2007) | <\$50,000> |
| Claimant's Eligible Net Taxable Value equals Claimant's Share of Market Value less Homeowner's Exemption (\$100,000 - \$50,000 = \$50,000) | \$50,000 |

(4-2-08)

ii. Example 2. Tom Johnson and Marie Johnson, husband and wife, and property tax reduction claimant June Smith jointly own a property and occupy one (1) residential improvement located on the property. Calculate both homeowners' exemptions, and apply Ms. Smith's property tax reduction benefit to the tax on the net taxable value of her interest in the property.

| Description | Value | Notes |
|---|-----------|--|
| Land | \$95,000 | |
| Residential Improvement | \$215,000 | |
| Land and Improvement | \$310,000 | |
| Prorated ownership interest (land and improvement) (\$310,000 X 66.67%) | \$206,677 | Mr. & Mrs. Johnson's interest |
| Homeowner's Exemption Maximum for 2007 (\$89,325 X 66.67%) | \$59,550 | Mr. & Mrs. Johnson's Homeowner's Exemption |

| Description | Value | Notes |
|---|-----------|--|
| Prorated ownership interest (land and improvement) (\$310,000 X 33.33%) | \$103,323 | Ms. Smith's interest |
| Homeowner's Exemption Maximum for 2007 (\$89,325 X 33.33%) | \$29,775 | Ms. Smith's Homeowner's Exemption |
| Value of prorated interest less homeowner's exemption. | \$73,548 | Ms. Smith's property tax reduction benefit is applied to the tax on the net taxable value. |

(4-2-08)

06. Physician. Physician shall mean a licensed physician, as defined in Section 54-1803(3), Idaho Code. (3-30-01)

07. Widow/Widower. A widow/widower is a person who has not remarried after the death of their spouse or whose subsequent marriage has been annulled. (3-15-02)

08. Cross Reference. See Chapter 79, Title 67, Idaho Code, for requirements relating to lawful presence in the United States. (4-2-08)

701. HOW TO VERIFY THAT CLAIMANTS ARE LAWFULLY PRESENT IN THE UNITED STATES (RULE 701).

Sections 63-701 through 710 and Sections 67-7901 through 7903, Idaho Code. (4-2-08)

01. Lawful Presence in the United States. The county assessor shall verify that any claimant for property tax reduction pursuant to Sections 63-701 through 710, Idaho Code, who is eighteen (18) years of age or older is lawfully present in the United States by doing the following: (3-29-12)

a. Providing to the State Tax Commission electronically and by paper copies documentation verifying that the claimant's name, social security number, and date of birth used for social security records of the claimant and the claimant's spouse, if married, are correct. Examples of documentation that would verify that the information is correct include, but are not limited to the following: (4-2-08)

- i. Federal Form W-2; (4-2-08)
- ii. Federal Form 1099; (4-2-08)
- iii. Form 1099 received by the claimant from the Social Security Administration or the Railroad Retirement Board, or the federal Personnel Management System; (4-2-08)
- iv. Social Security Card; (4-2-08)
- v. Birth Certificate; or (4-2-08)
- vi. Documents listed under paragraph 701.01.b. of this rule. (4-2-08)

b. If the claimant or the claimant's spouse, if married, is not currently receiving benefits from the Social Security Administration, the Railroad Retirement Board, or the federal Personnel Management System, then requiring the claimant to submit the following, a copy of which shall be attached to the application for property tax reduction: (4-2-08)

- i. An Idaho driver's license or an Idaho identification card issued pursuant to Section 49-2444, Idaho Code; or (4-2-08)
- ii. A valid driver's license or similar document issued for the purpose of identification by another state

or territory of the United States, if such license or document contains a photograph of the individual or the claimant's age, sex, race, height, weight, or other such personal identifying information relating to the individual sufficient to show that the individual is the person identified in the other state or territory of the United States driver's license or similar identification document; or (4-2-08)

iii. A United States military card or a military dependent's identification card; or (4-2-08)

iv. A United States coast guard merchant mariner card; or (4-2-08)

v. A Native American tribal document; or (4-2-08)

vi. A valid United States passport. (4-2-08)

c. Attestation of Lawful Presence. In addition to the documentation provided in Paragraphs 701.01.a. and 701.01.b. of this rule the claimant is also required to attest, under penalty of perjury and on a form designated by the State Tax Commission, that; (4-2-08)

i. The social security number(s) provided is/are valid; and (4-2-08)

ii. The claimant and the claimant's spouse, if married, are United States citizens or legal permanent residents; or (4-2-08)

iii. The claimant and the claimant's spouse, if married, are otherwise lawfully present in the United States pursuant to federal law. (4-2-08)

d. Audit. During audit the State Tax Commission shall: (4-2-08)

i. Verify the claimant's and the claimant's spouse's, if married, social security number(s) electronically with the Social Security Administration or through other appropriate governmental agencies or means. (4-2-08)

ii. Presume the attestation to be proof of lawful presence for purposes of this section until such verification of lawful presence is made. (4-2-08)

e. Successive Applications. Once a claimant and the claimant's spouse, if married, have been verified as lawfully present in the United States pursuant to this rule, a claimant and the claimant's spouse, if married, in successive years will be presumed to be lawfully present in the United States if the claimant and the claimant's spouse, if married, continue to attest in each successive application that no change has occurred in their status. (4-2-08)

702. -- 708. (RESERVED)

709. PROPERTY TAX REDUCTION BENEFIT PROGRAM -- SPECIAL SITUATIONS (RULE 709).
Section 63-701, Idaho Code. (3-15-02)

01. Scope. This rule addresses issues relating to the property tax reduction benefit program as it applies to certain unusual factual situations. It states general principles applicable to unusual cases and provides some illustrative examples. The rule cannot address every conceivable situation that may arise, but the principles established may apply to the resolution of situations not addressed in the rule. The following examples apply to qualified property tax reduction claimants. (3-30-01)

02. General Principles. Benefits under the property tax reduction program are only available to owners of property that have first qualified for the homeowner's exemption under Section 63-602G, Idaho Code. See Rule 610 of these rules. (3-15-02)

03. Dual Residency Couples. The definition of "dual residency couple" in Rule 610.02 of these rules applies to this rule. (3-15-02)

a. Example -- Both residences are community property. Property tax reduction is available in regard only to the residential improvement qualifying for the homeowner's exemption. See Rule 610.04 of these rules.

(3-15-02)

b. Example -- One (1) residence is community property, the other is separate property. Property tax reduction is available in regard only to the residential improvement qualifying for the homeowner's exemption. See Rule 610.05 of these rules.

(3-15-02)

c. Example -- Both residences are separate property. Property tax reduction is available in regard to both residential improvements. See Rule 610.06 of these rules.

(3-15-02)

d. Household income. In the three (3) examples in Subsection 709.03, the household income upon which qualification is determined is the total of one-half (1/2) the community income plus any separate income of the spouse residing in the residence.

(3-15-02)

04. Apportionment of Property Tax Reduction Benefits by Dual Residency Couples. If a dual residency couple makes the election provided in Subsection 610.07 of these rules and the applicable county assessor provided the State Tax Commission with a copy of the election required under that rule, each spouse shall be entitled to one-half (1/2) of the amount of any property tax reduction available to that spouse alone. The household income of the spouse shall be one-half (1/2) of the community income plus any separate income of the spouse residing in the residence. The total property tax reduction benefit shall not exceed the amount of benefit available to the individual spouse with the least household income if no election were made.

(3-15-02)

05. Multiple Ownerships Including Community Interests as Partial Owners. Example: A deed conveys title to real property to a husband and wife and to an adult child of theirs. The husband and wife hold a community property interest in the improvement and the child is a tenant-in-common. The parents collectively hold a two-thirds (2/3) partial interest and the child holds a one-third (1/3) partial interest in the property. For clarification of the calculation of the net taxable value, see Rule 700.05.b. of these rules. Qualification for the property tax reduction is as follows:

(3-15-02)

a. If the residential improvement is the primary dwelling of the husband and wife but not of the child, the claimant qualifies for full benefits applied on two-thirds (2/3) of the value of the property less the homeowner's exemption. Household income is the total of the community and separate income of the spouses.

(3-15-02)

b. If the residential improvement is the primary dwelling of the qualifying child, but neither the husband or wife, the claimant qualifies for full benefits applied on one-third (1/3) of the value of the property less the homeowner's exemption. Household income is the total of the child's income.

(3-15-02)

c. If the residential improvement is the primary dwelling of the husband, wife and a qualifying child, the claimant qualifies for the full benefits applied on full value of the property less the homeowner's exemption. Household income is the total of the community and separate income of the spouses and the income of the child.

(3-15-02)

d. If the residential improvement is the primary dwelling of one (1) spouse but of neither the other spouse nor the child, the claimant qualifies for full benefits applied on two-thirds (2/3) of the value of the property less the homeowner's exemption unless the residential improvement of the other spouse has qualified for the homeowner's exemption. Household income is the total income of both spouses.

(3-15-02)

e. If the residential improvement is the primary dwelling of one (1) spouse and a qualifying child, the claimant qualifies for the full benefits applied on the full value of the property less the homeowner's exemption unless the residential improvement of the other spouse has previously qualified for the homeowner's exemption. Household income is the total income of both spouses plus the income of the child.

(3-15-02)

710. -- 716. (RESERVED)

717. PROCEDURE AFTER CLAIM APPROVAL (RULE 717).

Sections 63-115 and 63-707, Idaho Code. (3-30-07)

01. Formatting Requirements. The property tax reduction roll shall be formatted as required by Section 63-707, Idaho Code. (3-30-01)

02. Preliminary Property Tax Reduction Roll. The roll, certified by the assessor to the county auditor and the State Tax Commission by June 1st of each year, shall be termed the preliminary property tax reduction roll. The preliminary property tax reduction roll shall list property tax reduction claimants in alphabetical order unless the State Tax Commission grants permission for claimants to be listed in an alternate order. Each original claim form shall be submitted to the State Tax Commission in the same order as shown on the preliminary property tax reduction roll. (3-29-12)

03. Final Property Tax Reduction Roll. The completed property tax reduction roll, certified by each county clerk to the State Tax Commission by the fourth (4th) Monday in October, shall be termed the final property tax reduction roll. The final property tax reduction roll shall list property tax reduction claimants in the same order as shown on the preliminary property tax reduction roll, except that all fully disapproved claimants shall be deleted and not shown on the final property tax reduction roll. Erroneous claims which are partially disapproved by the State Tax Commission shall be shown on the final property tax reduction roll after the county clerk has made all adjustments or corrections listed on the notice sent to the county auditor pursuant to Section 63-707(6), Idaho Code, termed county change letter. (3-30-01)

04. Certification of Electronic Property Tax Reduction Roll by County Assessor. The county assessor will certify the property tax reduction roll to the county auditor and send a copy to the State Tax Commission by June 1st of each year. In addition, each county assessor will also send a copy of this certified roll to the State Tax Commission in a password protected electronic data file formatted as directed or approved by the State Tax Commission. Each county assessor will contact the State Tax Commission to receive a password. This password protected electronic roll will contain the following information: (3-29-12)

- a. Claimant's Social Security Number. List the claimant's social security number. (3-30-07)
- b. Claimant's Date of Birth. List the claimant's date of birth. (3-30-07)
- c. Claimant's Last Name. List the claimant's last name. (3-30-07)
- d. Claimant's First Name. List the claimant's first name. (3-30-07)
- e. Spouse's Social Security Number. List the social security number for the spouse of the claimant. (3-30-07)
- f. Spouse's Date of Birth. List the date of birth for the spouse of the claimant. (3-30-07)
- g. Spouse's Last Name. List the last name for the spouse of the claimant. (3-30-07)
- h. Spouse's First Name. List the first name for the spouse of the claimant. (3-30-07)
- i. Claimant's Telephone Number. List the claimant's telephone number. (3-30-07)
- j. Claimant's Address. List the claimant's address. (3-30-07)
- k. Claimant's City. List the city where the claimant lives. (3-30-07)
- l. Claimant's State. List the postal abbreviation for the state where the claimant lives. (3-30-07)
- m. Claimant's Zip Code. List the claimant's zip code. (3-30-07)
- n. Claimant's Parcel Number(s). List the parcel number for the property on which the claimant is receiving the homeowner's exemption. When more than one (1) parcel owned by the claimant is eligible, list all

- eligible parcel numbers. (3-30-07)
- o.** Year. List the current year. (3-30-07)
 - p.** Claimant's County Number. List the number of the county where the claimant lives. (3-30-07)
 - q.** Term of Direct Address. List the appropriate term of direct address; that is, "Mr.," "Ms.," or "Mr. & Mrs." (3-30-07)
 - r.** Income Data. List income data. (3-30-07)
 - s.** Identify New Applicants. Identify claimants who are applying for this benefit for the first time. (3-30-07)
 - t.** Value. List the best estimate for each secondary category of current market value and prorated net taxable value. (3-30-07)
 - u.** Maximum Benefit. The program will automatically show the maximum benefit for which the claimant is eligible based on income. (3-30-07)
 - v.** Qualifying Criteria. Identify all of the following criteria that the claimant meets. (3-30-07)
 - i.** Sixty-five (65) years old or older. (4-2-08)
 - ii.** Blind. (3-30-07)
 - iii.** Disability granted by the Social Security Administration, Railroad Retirement Board, or federal civil service. (3-30-07)
 - iv.** Orphan, under eighteen (18) years of age. (3-30-07)
 - v.** Prisoner of war or hostage, certified by Veteran's Affairs. (3-30-07)
 - vi.** Nonservice connected disability or service connected disability at ten percent (10%) to thirty percent (30%), certified by Veteran's Affairs. (3-30-07)
 - vii.** Service connected disability at forty percent (40%) or more, certified by Veteran's Affairs. (3-30-07)
 - viii.** Widow or widower, include date of spouse's death. (3-30-07)
 - ix.** Whether the claimant is lawfully present in the United States. (4-2-08)
- 05. Certification of Completed Electronic Property Tax Reduction Roll by County Auditor.** No later than the fourth Monday in October, each county auditor will certify the property tax reduction roll to the State Tax Commission. In addition, each county auditor will also send a copy of this certified roll to the State Tax Commission in a password protected electronic data file formatted as directed or approved by the State Tax Commission. Each county auditor will contact the State Tax Commission to receive a password. In addition to the data files listed in Paragraphs 717.01.a. through 717.01.v. of this rule, this password protected electronic roll will contain the following information formatted as directed or approved by the State Tax Commission. (3-30-07)
- a.** Current Year's Levy. List the current year's levy for the tax code area where each claimant's property is located. (3-30-07)
 - b.** Current Year's Taxable Value. List the current year's taxable value for each claimant's qualifying property. (3-30-07)

c. Claimed Property Tax Reduction Amount. List for each claimant the amount of property tax reduction claimed based on the current year's levy and the current year's eligible taxable value. (3-30-07)

718. -- 799. (RESERVED)

800. BUDGET CERTIFICATION RELATING TO OPERATING PROPERTY ANNEXATION VALUE (RULE 800).

Section 63-802, Idaho Code. (4-5-00)

01. "Appropriate County Auditor" Defined. The "appropriate county auditor" is the county auditor of each county within which any taxing district with an annexation is located. (4-5-00)

02. Annexation Values for Operating Properties. Pursuant to Section 63-802, Idaho Code, the State Tax Commission shall certify the current year's taxable values of operating properties within annexations made during the previous calendar year. This certification will be a list summarizing the values of said operating properties for each applicable taxing district or unit. The State Tax Commission shall send this list to the appropriate county auditor on or before the third Monday in July. The State Tax Commission shall calculate these values based on the best available information. (4-5-00)

03. Corrected Annexation Values for Operating Properties. If any annexation values reported pursuant to Subsection 800.02 require correction, the State Tax Commission shall report such corrections on or before the first Monday of September. The State Tax Commission shall send these values to the appropriate county auditor. (4-5-00)

04. County Auditor to Notify Taxing Districts or Units. As soon as possible, but not later than fourteen (14) days after receipt of the list pursuant to Subsection 800.02 or the corrected values pursuant to Subsection 800.03, the appropriate county auditor shall send these values to the affected taxing districts or units. (4-5-00)

801. LIMITATION ON BUDGET REQUESTS -- SPECIAL PLANT FACILITIES FUND LEVY PROVISIONS (RULE 801).

Sections 63-802, 33-804, 33-317A, and 33-909, Idaho Code. (3-29-10)

01. Limits on Plant Facilities Funds. For any school or library district with a plant facilities fund created pursuant to Section 33-804, Idaho Code, the amount of property tax to be budgeted for said fund in any year cannot exceed four tenths of one percent (0.4%) multiplied by the market value for assessment purposes of the taxing district as of December 31 of the year prior to the first year in which a plant facilities fund levy is made. This limitation shall not apply to any state-authorized plant facilities levy, established under Section 33-909, Idaho Code, or to any cooperative service agency school plant facility levy established under Section 33-317A, Idaho Code. (3-29-10)

02. No Additional Plant Facilities Fund Permitted. Any school or library district with an existing plant facilities fund is not allowed to levy for an additional plant facilities fund in any tax year until the period of the existing plant facilities fund has expired. This limitation shall not apply to any state-authorized plant facilities levy, established under Section 33-909, Idaho Code or the cooperative service agency school plant facility levy established under Section 33-317A, Idaho Code. (3-29-10)

03. Plant Facilities Fund Extensions or Increases. Except for increases related to cooperative service agency school plant facility levies, any school or library district may hold an election to increase the amount to be levied pursuant to the requirements of Section 33-804, Idaho Code. For the purpose of such increase, the "total levy for school or library plant facilities and bonded indebtedness" shall be computed as follows. (3-29-10)

a. For the first year in which the increased or extended plant facilities fund levy is to be made, sum of the amount to be levied for the plant facilities fund and for any bond fund in existence prior to the new plant facilities fund. (3-15-02)

b. Divide the sum computed in Subsection 801.03.a. by the district's actual market value for

assessment purposes as of December 31 of the year immediately preceding the year in which the increased or extended plant facilities fund is to be levied. (3-15-02)

c. The value used for this calculation shall include any portion of increment value in any Revenue Allocation Area in the district, provided that property tax revenue resulting from the levy of the plant facilities fund against such increment value is allocated to the school district and not to any urban renewal agency. For example, an existing plant facilities fund levy raises one hundred thousand dollars (\$100,000) per year. The district wishes to increase this by fifty thousand dollars (\$50,000) per year. The “total levy” would be computed excluding the increment value for the one hundred thousand dollars (\$100,000) portion, but including the increment value for the fifty thousand dollars (\$50,000) new portion of the amount to be levied. (3-29-10)

d. Any plant facilities fund levy that is extended, pursuant to Section 33-804, Idaho Code, will be considered passed after December 31, 2007 for the purposes of section 50-2908, Idaho Code, and increment value will be included in the calculation of the “total levy” and the actual levy. (3-29-10)

04. Cooperative Service Agency School (COSA) Plant Facility Fund Increases. Any school district may hold an election to increase the amount to be levied pursuant to the requirements of Section 33-317A. For the purpose of determining whether the increase has been approved by the electors, the “total levy for school plant facilities” shall be computed as follows. (3-29-10)

a. The first year’s dollar amount of the proposed COSA plant facility levy shall be divided by the school district’s actual market value for assessment purposes, including any increment value in any Revenue Allocation Area in the district, as of December 31 of the year immediately preceding the first year in which the COSA plant facility levy is to be made. (3-29-10)

b. The dollar amount most recently certified by the school district for an existing plant facilities fund levy shall be divided by the district’s actual market value for assessment purposes as of December 31 of the year immediately preceding the first year in which the COSA plant facility levy is to be made. The value used for this calculation shall include any portion of increment value in any Revenue Allocation Area in the district, provided that property tax revenue resulting from the levy of the plant facilities fund against such increment value is allocated to the school district and not to any urban renewal agency. (3-29-10)

c. The quotients computed in Paragraphs 801.04.a. and 801.04.b. shall be summed. (3-29-10)

05. Maximum Amount of Increased Plant Facilities Fund. Except as provided in Subsection 801.04, when any district increases its plant facilities fund amount to be levied, the maximum amount shall not in any year exceed four tenths of a percent (0.4%) multiplied by the actual market value for assessment purposes as of December 31 of the year immediately preceding the first year the increased fund is to be levied. This limitation shall not apply to Cooperative Service Agency school plant facility levies, which, in any year, shall not exceed four tenths of a percent (0.4%) multiplied by the actual market value for assessment purposes as of December 31 of the immediate prior year. (3-29-10)

06. Special Reporting Requirements for State-Authorized Plant Facilities Levy. When the state Department of Education certifies a state-authorized plant facilities levy to any county under Section 33-909, Idaho Code, the county clerk shall forward a copy of such certification to the State Tax Commission as an attachment to the L-2 Form described in Rule 803 of these rules and submitted for the affected school district. (3-30-07)

07. Special Reporting for COSA and Increased Plant Facilities Levies. Any COSA plant facilities levy shall be reported on a separate line on the L-2 Form defined in Rule 803 of these rules. In addition, the increased amount of a plant facilities levy originally approved on or before December 31, 2007 shall be reported on a separate line on the L-2 Form. (3-29-10)

802. BUDGET CERTIFICATION RELATING TO NEW CONSTRUCTION AND ANNEXATION (RULE 802).

Sections 63-802, 63-301A, 63-602W, and 63-602NN, Idaho Code. (5-8-09)

01. Definitions. (4-5-00)

a. “Change of Land Use Classification.” “Change of land use classification” shall mean any change in land use resulting in a secondary category change and in a change in taxable land value to be reflected on the current property roll. (4-7-11)

b. “Incremental Value as of December 31, 2006.” “Incremental value as of December 31, 2006” means the total of the increment values on the property roll, subsequent property roll, missed property roll, and operating property roll for the 2006 tax year. (4-7-11)

c. “Nonresidential Structure.” “Nonresidential structure” shall mean any structure listed by the assessor in any secondary category not described as residential, manufactured homes, or improvements to manufactured homes in Rule 511 of these rules. (4-2-08)

02. New Construction Roll Listing. “Listing” shall mean a summary report of the net taxable value of property listed on the new construction roll. This listing shall include the taxable value of qualifying new construction throughout each taxing district or unit, but shall not include otherwise qualifying new construction, the value of which will be included in the increment value of any revenue allocation area (RAA) within any urban renewal district encompassed by the taxing district or unit. In addition, new construction related to change of land use classification, but required by section 50-2903(4) to be added to the base assessment roll, cannot be added to any new construction roll. This report is to summarize the value reported on the new construction roll by taxing district or unit. Taxing districts and units shall be listed in the same order that is used for the certification of value required pursuant to Section 63-510(1), Idaho Code. (3-29-12)

a. Previously allowable new construction that has never been included. When a taxing district proves new construction described by Section 63-301A(3), Idaho Code, occurred during any one of the immediately preceding five (5) years and has never been included on a new construction roll, the county assessor must list that property on the immediate next new construction roll at the value proven by the taxing district. Any such additional new construction must also be separately listed for each taxing district or unit. The taxing district has the burden of proving the new construction was omitted from a new construction roll and the value that would have been listed for that property had it been listed on the appropriate new construction roll. No taxing district shall ever be granted any increase in budget authority greater than the amount that would have resulted had the property been listed on the appropriate new construction roll. Regardless of the year that the new construction should have been listed on the appropriate new construction roll, additional budget authority resulting from new construction previously omitted from a new construction roll and listed on the current year’s new construction roll shall be permitted only if the taxing district is in compliance with the budget hearing notification requirements of Section 63-802A, Idaho Code, for the current year. (3-29-12)

b. Reporting the amount of taxable market value to be deducted. For each taxing district or unit, the new construction roll listing shall separately identify the total amount of taxable market value to be deducted as required in Section 63-301A(1)(f), Idaho Code. In addition to other requirements, the amount of value deducted shall never exceed the amount originally added to a new construction roll. (3-29-12)

c. Determining the amount of taxable market value to be deducted. The amount of taxable market value to be deducted under Section 63-301A(1)(f)(i), Idaho Code, shall be determined by the highest authority to which the assessment is ultimately appealed. Accordingly, adjustments should not be made until there has been a final decision on any appeal. In addition, the deduction for lower values resulting from appeals shall be made only for property that was placed on a new construction roll within the immediately preceding five (5) years. (3-29-12)

03. Special Provisions for Value Increases and Decreases. Special provisions for value increases and decreases related to change of land use classification as defined in Paragraph 802.01.a. of this rule or increases in land value resulting from loss of the exemption provided in Section 63-602W(4), Idaho Code. (4-4-13)

a. Value increases. Certain related land value increases are to be included on the new construction roll. (4-7-11)

i. Except as provided in Subparagraph 802.03.a.iii., increases in land value shall be reported on the new construction roll in the year in which the new category appears on the current property roll. (4-4-13)

ii. Except as provided in Subparagraph 802.03.a.iii., the increase in taxable land value to be reported shall be computed by subtracting the taxable land value, had the land remained in its previous use category, from the taxable land value in the current use category. (4-4-13)

iii. Subject to the limitations found in Paragraph 802.06.a. of this rule, increases in land value resulting from loss of the exemption provided in Section 63-602W(4), Idaho Code, shall be reported on the new construction roll in the year the exemption is lost, provided this occurs no later than June 30 of that year. If the exemption is lost after June 30 of a given year, the resulting increase in land value shall be reported on the new construction roll in the immediate following year. (4-4-13)

b. Value decreases. Certain related land value decreases are to be included on the new construction roll and subtracted from total new construction value for any taxing district. The amount of decrease in any one year shall never exceed the amount of value originally added to the new construction roll for the same property. (4-4-13)

i. Value decreases are to be reported only for land for which taxable market value was reduced as a result of change of land use classification or granting of the exemption for site improvements provided in Section 63-602W(4), Idaho Code, during any one (1) of the immediately preceding five (5) years and for which an increase in value due to addition of site improvements or change of land use classification during the same five-year period had been added to a new construction roll. For the site improvement exemption provided in Section 63-602W(4), Idaho Code, the five-year period shall commence with the year following the year the exemption is first granted. For example, if a parcel first received the exemption in 2012, any site improvement related addition to a new construction roll for 2008 or more recently must be subtracted from the 2013 new construction roll, unless the exemption is lost by June 30, 2013, in which case there is no subtraction and no addition to the new construction roll for the loss of this exemption. (4-4-13)

ii. If the current land category is the same as the category prior to the change that resulted in an addition to the new construction roll, the amount to be subtracted shall equal the amount originally added. For example, a dry grazing land parcel that would have had a value of ten thousand dollars (\$10,000) became commercial land and was assessed at fifty thousand dollars (\$50,000). The forty thousand dollar (\$40,000) difference was reported on the new construction roll in year one (1). In year two (2), the parcel is reclassified as dry grazing land and is to be assessed at fifteen thousand dollars (\$15,000). The forty thousand dollar (\$40,000) difference that was added to the year one (1) new construction roll must be deducted from the value shown on the new construction roll in year two (2). (4-7-11)

iii. If the current land category is different than the category prior to the change that resulted in an addition to the new construction roll, the amount to be subtracted shall be the lesser of the amount originally added or the amount that would have been added had the first change in land use been from the current land category. For example, a dry grazing land parcel that would have had a value of ten thousand dollars (\$10,000) became commercial land and was assessed at fifty thousand dollars (\$50,000). The forty thousand dollar (\$40,000) difference was reported on the new construction roll in year one (1). In year two (2), the parcel is reclassified as irrigated agricultural land and would have had a value in year one (1) of twenty thousand dollars (\$20,000). The amount to be subtracted from the value shown on the new construction roll in year two (2) is thirty thousand dollars (\$30,000). (4-7-11)

iv. Provided the criteria in Subparagraph 802.03.b.i. are met, value decreases resulting from previously included land value becoming exempt are to be reported and subtracted. (4-4-13)

v. Except as provided in Subparagraph 802.03.b.vi., only land value decreases that meet the criteria listed in Subparagraphs 802.03.b.i. or 802.03.b.iv. of this rule and include and result from a change in land secondary category can be considered. (4-4-13)

vi. Provided the criteria in Subparagraph 802.03.b.i. are met, land value decreases resulting from the exemption provided in Section 63-602W(4), Idaho Code, are to be subtracted from the new construction roll in the year immediately following the most recent year in which the exemption has been granted. To comply with the budget adjustments required by Section 63-802, Idaho Code, which limits taxing district budgets based on the highest amount of property tax revenue requested during the previous three (3) years, such subtraction shall be required for up to three (3) years, provided the property continues to receive the exemption. For example, a property for which

five hundred thousand dollars (\$500,000) was added to the 2011 new construction roll for site improvements that were added and taxable at that time receives a five hundred thousand dollar (\$500,000) exemption pursuant to Section 63-602W(4), Idaho Code, in 2012. The property continues to receive the exemption in the same amount in 2013, but the exempt amount increases to five hundred twenty thousand dollars (\$520,000) in 2014. The property loses the exemption before June 30, 2015. However, the 2015 value of the site improvements has been determined to be only four hundred thousand dollars (\$400,000) because of market value changes. Therefore, only four hundred thousand dollars (\$400,000) in value is added as a result of the loss of the exemption. Table A shows the effect on each year's new construction roll, while Table B shows the effect on a hypothetical taxing district's maximum allowable property tax budget. (4-4-13)

vii. Table A - Effect on New Construction Roll:

| Table A - Effect on New Construction Roll | | |
|---|---|---|
| Year | Occurrence | Effect on New Construction Roll (for that year) |
| 2011 | Site improvements added and taxable | + \$500,000 |
| 2012 | Site improvements exempt | NA (no prior year's exemption) |
| 2013 | Site improvements exempt | - \$500,000 |
| 2014 | Site improvements exempt | - \$500,000 |
| 2015 | Loses site improvement exemption before June 30 | + \$400,000 |

(4-4-13)

viii. In Table B, assume that the taxing district has a tax levy rate of zero point zero zero two five (0.0025) in 2010, a total taxable value of one hundred million dollars (\$100,000,000) in 2010 and a property tax budget in 2010 that is two hundred fifty thousand dollars (\$250,000) and was the highest of the preceding three (3) years. The total amount of new construction is the amount due to the site improvements and no other value change occurs in the district during the period shown. There are no property tax replacement monies for this district. Beginning in 2011 the taxing district levies the maximum it is allowed each year. The factor of one point zero three (1.03) shown in Table B is used to calculate the allowable three percent (3%) increase. (4-4-13)

ix. Table B - Effect on Hypothetical Taxing District's Maximum Allowable Property Tax Budget:

| Table B - Effect on Hypothetical Taxing District's Maximum Allowable Property Tax Budget | | | | |
|--|-------------------------------------|---|---------------------------------------|--|
| Year | Occurrence | Effect on New Construction Roll (for that year) | Maximum Allowable Property Tax Budget | Calculations |
| 2011 | Site improvements added and taxable | + \$500,000 | \$258,750 | $(\$250,000 \times 1.03) + (\$500,000 \times 0.0025)$ (tax levy rate = $\$258,750 / \$100,500,000 = 0.002574627$) |
| 2012 | Site improvements exempt | NA (no prior year's exemption; no new construction value) | \$266,512 | $\$258,750 \times 1.03$ (tax levy rate = $\$266,512 / \$100,000,000 = 0.002665120$) |
| 2013 | Site improvements exempt | - \$500,000 | \$273,174 | $(\$266,512 \times 1.03) - (\$500,000 \times 0.002665120)$ (tax levy rate = $\$273,174 / \$100,000,000 = 0.002731744$) |

| Table B - Effect on Hypothetical Taxing District's Maximum Allowable Property Tax Budget | | | | |
|--|---|---|---------------------------------------|--|
| Year | Occurrence | Effect on New Construction Roll (for that year) | Maximum Allowable Property Tax Budget | Calculations |
| 2014 | Site improvements exempt | - \$500,000 | \$280,003 | $(\$273,174 \times 1.03) - (\$500,000 \times 0.002731744)$ (tax levy rate = $\$280,003 / \$100,000,000 = 0.002800033$) |
| 2015 | Loses site improvement exemption before June 30 | + \$400,000 | \$289,523 | $(\$280,003 \times 1.03) + (\$400,000 \times 0.002731744)$ (tax levy rate = $\$289,523 / \$100,400,000 = 0.002883696$) |

(4-4-13)

04. Manufactured Housing. "Installation" of new or used manufactured housing shall mean capturing the net taxable market value of the improvement(s) that did not previously exist within the county. (7-1-97)

05. Partial New Construction Values. Except as provided in Subsection 802.06 of this rule, the net taxable market value attributable directly to new construction shall be reported on the new construction roll in the tax year it is placed on the current assessment roll. Except as provided in Subsection 802.06 of this rule, any increase in a nonresidential parcel's taxable value, due to new construction, shall be computed by subtracting the previous year's or years' partial taxable value(s) from the current taxable value. If any of this difference is attributable to inflation, such value, except as provided in Subsection 802.06 of this rule, shall not be included on the new construction roll.

Example: Assume a partially completed, nonresidential improvement was assessed at ten thousand dollars (\$10,000) as of January 1, 2009. The improvement was occupied February 2, 2009. Assume the ten thousand dollar (\$10,000) value was on the 2009 new construction roll. Assume that in 2010 the improvement is assessed at ninety thousand dollars (\$90,000). Assume there has been no inflation. The value that can be reported on the 2010 new construction roll is calculated as follows:

| | |
|--|------------|
| 2010 Value | \$90,000 |
| 2009 Value Already Reported on New Construction Roll | <\$10,000> |
| 2010 New Construction Roll Value (this improvement) | \$80,000 |

(4-7-11)

06. Change in Status. (4-2-08)

a. A previously exempt improvement which becomes taxable shall not be included on the new construction roll, unless the loss of the exemption occurs during the year in which the improvement was constructed or unless the improvement has lost the exemption provided in Section 63-602W(3) or (4), Section 63-602E(3), or Section 63-602NN, Idaho Code. For any such property, the amount that may be included on the new construction roll shall be the value of the portion of the property subject to the exemption at the time the exemption was first granted. Examples of special cases for the exemption provided in Section 63-602W(4), Idaho Code, follow: (4-4-13)

i. If the exemption is lost by June 30 of the year in which the exempt amount was to be subtracted from the new construction roll, then there shall be no subtraction, nor shall the formerly exempt amount be added, to the new construction roll, unless it had been previously subtracted from a new construction roll. For example, the property first became exempt in 2012, but lost the exemption by June 30, 2013. The 2013 new construction roll was not adjusted downward, so any previous inclusion of the exempt value would not be added in the future. Had the

property lost the exemption later in 2013, there would have been a subtraction from the 2013 new construction roll and a subsequent addition to the 2014 new construction roll. (4-4-13)

ii. If the exemption was granted to property for which no value had been added to any new construction roll, the value of the property (site improvements) at the time the exemption was first granted may be added to the new construction roll following loss of the exemption. (4-4-13)

b. Upon receipt by the State Tax Commission of a resolution recommending adoption of an ordinance for termination of an RAA under Section 50-2903(5), Idaho Code, any positive difference of the most current increment value minus the “incremental value as of December 31, 2006,” shall be added to the appropriate year’s new construction roll. When this information is received after the fourth Monday in July, this positive net increment value shall be added to the following year’s new construction roll. (4-7-11)

c. When a portion of an RAA is de-annexed, the following steps must be used to determine the amount to be added to the current year’s new construction roll and the amount to be subtracted from the “incremental value as of December 31, 2006.” (4-7-11)

i. Step 1. For the parcels in the de-annexed area, determine the December 31, 2006, increment value. (4-7-11)

ii. Step 2. Subtract the increment value determined in Step 1 from the most current increment value for the parcels in the de-annexed area. (4-7-11)

iii. Step 3. Add any positive difference calculated in Step 2 to the current year’s new construction roll value. (4-7-11)

iv. Step 4. Adjust the “incremental value as of December 31, 2006” for the RAA by subtracting the increment value determined in Step 1. (4-7-11)

v. The following table shows the amount to be added to the current year’s new construction roll and the amount to be subtracted from the “incremental value as of December 31, 2006” applicable to the adjusted remaining RAA. The table assumes an area is de-annexed from an original RAA effective December 31, 2009.

| Steps (as designated in Paragraph 802.06.c.) | Area | Value |
|--|---|---------------|
| | December 31, 2006, increment value of the original RAA | \$10,000,000 |
| Step 1 | December 31, 2006, increment value of the de-annexed area | \$1,000,000 |
| | December 31, 2009, increment value of the de-annexed area | \$3,000,000 |
| Steps 2 and 3 | Amount related to the de-annexed area to be added to the 2010 new construction roll | \$2,000,000 |
| Step 4 | Adjustment amount to be deducted from the original RAA's “incremental value as of December 31, 2006” | <\$1,000,000> |
| | Adjusted “incremental value as of December 31, 2006” for the remaining RAA (base for future new construction roll additions upon dissolution of all or part of remaining RAA) | \$9,000,000 |

(4-7-11)

07. Limitation on Annexation and New Construction Roll Value. For any taxing district annexing property in a given year, the new construction roll for the following year shall not include value that has been included in the annexation value. When an annexation includes any part of a revenue allocation area, only taxable value that is part of the current base value of the taxing district is to be included in the annexation value reported for

that taxing district for the year following the year of the annexation. (3-29-10)

08. Notification of New Construction Roll and Annexation Values. On or before the fourth Monday in July, each county auditor must report the net taxable values on the new construction roll and within annexed areas for each appropriate taxing district or unit to that taxing district or unit. (3-20-04)

803. BUDGET CERTIFICATION -- DOLLAR CERTIFICATION FORM (L-2 FORM) (RULE 803).
 Sections 63-602G(5), 63-802, 63-803, 63-3029B(4), and 63-3638(10), Idaho Code. (4-2-08)

01. Definitions. (4-5-00)

a. “Dollar Certification Form” (L-2 Form). The Dollar Certification Form (L-2 Form) is the form used to submit to the State Tax Commission the budget request from each Board of County Commissioners for each taxing district. This form shall be presumed a true and correct representation of the budget previously prepared and approved by a taxing district. The budget will be presumed adopted in accordance with pertinent statutory provisions unless clear and convincing documentary evidence establishes that a budget results in an unauthorized levy and action as provided in Section 63-809, Idaho Code. (4-6-05)

b. “Prior Year’s Market Value for Assessment Purposes.” Prior year’s market value for assessment purposes shall mean the value used to calculate levies during the immediate prior year. This value shall be used for calculating the permanent budget increase permitted for cities, pursuant to Section 63-802(1)(f), Idaho Code. (4-2-08)

c. “Annual Budget.” For the purpose of calculating dollar amount increases permitted pursuant to Section 63-802(1), Idaho Code, the annual budget shall include any amount approved as a result of an election held pursuant to Sections 63-802(1)(f) or 63-802(1)(g), Idaho Code, provided that said amount is certified on the L-2 Form as part of the budget request. If the amount certified does not include the entire amount approved as a result of the election held pursuant to Sections 63-802(1)(f) or 63-802(1)(g), Idaho Code, then the amount not used shall be added to the foregone increase amount determined for the taxing district. See the following example.

| CERTIFIED PROPERTY TAX BUDGET LIBRARY DISTRICT* | | | | |
|--|----------|------------------|------------------|----------|
| | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
| Annual Budget | \$10,000 | \$10,000 | \$10,700 | \$11,621 |
| 3% Increase | \$0 | \$300 | \$321 | \$349 |
| Subtotal | \$10,000 | \$10,300 | \$11,021 | \$11,970 |
| 1999 Election Amount | \$0 | \$400 of \$1,000 | \$600 of \$1,000 | \$0 |
| Certified Budget | \$10,000 | \$10,700 | \$11,621 | \$11,970 |

*The Library District with zero dollars (\$0) in value for new construction and/or annexation approves an additional budget amount of one thousand dollars (\$1,000) in 1999, but only certifies four hundred dollars (\$400) for the year 2000. Note the example does not account for any foregone amount resulting from the district’s decision to not increase its budget by three percent (3%) in 1997, 1998 or 1999. (4-6-05)

d. “Property Tax Funded Budget.” Property tax funded budget means that portion of any taxing district’s budget certified to the Board of County Commissioners, approved by the State Tax Commission, and subject to the limitations of Section 63-802, Idaho Code. (3-20-04)

e. “Recovered/Recaptured Property Substitute Funds Tax List.” Recovered/recaptured property tax substitute funds list means the report sent by the county auditor to the appropriate taxing district(s)/unit(s) by the first Monday in August and to the State Tax Commission with the L-2 Forms, listing the amount of revenue distributed to each appropriate taxing district/unit as recovery of property tax or other payments during the twelve (12) month period ending June 30 each year under the following sections: (5-8-09)

- i. Section 63-602G(5), Idaho Code; and (5-8-09)
- ii. Section 63-3029B(4), Idaho Code; and (5-8-09)
- iii. Section 31-808(11), Idaho Code. (5-8-09)
- f.** “Taxing District/Unit.” Taxing district/unit means any governmental entity with authority to levy property taxes as defined in Section 63-201, Idaho Code, and those noncountywide governmental entities without authority to levy property taxes but on whose behalf such taxes are levied or allocated by an authorized entity such as the county or city for such entities as county road and bridge funds or urban renewal agencies, respectively. (4-6-05)
- g.** “New Taxing District.” For property tax budget and levy purposes, new taxing district means any taxing district for which no property tax revenue has previously been levied. See the Idaho Supreme Court case of Idaho County Property Owners Association, Inc. v. Syringa General Hospital District, 119 Idaho 309, 805 P.2d 1233 (1991). (4-2-08)
- 02. Budget Certification.** The required budget certification shall be made to each Board of County Commissioners representing each county in which the district is located by submitting the completed L-2 Form prescribed by the State Tax Commission. (4-6-05)
- 03. Budget Certification Requested Documents.** Using the completed L-2 Form, each board of county commissioners shall submit to the State Tax Commission a budget request for each taxing district in the county that certifies a budget request to finance the property tax funded portion of its annual budget. The board of county commissioners shall only submit documentation specifically requested by the State Tax Commission. (4-2-08)
- 04. L-2 Form Contents.** Each taxing district or unit completing an L-2 Form shall include the following information on or with this form. (3-20-04)
 - a.** “Department or Fund.” Identify the department or fund for which the taxing district is requesting a budget for the current tax year. (4-5-00)
 - b.** “Total Approved Budget.” List the dollar amount of the total budget for each department or fund identified. The amounts must include all money that a taxing district has a potential to spend at the time the budget is set, regardless of whether funds are to be raised from property tax. (4-5-00)
 - c.** “Cash Forward Balance.” List any money brought forward from a prior year to help fund the approved budget. Cash forward balance (Column 3) is the difference between the total approved budget (Column 2) and the sum of amounts reported as other revenue not shown in Column 5 (Column 4), agricultural equipment property tax replacement (Column 5), and balance to be levied (Column 6). (3-15-02)
 - d.** “Other Revenue not Shown in Column 5.” List the revenue included in the total approved budget to be derived from sources other than property tax or money brought forward from a prior year. For example, sales tax revenue is included. (3-15-02)
 - e.** “Property Tax Replacement.” Report the following: (5-8-09)
 - i. The amount of money received annually under Section 63-3638(10), Idaho Code, as replacement revenue for the agricultural equipment exemption under Section 63-602EE, Idaho Code; (4-2-08)
 - ii. The amount of money received as recovery of property tax exemption under Section 63-602G(5), Idaho Code, and listed on the “Recovered/recaptured property tax substitute funds list”; (5-8-09)
 - iii. The amount of money received as recapture of the property tax benefit under Section 63-3029B(4), Idaho Code, and listed on the “Recovered/recaptured property tax substitute funds list”; and (5-8-09)
 - iv. The amount of money transferred from the interest-bearing trust to the county indigent fund under

Section 31-808(11), Idaho Code. (5-8-09)

v. The appropriate amount of money listed on the statement and distributed to the county and each appropriate city under Section 63-2603, Idaho Code, as county property tax relief and detention facility debt retirement. (4-6-05)

f. "Balance to be Levied." Report the amount of money included in the total approved budget to be derived from property tax. (3-15-02)

g. Other Information. Provide the following additional information. (4-5-00)

i. The name of the taxing district or unit; (3-20-04)

ii. The date of voter approval (if required by statute) and effective period for any new or increased fund which is exempt from the budget limitations in Section 63-802, Idaho Code; (4-5-00)

iii. The signature, date signed, printed name, address, and phone number of an authorized representative of the taxing district; and (5-3-03)

iv. For a hospital district which has held a public hearing, a signature certifying such action. (4-5-00)

h. Attached Information. Other information submitted to the county auditor with the L-2 Form. (4-6-05)

i. For all taxing districts, L-2 worksheet. (3-20-04)

ii. For newly formed recreation or auditorium districts, a copy of the petition forming the district showing any levy restrictions imposed by that petition. (3-20-04)

iii. For any new ballot measures (bonds, overrides, permanent overrides, supplemental maintenance and operations funds, and plant facility funds), notice of election and election results. (3-20-04)

iv. Voter approved fund tracker. (3-20-04)

v. For fire districts, a copy of any new agreements with utility companies providing for payment of property taxes by that utility company to that fire district. (3-20-04)

vi. For any city with city funded library operations and services at the time of consolidation with any library district, each such city must submit a certification to the Board of County Commissioners and the Board of the Library District reporting the dedicated portion of that city's property tax funded library fund budget and separately reporting any portion of its property tax funded general fund budget used to fund library operations or services at the time of the election for consolidation with the library district. (3-20-04)

vii. For any library district consolidating with any city that had any portion of its property tax funded budget(s) dedicated to library operations or services at the time of the election for consolidation, each such library district must submit to the Board of County Commissioners a copy of the certification from that city reporting the information provided for in Subparagraph 803.04.h.vi. of this rule. (4-6-05)

05. Special Provisions for Fire Districts Levying Against Operating Property. To prevent double counting of public utility property values, for any year following the first year in which any fire district increases its budget using the provision of Section 63-802(2), Idaho Code, such fire district shall not be permitted further increases under this provision unless the following conditions are met: (3-30-01)

a. The fire district and public utility have entered into a new agreement of consent to provide fire protection to the public utility; and (3-30-01)

b. Said new agreement succeeds the original agreement; and (3-30-01)

c. In the first year in which levies are certified following the new agreement, the difference between the current year's taxable value of the consenting public utility and public utility value used in previous budget calculations made pursuant to this section is used in place of the current year's taxable value of the consenting public utility. (3-30-01)

06. Special Provisions for Property Tax Replacement other than Replacement Money Received for Property Subject to the Exemption Provided in Section 63-602KK, Idaho Code. With the exception of property tax replacement monies received for property subject to the exemption provided in Section 63-602KK, Idaho Code, property tax replacement monies must be reported on the L-2 Form and separately identified on accompanying worksheets. For all taxing districts, these monies must be subtracted from the "balance to be levied". The reduced balance shall be used to compute levies, but the maximum amount permitted pursuant to Section 63-802, Idaho Code, shall be based on the sum of these property tax replacement monies, excluding monies received pursuant to Section 31-808(11), Idaho Code, and the amount actually levied. (5-8-09)

a. The State Tax Commission shall, by the fourth Monday of July, notify each county clerk if the amount of property tax replacement money, pursuant to Section 63-3638(10), Idaho Code, to be paid to a taxing district changes from the amount paid in the preceding year. By the first Monday of May, the State Tax Commission shall further notify each school district and each county clerk of any changes in the amount of property tax replacement money to be received by that school district pursuant to Section 63-3638(10), Idaho Code. (5-8-09)

b. By no later than the first Monday of August of each year, each county clerk shall notify each appropriate taxing district or unit of the total amount of property tax replacement monies that will be received. (4-2-08)

c. Except as provided in Paragraph 803.06.d. of this rule, the subtraction required in Subsection 803.06 of this rule may be from any fund(s) subject to the limitations of Section 63-802, Idaho Code. For school districts this subtraction must be first from funds subject to the limitations of Section 63-802, Idaho Code, then from other property tax funded budgets. (5-8-09)

d. For counties receiving monies described in Section 31-808(11), Idaho Code, the amount of money transferred from the interest-bearing trust to the county indigent fund shall be subtracted from the maximum amount of property tax revenue permitted pursuant to Section 63-802, Idaho Code. (5-8-09)

e. Levy limits shall be tested against the amount actually levied. (3-15-02)

07. Special Provisions for Property Tax Replacement Received for Property Subject to the Exemption Provided in Section 63-602KK, Idaho Code. The following procedure is to be used to calculate levy rates and maximum amounts of property tax revenue for taxing districts or units that receive property tax replacement money for property subject to the exemption in Section 63-602KK, Idaho Code. (5-8-09)

a. Such property tax replacement money is not to be subtracted from the "balance to be levied" amount certified on the L-2 Form. (5-8-09)

b. The otherwise taxable value of the property subject to the exemption provided in Section 63-602KK, Idaho Code, is to be included in the value of the taxing district or unit used to calculate the levy rate. (5-8-09)

c. The maximum amount permitted pursuant to Section 63-802, Idaho Code, shall be based on the amount actually levied plus other property tax replacement money as defined in Paragraph 803.04.e. of this rule, excluding any amount transferred as provided in Section 31-808(11), Idaho Code. (5-8-09)

08. Special Provisions for Library Districts Consolidating with Any City's Existing Library Operations or Services. For any library district consolidating with any city's existing library operations or services, the amount of the dedicated property tax funded general fund and library fund budgets certified by the city under Subparagraph 803.04.h.vi., of this rule shall be added to that library district's property tax funded budget in effect at the time of the election for consolidation. This total shall be used as this district's property tax funded budget for the

most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

09. Special Provisions for Cities with Existing Library Operations or Services Consolidating with Any Library District. For any city with existing library operations or services at the time of consolidation with any library district, the amount of the dedicated property tax funded library fund budget included in the certification by the city under Subparagraph 803.04.h.vi., of this rule shall be subtracted from that city's total property tax funded budget in effect at the time of the election for the consolidation. This difference shall be used as this city's property tax funded budget for the most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

10. Special Provisions for Calculating Total Levy Rate for Taxing Districts or Units with Multiple Funds. Whenever the "Calculated Levy Rate" column of the L-2 Form indicates that a levy rate has been calculated for more than one (1) fund for any taxing district or unit, the "Column Total" entry must be the sum of the levy rates calculated for each fund. Prior to this summation, the levy rates to be summed must be rounded or truncated at the ninth decimal place. No additional rounding is permitted for the column total. (4-6-05)

11. Special Provisions for School Districts' Tort Funds - Hypothetical New Construction Levy. To calculate the new construction portion of the allowed annual increase in a school district's tort fund under Section 63-802(1), Idaho Code, calculate a Hypothetical New Construction Levy. To calculate this levy, sum the school district's tort fund for the prior year and the agricultural equipment replacement revenue subtracted from that tort fund, then divide this sum by the school district's taxable value used to determine the tort fund's levy for the prior year. For the current year, the allowed tort fund increase for new construction is this Hypothetical New Construction Levy times the current year's new construction roll value for the school district. (4-2-08)

12. Special Provisions for Interim Abatement Districts. When an interim abatement district transitions into a formally defined abatement district under Section 39-2812, Idaho Code, the formally defined abatement district shall not be considered a new taxing district as defined in Paragraph 803.01.g. of this rule for the purposes of Section 63-802, Idaho Code. For the formally defined abatement district, the annual budget subject to the limitations of Section 63-802, Idaho Code, shall be the amount of property tax revenue approved for the interim abatement district. (4-2-08)

13. Special Provisions for Levies for Payment of Judgments by Order of Court. The levy permitted pursuant to Section 63-1305A, Idaho Code, requires that the taxing district first budgets the maximum amount of property tax permitted pursuant to Section 63-802, Idaho Code, including any foregone amount. This requirement shall be deemed to have been met if, despite additional budget allowed pursuant to Section 63-802, Idaho Code, every fund used by the taxing district levies at the maximum levy rate provided by law, or, if no maximum levy rate is provided, the fund levies the maximum permitted budget amount. To the extent necessary to enable all previously accrued foregone amounts to be levied, the taxing district may need to use additional funds within which it is permitted to levy property taxes before levying as permitted pursuant to Section 63-1305A, Idaho Code. (4-4-13)

14. Cross Reference for School Districts with Tuition Funds. For any school district certifying a tuition fund levy in 2006 or any year thereafter, see Section 33-1408, Idaho Code, as amended by the First Extraordinary Session of the Fifty-eighth Legislature, for clarification that the amount of property tax revenue for a tuition fund is not subject to the limitations of Section 63-802, Idaho Code. (4-2-08)

804. TAX LEVY - CERTIFICATION - URBAN RENEWAL DISTRICTS (RULE 804).
Section 50-2908, 63-803, and 63-811, Idaho Code. (5-8-09)

01. Definitions. (4-5-00)

a. "Urban renewal district." An urban renewal district, as referred to in Section 63-215, Idaho Code, shall mean an urban renewal area formed pursuant to an urban renewal plan adopted in accordance with Section 50-2008, Idaho Code. Urban renewal districts are not taxing districts. (4-5-00)

b. "Revenue allocation area (RAA)." A revenue allocation area (RAA) as referred to in Section 50-2908, Idaho Code, shall be the area defined in Section 50-2903, Idaho Code, in which base and increment values are

to be determined. Revenue allocation areas (RAAs) are not taxing districts. (4-5-00)

c. “Current base value.” The current base value of each parcel in a taxing district or unit shall be the value of that parcel on the current base assessment roll as defined under Section 50-2903, Idaho Code. Current base value does not include value found on the occupancy roll. (4-5-00)

d. “Initial base value.” The initial base value for each parcel is the sum of the taxable value of each category of property in the parcel for the year the RAA is established. (4-5-00)

e. “Increment value.” The increment value is the difference between the current equalized value of each parcel of taxable property in the RAA and that parcel’s current base value, provided such difference is a positive value. (4-5-00)

02. Establishing and Adjusting Base and Increment Values. (4-5-00)

a. Establishing initial base value. If a parcel’s legal description has changed prior to computing initial base year value, the value that best reflects the prior year’s taxable value of the parcel’s current legal description must be determined and will constitute the initial base year value for such parcel. The initial base value includes the taxable value, as of the effective date of the ordinance adopting the urban renewal plan, of all otherwise taxable property, as defined in Section 50-2903, Idaho Code. Initial base value does not include value found on the occupancy roll. (4-5-00)

b. Adjustments to base value - general value changes. Adjustments to base values will be calculated on a parcel by parcel basis, each parcel being a unit and the total value of the unit being used in the calculation of any adjustment. Base values are to be adjusted downward when the current taxable value of any parcel in the RAA is less than the most recent base value for such parcel. In the case of parcels containing some categories of property which increase in value and some which decrease, the base value for the parcel will only decrease provided the sum of the changes in category values results in a decrease in total parcel value. Any adjustments shall be made by category and may result in increases or decreases to base values for given categories of property for any parcel. Adjustments to base values for any real, personal, or operating property shall establish new base values from which future adjustments may be made. In the following examples the parcel’s initial base value is one hundred thousand dollars (\$100,000), including Category 21 value of twenty thousand dollars (\$20,000) and Category 42 value of eighty thousand dollars (\$80,000). (4-5-00)

i. Case 1: Offsetting decreases and increases in value. One (1) year later the parcel has a one thousand dollar (\$1,000) decrease in value in Category 21 and a one thousand dollar (\$1,000) increase in Category 42 value. There is no change in the base value for the parcel. (4-5-00)

ii. Case 2: Partially offsetting decreases and increases in value. One (1) year later the parcel has a three thousand dollars (\$3,000) decrease in value in Category 21 and a one thousand dollars (\$1,000) increase in Category 42 value. The base value decreases two thousand dollars (\$2,000) to ninety-eight thousand dollars (\$98,000). (4-5-00)

iii. Case 3: Future increase in value following decreases. One (1) year after the parcel in Case 2 has a base value reduced to ninety-eight thousand dollars (\$98,000), the value of the parcel increases by five thousand dollars (\$5,000) which is the net of category changes. The base value remains at ninety-eight thousand dollars (\$98,000). (4-5-00)

c. Adjustments to base value - splits and combinations. Before other adjustments can be made, the most recent base value must be adjusted to reflect changes in each parcel’s legal description. This adjustment shall be calculated as described in the following subsections. (4-5-00)

i. When a parcel has been split, the most recent base year value is transferred to the new parcels, making sure that the new total equals the most recent base year value. (4-5-00)

ii. When a parcel has been combined with another parcel, the most recent base year values are added together. (4-5-00)

iii. When a parcel has been split and combined with another parcel in the same year, the value of the split shall be calculated as set forth in Subsection 804.02.c.i. and then the value of the combination will be calculated as set forth in Subsection 804.02.c.ii. (4-5-00)

d. Adjustments to base values when exempt parcels become taxable. Base values shall be adjusted as described in the following subsections. (4-5-00)

i. Fully exempt parcels at time of RAA establishment. When a parcel that was exempt at the time the RAA was established becomes taxable, the base value is to be adjusted upwards to reflect the estimated value of the formerly exempt parcel at the time the RAA was established. (4-5-00)

ii. Partially exempt parcels losing the speculative value exemption. When a partially exempt parcel with a speculative value exemption that applies to farmland within the RAA becomes fully taxable, the base value of the RAA shall be adjusted upwards by the difference between the taxable value of the parcel for the year in which the exemption is lost and the taxable value of the parcel included in the base value of the RAA. For example, assume a parcel of farmland within an RAA had a taxable value of five hundred dollars (\$500) in the year the RAA base value was established. Assume also that this parcel had a speculative value exemption of two thousand dollars (\$2,000) at that time. Two (2) years later the parcel is reclassified as industrial land, loses the speculative value exemption, and has a current taxable value of fifty thousand dollars (\$50,000). The base value within the RAA would be adjusted upwards by forty-nine thousand five hundred dollars (\$49,500), the difference between fifty thousand dollars (\$50,000) and five hundred (\$500). The preceding example applies only in cases of loss of the speculative value exemption that applies to land actively devoted to agriculture and does not apply to timberland. Site improvements, such as roads and utilities, that become taxable after the loss of the speculative value exemption are not to be added to the base value. For example, if, in addition to the fifty thousand dollars (\$50,000) current taxable value of the undeveloped land, site improvements valued at twenty-five thousand dollars (\$25,000) are added, the amount reflected in the base value remains fifty thousand dollars (\$50,000), and the additional twenty-five thousand dollars (\$25,000) is added to the increment value. In addition, this example applies only to land that loses the speculative value exemption as a result of changes occurring in 2010 or later and first affecting taxable values in 2011 or later. Parcels that lost speculative value exemptions prior to 2010 had base value adjustments as described in Subsection 804.02.d.iii. of this rule. (3-29-12)

iii. Partially exempt parcels other than those losing the speculative value exemption. When a partially exempt parcel, other than one subject to the speculative value exemption that applies to farmland, within the RAA becomes fully taxable, the base value of the RAA shall be adjusted upwards by the difference between the value that would have been assessed had the parcel been fully taxable in the year the RAA was established and the taxable value of the parcel included in the base value of the RAA. For example, assume a residential parcel within an RAA had a market value of one hundred thousand dollars (\$100,000), a homeowner's exemption of fifty thousand dollars (\$50,000), and a taxable value of fifty thousand dollars (\$50,000) in the year the RAA base value was established. After five (5) years, this parcel is no longer used for owner-occupied residential purposes and loses its partial exemption. At that time the parcel has a taxable value of one hundred eighty thousand dollars (\$180,000). The base value within the RAA would be adjusted upwards by fifty thousand dollars (\$50,000) to one hundred thousand (\$100,000) to reflect the loss of the homeowner's exemption, but not any other value increases. (3-29-12)

iv. Partially exempt properties for which the amount of the partial exemption changes. For partially exempt properties that do not lose an exemption, but for which the amount of the exemption changes, there shall be no adjustment to the base value, unless the current taxable value is less than the most recent base value for the property. For example, assume a home has a market value of two hundred thousand dollars (\$200,000) and a homeowner's exemption of one hundred thousand dollars (\$100,000), leaving a taxable value of one hundred thousand dollars (\$100,000), all of which is base value. The following year the homeowner's exemption limit changes to ninety thousand dollars (\$90,000), so the property's taxable value increases to one hundred ten thousand dollars (\$110,000). The base value remains at one hundred thousand dollars (\$100,000). Alternatively, assume the property in the preceding example increases in market value to two hundred twenty thousand dollars (\$220,000) and the homeowner's exemption drops to ninety thousand dollars (\$90,000) because of the change in the maximum amount of this exemption. The base value remains at one hundred thousand dollars (\$100,000). Finally, assume the property decreases in value to one hundred eighty-eight thousand dollars (\$188,000) at the same time the homeowner's exemption limit changes to ninety thousand dollars (\$90,000). The property now has a taxable value of ninety-eight

thousand dollars (\$98,000), requiring an adjustment in the base value to match this amount, since it is lower than the original base value of one hundred thousand dollars (\$100,000). (3-29-12)

v. Change of exempt status. When a parcel that is taxable and included in the base value at the time the RAA is established subsequently becomes exempt, the base value is reduced by the original value of the parcel included in the base value. If this parcel subsequently becomes taxable, the base value is to be adjusted upward by the same amount that was originally subtracted. For example, assume a land parcel had a base value of twenty thousand dollars (\$20,000). Three (3) years later, an improvement valued at one hundred thousand dollars (\$100,000) was added. The land at this later date had a value of thirty thousand dollars (\$30,000). Both land and improvements were purchased by an exempt entity. The base would be reduced by twenty thousand dollars (\$20,000). Five (5) years later, the land and improvement becomes taxable. The base value is to be adjusted upwards by twenty thousand dollars (\$20,000). (4-5-00)

e. Adjustments to base values when property is removed. Base values are to be adjusted downward for real, personal, and operating property removed from the RAA. Property shall be considered removed only under the conditions described in the following subsections. (4-5-00)

i. For real property, all of the improvement is physically removed from the RAA, provided that there is no replacement of said improvement during the year the original improvement was removed. If said improvement is replaced during the year of removal, the reduction in base value will be calculated by subtracting the value of the new improvement from the current base value of the original improvement, provided that such reduction is not less than zero (0). (4-5-00)

ii. For personal property, all of the personal property associated with one (1) parcel is physically removed from the RAA. (4-5-00)

iii. For operating property, any of the property under a given ownership is removed from the RAA. (4-5-00)

f. Adjustments to increment values. Decreases in total parcel value below the initial base value decrease the base value for the parcel. This leads to greater increment value if the parcel increases in value in future years. For example, if a parcel with a initial base value of one hundred thousand dollars (\$100,000) decreases in value to ninety-five thousand dollars (\$95,000), but later increases to ninety-eight thousand dollars (\$98,000), an increment value of three thousand dollars (\$3,000) is generated. If the same parcel increases in value to one hundred two thousand dollars (\$102,000) after the decrease to ninety-five thousand dollars (\$95,000), the increment value would be seven thousand dollars (\$7,000). (4-5-00)

g. Apportioning operating property values. For operating property, the original base value shall be apportioned to the RAA on the same basis as is used to apportion operating property to taxing districts and units. The operating property base value shall be adjusted as required under Section 50-2903, Idaho Code. (4-5-00)

03. Levy Computation for Taxing Districts Encompassing RAAs Within Urban Renewal Districts. Beginning in 2008, levies shall be computed in one (1) of two (2) ways as follows: (5-8-09)

a. For taxing district or taxing unit funds other than those meeting the criteria listed in Subsection 804.05 of this rule, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the value of each parcel on the current base assessment roll (base value), but excluding the increment value. For example, if the taxable value of property within a taxing district or unit is one hundred million dollars (\$100,000,000) but fifteen million dollars (\$15,000,000) of that value is increment value, the levy of the taxing district must be computed by dividing the property tax portion of the district's or unit's budget by eighty-five million dollars (\$85,000,000). (5-8-09)

b. For taxing district or taxing unit funds meeting the criteria listed in Subsection 804.05 of this rule, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the increment value. Given the values in the example in Paragraph 804.03.a. of this rule, the levy

would be computed by dividing the property tax portion of the fund by one hundred million dollars (\$100,000,000). (5-8-09)

04. Modification of an Urban Renewal Plan. When an authorized municipality passes an ordinance modifying an urban renewal plan containing a revenue allocation financing provision, the current value of property in the RAA shall be determined as if the modification had not occurred. All modifications to urban renewal areas and RAAs must comply with the provisions of Rule 225 of these rules. (4-5-00)

a. Modification by consolidation of RAAs. If such modification involves combination or consolidation of two (2) or more RAAs, the base value shall be determined by adding together independently determined current base values for each of the areas to be combined or consolidated. The current taxable value of property in an area not previously included in any RAA shall be added to determine the total current base value for the consolidated RAA. (4-5-00)

b. Modification by annexation. (5-8-09)

i. If an RAA is modified by annexation, the current taxable value of property in the area annexed shall be added to the most current base value determined for the RAA prior to the annexation. (5-8-09)

ii. For levies described in Paragraphs 804.05.b., c., or d. of this rule approved prior to December 31, 2007, and included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or the area subject to the levy by the taxing district or unit fund after December 31, 2007, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the increment value. The example below shows the value to be used for setting levies for various funds within an urban renewal district "A" that annexes area "B" within a school district. Area (B) was annexed after December 31, 2007. Therefore, the Area (B) increment was added back to the base for all funds shown except the tort fund. The Area (A) increment value was added back to the base for the bond and override funds which were certified or passed after December 31, 2007.

| | | |
|------------------|-----------------------------|---------------|
| 2009 Value Table | School District (base only) | \$500 Million |
| | RAA (A) increment | \$40 Million |
| | RAA annex (B) increment | \$10 Million |

| | | |
|---|---|---|
| School District Area \$500 M base <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> 2008 RAA Annexation (B) \$10 M Increment </div> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 60%;"> Pre 2008 RAA (A) Boundaries \$40 M Increment </div> | 2009 School Levies | |
| | Fund | Value for Setting Levies \$ Millions |
| | Tort | 500 |
| | 2001 Plant | 510 |
| | 2008 Bond (Passed and first levied in 2008) | 550 |
| | 2009 Override | 550 |

(5-8-09)

05. Criteria for Determining Whether Levies for Funds Are to Be Computed Using Base Value or Market Value for Assessment Purposes. Beginning in 2008, levies to be certified for taxing district or unit funds

meeting the following criteria or used for any of the following purposes will be computed as described in Paragraph 804.03.b. of this rule. (5-8-09)

a. Refunds or credits pursuant to Section 63-1305, Idaho Code, and any school district judgment pursuant to Section 33-802(1), Idaho Code, provided the refunds, credits, or judgments were pursuant to actions taken no earlier than January 1, 2008; (5-8-09)

b. Voter approved overrides of the limits provided in Section 63-802, Idaho Code, provided such overrides are for a period not to exceed two (2) years and were passed after December 31, 2007, or earlier as provided in the criteria found in Paragraph 804.05.e.; (5-8-09)

c. Voter approved bonds and plant facilities reserve funds passed after December 31, 2007, or earlier as provided in the criteria found in Paragraph 804.05.e.; (5-8-09)

d. Voter approved school or charter school district temporary supplemental maintenance and operation levies passed after December 31, 2007; or (3-29-10)

e. Levies described in Paragraphs 804.05.b., c., or d. approved prior to December 31, 2007, and included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or the area subject to the levy by the taxing district or unit fund after December 31, 2007; (3-29-10)

f. Levies authorized by Section 33-317A, Idaho Code, known as the cooperative service agency school plant facility levy. (3-29-10)

06. Cross Reference. The county auditor shall certify the full market value by taxing district as specified in Rule 995 of these rules. (4-2-08)

805. PENALTY FOR FAILURE TO PROVIDE NOTICE OF BUDGET HEARING (RULE 805). Section 63-802A, Idaho Code. (3-15-02)

01. Penalties for Noncompliance. Effective January 1, 2003, penalties shall be applied to any taxing district that fails to provide each appropriate county clerk with written notification of the budget hearing information required pursuant to Section 63-802A, Idaho Code. There shall be no increase in the portion of the budget subject to the limitations of Section 63-802, Idaho Code. This restriction shall apply to otherwise available budget increases from the three percent (3%) growth factor, new construction or change of land use classification, and annexation. There shall also be no increase resulting from adding previously accrued foregone increase amounts to the budget and the total accrued foregone amount shall not change for a noncomplying district. The penalties provided by this section apply only to failure to comply with the April 30 notification deadline. (4-2-08)

02. Exceptions. Voter approved budget increases permitted pursuant to Section 63-802(4), Idaho Code, shall be allowed. (3-15-02)

03. County Clerks to Submit Lists. By the fourth Monday of May, each county clerk shall submit to the State Tax Commission a list of noncomplying taxing districts along with other documents required pursuant to Rule 803 of these rules and Section 63-808, Idaho Code. (4-11-06)

806. ELECTION TO CREATE A NEW TAXING DISTRICT -- CLERK'S MAILED NOTICE (RULE 806).

Section 63-802C, Idaho Code. The sponsors of a new taxing district, including interim abatement districts, shall submit an estimate of the first year's property tax budget to the county clerk sixty (60) days prior to the election. When the estimate of the first year's budget is received, the county clerk shall estimate the levy rate based on the most recent actual or estimated taxable value information available. If the sponsors fail to provide the budget information, the county clerk shall, for taxing districts with funds subject to maximum levy rates, estimate the amount of property taxes to be raised in the proposed district by multiplying the maximum levy rate permitted by law times the most current available estimate of taxable value. Pertaining to the estimate of the first year's levy only, the estimated levy rate, computed based on the information supplied by the sponsors, or the maximum levy rate permitted by law if the information has not been supplied, shall be used to compute the estimated taxes per one hundred

thousand dollars (\$100,000) of net taxable value. The maximum levy rate means the sum of every maximum statutory levy rate for any fund subject to such rates for the taxing district type. (5-8-09)

807. LEVY BY NEW TAXING UNITS - DUTIES OF AUDITOR (RULE 807).
Section 63-807, Idaho Code. (5-3-03)

01. Levy by Newly Formed or Organized Taxing Districts. Regardless of whether other formation or organization requirements have been met, newly formed or organized taxing districts that fail to meet the requirements of Rule 225 of these rules, shall not be authorized to levy property taxes. (5-3-03)

02. Levy by Taxing Districts Altering Boundaries. Regardless of whether other boundary alteration requirements have been met, taxing districts that alter their boundaries and fail to meet the requirements of Rule 225 of these rules, shall not be authorized to levy property taxes within any area added to the district. If area is withdrawn from any district that fails to meet the requirements of Rule 225 of these rules, any levy by the district will be applied to taxable property within the withdrawn area. (5-3-03)

03. Levy Considered Not Authorized. If a taxing district fails to meet the requirements of Subsection 807.01 or 807.02 of this rule, the district's levy or its levy within an altered area shall be considered not authorized, pursuant to Section 63-809, Idaho Code. (5-3-03)

808. ADDITIONAL DOCUMENTATION BY TAXING DISTRICTS NOT LEVYING AGAINST ALL TAXABLE PROPERTY (RULE 808).
Sections 25-2401, 31-1425, 42-3115, 42-3708, 42-4116, 50-3113, 63-510 and 63-803, Idaho Code. (3-29-12)

01. Tax Levy Rate Calculations and Documentation of Categories to be Taxed. For any taxing district which does not levy property taxes against all taxable property within the district, the tax levy is to be calculated by dividing the taxing district's property tax budget by the taxable value of property against which the levy is to be applied. If the taxing district elects the property categories to be taxed, documentation of such election must be either: (3-29-12)

a. If initiated by the taxing district and not currently available to each county clerk, submitted by the taxing district to each county clerk, who shall then submit the documentation to the State Tax Commission by the first Monday in August in the first year in which the election takes place or in 2012, and in any year in which the categories elected to be taxed change; or (3-29-12)

b. If elected by an action of the Board of County Commissioners, submitted by the county clerk to the State Tax Commission by the first Monday in August in the first year in which the election takes place or in 2012, and in any year in which the categories elected to be taxed change. (3-29-12)

02. Fire Districts. Fire districts may levy against property of public utilities provided there is an agreement between the fire district and the public utility to do so. In addition, fire districts may exempt all or a portion of unimproved real property and taxable personal property. (3-29-12)

a. Public Utility Agreements. Written agreements with public utilities permitting property taxes to be levied for fire protection of all or a portion of the property of the public utility, pursuant to Section 31-1425(1), Idaho Code, must be submitted as documentation required in Subsection 808.01 of this rule. Such agreements need only be submitted once, provided there is no change and such agreements are on file with the county clerk and State Tax Commission in 2012. (3-29-12)

b. Exemption of all or a portion of unimproved real property and taxable personal property. Exemption of all or a portion of unimproved real property and taxable personal property must be documented in the fire district's formation ballot or other documents creating the fire district or by an ordinance enacted pursuant to Section 31-1425(2), Idaho Code, by the Board of County Commissioners, of each county in which the fire district is located. If the county does not have the necessary documentation, it must be submitted by the fire district by the third Monday in July, 2012 or, for fire districts created during or after 2012, by the third Monday in July of the first year in which the fire district intends to levy property taxes. If such documentation is not available, the fire district shall be presumed to be levying against all otherwise taxable real and personal property. (3-29-12)

03. Flood Control, Levee, Watershed Improvement, Community Infrastructure Districts, and Herd Districts. Property tax may only be levied against real property. No special documentation is required.

(3-29-12)

04. Ambulance Districts. Exemption of all or a portion of unimproved real property and taxable personal property must be documented by an ordinance enacted pursuant to Section 31-3908A, Idaho Code, by the county commissioners of the county in which the ambulance district is located. If such documentation is not available, the ambulance district shall be presumed to be levying against all otherwise taxable real and personal property.

(3-29-12)

05. Abstracts Showing Value of Property Against Which Levy is to be Applied. For taxing districts not levying property tax against all otherwise taxable property, abstracts must be submitted as required in Rule 115 of these rules.

(3-29-12)

809. CORRECTION OF ERRONEOUS LEVY (RULE 809).

Sections 63-809 and 63-810, Idaho Code.

(4-2-08)

01. Errors Discovered by the Fourth Monday in October. When the State Tax Commission receives by the fourth Monday in October from a board of county commissioners notice of corrections for unintentional clerical, mathematical, or electronic errors under Section 63-810, Idaho Code, the State Tax Commission shall make the corrections to any approved levies by the fourth Monday in October.

(4-2-08)

02. Errors Discovered After the Fourth Monday in October. When the State Tax Commission receives after the fourth Monday in October and prior to the following January 30 notices of corrections for any unintentional errors, as referenced in Subsection 809.01 of this rule, the State Tax Commission shall make the corrections and approve the appropriate corrected levies within one (1) week.

(4-2-08)

03. Cross Reference. For information on reporting of corrections for unintentional clerical, mathematical, or electronic errors, see Sections 63-809 and 63-810, Idaho Code, and Rule 509 of these rules.

(4-2-08)

810. (RESERVED)

811. COMPUTATION OF PROPERTY TAXES (RULE 811).

Section 63-811, Idaho Code.

(4-2-08)

01. Duty of the County Auditor. Upon distribution of the approved final levy rates for the current year from the State Tax Commission by the fourth Monday in October, the county auditor shall deliver the final levy rates and the total tax charge for each taxing district or unit that is levying for the current year within the county to the county treasurer by the first Monday in November for the property roll and operating property roll, by the first Monday in December for the subsequent property roll, and by the first Monday in March of the following year for the missed property roll.

(4-2-08)

02. Duty of the County Treasurer. Upon receipt of the final levy rates and total tax charge for each taxing district or unit, the county treasurer shall compute the individual tax charge for each taxable property in the county and prepare and mail the property tax bill for each taxable property according to Section 63-902, Idaho Code, and Rule 902 of these rules.

(4-2-08)

812. -- 901. (RESERVED)

902. PROPERTY TAX NOTICE AND RECEIPTS - DUTY OF TAX COLLECTOR (RULE 902).

Sections 63-602KK, 63-704, and 63-902, Idaho Code.

(5-8-09)

01. Tax Notices with Zero Tax Owed. The tax notice required to be mailed to taxpayers under Section 63-902, Idaho Code, must include taxpayers whose property taxes are to be paid in full as a result of the property tax reduction approved under Section 63-704, Idaho Code or as a result of the property tax exemption provided in

Section 63-602KK, Idaho Code. For these taxpayers, the tax notice shall show the amount to be paid on behalf of the taxpayer and zero taxes owed. (5-8-09)

02. Tax Notices Applicable to Taxpayers Eligible for the Exemption Provided by Section 63-602KK, Idaho Code. The tax notice for taxpayers who receive a reduction in the amount of property tax due must show the gross value of the personal property, the gross tax amount, the amount exempted, the tax amount to be paid by the state, and the net tax due from the taxpayer even if zero (0) tax is owed. (5-8-09)

903. -- 935. (RESERVED)

936. CANCELLATION OF TAXES BY BOARD OF COUNTY COMMISSIONERS (RULE 936). Section 63-1302, Idaho Code authorizes boards of county commissioners to cancel property taxes that for any lawful reason should not be collected. The board may cancel taxes for double payment of taxes or the double or erroneous assessment of any property for the same year or other errors. Additionally, when the canceled taxes have been paid, the board may refund the taxes. The authority to cancel taxes under Section 63-1302, Idaho Code, extends neither to hardship situations nor to cancellation of tax resulting from unequal or excessive valuation by the assessor. Mere unequal or excessive valuation by the assessor does not make the assessment illegal, nor constitute any lawful reason that the taxes should not be collected. A taxpayer who believes the value placed on his property is excessive must file his appeal with the county board of equalization within the time prescribed by law. A taxpayer seeking relief due to hardship must apply pursuant to Section 63-602AA, Idaho Code. (7-1-98)

937. -- 938. (RESERVED)

939. COURT OR BOARD OF TAX APPEALS ORDERED REFUNDS OR CREDITS - LEVY RESTRICTIONS (RULE 939). Section 63-1305, Idaho Code, allows taxing districts to certify and levy a judgment levy for an amount equal to property tax refunds or credits ordered by a court or the board of tax appeals and to include such amount with amounts certified and levied under Sections 63-802 through 63-807, Idaho Code. For each affected taxing district, the decision to certify and levy such amounts is permissive. For any taxing district to use this provision, amounts to be levied must be certified within the two years immediately following the order becoming final. Any amount, not certified and levied within that two-year period, is lost. In the second year following the order, the amount remaining will be lost for any taxing district for which such amount is less than \$100. (3-30-07)

940. -- 944. (RESERVED)

945. SUBSEQUENT ASSESSMENT OF PROPERTY CONCEALED (RULE 945). The burden of proof of willfulness under Section 63-1401, Idaho Code is on the assessor. (4-5-00)

946. -- 959. (RESERVED)

960. DEFINITIONS (RULE 960).

01. Present Use. Present use shall mean that the land contains trees of a marketable species which are being actively managed to produce a forest crop for eventual harvest and which may be accepted by a commercial mill. (7-1-97)

02. Silviculture. Silviculture shall include the following activities: site preparation, planting, vegetation control, precommercial thinning, commercial thinning, fertilization, mechanical or chemical pest and disease control, pruning, inventorying, cruising, or regeneration surveys, fencing established to protect seedlings, and genetic tree improvement. (4-11-06)

03. Custodial Expenses. Custodial expenses are some of the expenses incurred in the management of forestlands. (4-11-06)

a. Included Expenses. Custodial expenses include the following expenses, except as provided in Paragraph 960.03.b of this rule: (4-11-06)

- i. Reforestation expenses are the cost of seeds, seedlings, and planting for the establishment of a forest to the specifications of the Idaho Forest Practices Act (Title 38, Chapter 13, Idaho Code); (4-11-06)
 - ii. Road maintenance expenses are those costs necessary to prevent major deterioration or maintain the integrity of forest roads including culvert maintenance, public access control, and erosion prevention, but not including the cost of original construction, opening the road for silviculture, driveway maintenance, or recreation access; (4-11-06)
 - iii. Managing public use expenses are limited to the costs of installing and maintaining gates and signage; (4-11-06)
 - iv. Forest inventory expenses are the costs of collection and analysis of forest inventory data; (4-11-06)
 - v. Forest management planning expenses are the costs associated with a geographic information system (GIS) or similar information database and those activities integral to the planning process; (4-11-06)
 - vi. Facility operations and maintenance expenses are those costs of maintaining and operating facilities necessary for forestland management; (4-11-06)
 - vii. Environmental analysis and documentation expenses are analysis and documentation costs associated with federal and state environmental requirements; (4-11-06)
 - viii. Appeals and litigation expenses are those costs associated with litigating items associated with federal and state environmental requirements; (4-11-06)
 - ix. Land survey expenses are those costs associated with surveying forestland; (4-11-06)
 - x. Forest fire suppression expenses are the portion of those costs associated with the suppression of wildfires on forestlands borne by the forestland owner, that exceed the annual fire protection fee under Section 38-111, Idaho Code; (4-11-06)
 - xi. Other management expenses are unspecified costs agreed to by the committee on forestland taxation methodologies (CFTM) and determined to be annualized custodial expenses by the forest management cost study conducted pursuant to Section 63-1705, Idaho Code. (4-11-06)
- b. Excluded Expenses. Custodial expenses exclude the following:** (4-11-06)
- i. Fertilization; (4-11-06)
 - ii. Precommercial thinning; (4-11-06)
 - iii. Tree improvement; (4-11-06)
 - iv. Genetic improvement; (4-11-06)
 - v. Site preparation; (4-11-06)
 - vi. Harvesting; (4-11-06)
 - vii. Road building; (4-11-06)
 - viii. Timber harvest layout and silvicultural layout; (4-11-06)
 - ix. Slash management; (4-11-06)
 - x. Brush control; (4-11-06)

- xi. Litigation pertaining to Subparagraphs 960.03.b.i. through 960.03.b.xi., of this rule. (4-11-06)

04. Forestland Management Plan. Forestland management plan shall mean a written management plan reviewed by a professional consulting forester, Idaho Department of Lands private forestry specialist, professional industry forester, or federal government forester, to include eventual harvest of the forest crop. Professional forester is defined as an individual holding at least a Bachelor of Science degree in forestry from an accredited four (4) year institution. The forestland management plan shall include as a minimum: (7-1-97)

- a. Date of the plan preparation; (7-1-97)
- b. Name, address, and phone number of the land owner, and person preparing and/or reviewing the plan; (7-1-97)
- c. The legal description of the property; (7-1-97)
- d. A map of the property of not less than 1:24,000 scale; (7-1-97)
- e. A general description of the forest stand(s) including species and age classes; (7-1-97)
- f. A general description of the potential insect, disease, and fire hazards that may be present and the management systems which shall be used to control them; (7-1-97)
- g. The forest management plans of the landowner over the next twenty (20) years. (7-1-97)

05. Bare Forestland. Bare forestland shall qualify as forestland only if, within five (5) years after harvest or initial assessment, they are planted or regenerated naturally to minimum stocking levels as specified by the Idaho Forest Practices Act. (Title 38, Chapter 13, Idaho Code). (7-1-97)

06. County Weighted Average Forestland Levy Rate. The county weighted average forestland levy rate is calculated by summing the products of the levy rate times the number of forested acres for each forested tax code area in each county and dividing this sum by the total number of forested acres in all forested tax code areas in each county. (4-11-06)

07. Weighted Average Forestland Levy Rate. The weighted average forestland levy rate is the weighted average forestland levy rate defined in Subsection 960.06 of this rule multiplied by the total number of designated forestland acres in each county. The sum of the product of this calculation for each county in a forest value zone is then divided by the total number of designated forestland acres in the forest value zone. (4-11-06)

08. Guiding Discount Rate. The guiding discount rate shall be determined in accordance with procedures found in the User's Guide and derived from ten (10) year treasury constant maturity rates as reported by the federal reserve system, the producer price index (PPI) published by the U.S. bureau of labor statistics, and a risk premium. (4-11-06)

09. Real Price Appreciation of Stumpage. A real price appreciation (RPA) of stumpage in Idaho shall be determined in accordance with procedures found in the User's Guide and will be benchmarked to the PPI for softwood logs and bolts as reported by the U.S. bureau of labor statistics, less inflation as reported in the PPI. (4-11-06)

10. Joint Ownership. Joint ownership as used in Subsections 963.01 and 966.01 of these rules includes ownership of a single parcel of forestland by two (2) or more legal entities irrespective of their proportionate ownership interests in the parcel, but shall not include the community property interests of a spouse. (3-30-01)

961. HOMESITE ASSESSMENT AND FORESTLANDS OF LESS THAN FIVE ACRES AND CONTIGUOUS PARCELS (RULE 961). Sections 63-1702 and 63-1703, Idaho Code. (4-7-11)

01. Definitions. The following definitions apply to the valuation of residential parcels that are contiguous to lands classified as forestlands. (4-7-11)

a. Homesite. The “homesite” is that portion of land, contiguous with but not qualifying as forestlands, and the associated site improvements used for residential purposes. (4-7-11)

b. Associated Site Improvements. The “associated site improvements” include developed access, grading, sanitary facilities, water systems, and utilities. (4-7-11)

02. Homesite Assessment. Each homesite and residential and other improvements, located on the homesite, shall be assessed at market value each year. (4-7-11)

a. Accepted Assessment Procedures. Market value shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission. Acceptable techniques include those that are either time tested in Idaho, mathematically correlated to market sales, endorsed by assessment organizations, or widely accepted by assessors in Idaho and other states. (4-7-11)

b. Appropriate Market and Comparable Selection. The appropriate market is the market most similar to the homesite and improvements located on the homesite. In applying the sales comparison approach, the appraiser should select comparables having actual or potential residential use. (4-7-11)

c. The value and classification of the homesite will be independent of the classification and valuation of the remaining land. (4-7-11)

d. Assigning secondary category. List and report the secondary category for the homesite using the chart in Paragraph 961.02.d. of this rule.

| Description of Land | Secondary Category |
|-------------------------|--------------------|
| Rural and Nonsubdivided | 10 |
| Rural and Subdivided | 15 |
| Urban | 20 |

(4-7-11)

03. Forestlands of Less Than Five Acres and Contiguous Parcels. A parcel of forestland that is less than five (5) acres is not eligible for valuation and taxation as forestland unless the land is contiguous with one (1) or more other parcels of forestland under the same ownership and the contiguous parcels together constitute five (5) acres or more of forestland as defined in Section 63-1701, Idaho Code. The five (5) acre minimum requirement must exclude any homesite. In the following examples each parcel of land is forestland as defined in Section 63-1701, Idaho Code, unless otherwise stated in the example. (4-7-11)

a. Example 1. A landowner owns a fifteen (15) acre parcel which contains four (4) acres of forestland, nine (9) acres of irrigated row crop, and two (2) acres of homesite. The four (4) acres of forestland is not eligible for valuation and taxation as forestland. (4-6-05)

b. Example 2. A landowner owns five hundred and six (506) acres consisting of one (1) five hundred (500) acre parcel of forestland and six (6) one (1) acre parcels of forestland, that are not contiguous either to one another or to the five hundred (500) acre parcel. The five hundred (500) acre parcel is eligible for valuation and taxation as forestland. The six (6) one (1) acre parcels, are not eligible for valuation and taxation as forestland. (4-6-05)

c. Example 3. A landowner owns five hundred and six (506) acres consisting of one (1) five hundred (500) acre parcel of forestland and six (6) one (1) acre parcels of forestland that are contiguous to the five hundred

(500) acre parcel but may or may not be contiguous to one another. The entire five hundred and six (506) acres are eligible for valuation and taxation as forestland. (4-6-05)

d. Example 4. A landowner owns six (6) noncontiguous one (1) acre parcels of forestland. The six (6) one (1) acre parcels are not eligible for valuation and taxation as forestland. (4-6-05)

e. Example 5. A landowner owns six (6) contiguous one (1) acre parcels of forestland. The six (6) one (1) acre parcels are eligible for valuation and taxation as forestland. (4-6-05)

962. TAXATION OF FORELANDS UNDER THE PRODUCTIVITY OPTION (RULE 962).
Section 63-1705, Idaho Code. (4-11-06)

01. Forestland Valuation Process. The process used to determine the forestland value under the productivity option shall be as specified in the User's Guide referenced in Section 63-1701, Idaho Code. (4-11-06)

02. Forest Valuation Zones. The state shall be divided into four (4) forest valuation zones: (7-1-99)

a. ZONE 1 - Boundary, Bonner, Kootenai counties. (7-1-97)

b. ZONE 2 - Benewah, Shoshone, Latah, Clearwater, Nez Perce, Lewis, Idaho counties. (7-1-97)

c. ZONE 3 - Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore, Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka counties. (7-1-97)

d. ZONE 4 - The remaining nineteen (19) counties. (7-1-97)

03. Classification of Forestlands. In all forest valuation zones, there shall be three (3) separate productivity classes of forestland: poor, medium, and good. These broad classes are related in the following manner by definition to the "Meyer Tables" published in "Yield of Even-Aged Stands of Ponderosa Pine" and "Haig Tables" published in "Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type" as both documents are referenced in Rule 006 of these rules. These classes apply to forestland which may or may not be stocked with commercial or young growth timber. (4-11-06)

a. Poor productivity class is defined as forestland having a mean annual increment, MAI, of one hundred twenty-five (125) board feet per acre per year, based on a seventy-three (73) year rotation. This productivity class includes western white pine site index 35-45 and ponderosa pine site index 45-80. One hundred twenty-five (125) board feet per acre MAI shall be used in the valuation process. (4-11-06)

b. Medium productivity class is defined as forestland having a mean annual increment, MAI, of two hundred twenty-five (225) board feet per acre per year, based on an sixty-eight (68) year rotation. This productivity class includes western white pine site index 46-60 and ponderosa pine site index 81-110. Two hundred twenty-five (225) board feet per acre MAI shall be used in the valuation process. (4-11-06)

c. Good productivity class is defined as forestland having a mean annual increment, MAI, of three hundred fifty (350) board feet per acre per year, based on an sixty-three (63) year rotation. This productivity class includes western white pine site index 61 and above and ponderosa pine site index 111 and above. Three hundred fifty (350) board feet per acre MAI shall be used in the valuation process. (4-11-06)

d. For forest valuation zones 1 and 2, forestland shall be stratified into areas of similar productive potential using the habitat typing methodology described in "Forest Habitat Types of Northern Idaho: A Second Approximation," referenced in Rule 006 of these rules. Within these stratified areas, site index trees will be selected and measured that will identify the site index to be used to place the land in one (1) of the three (3) productivity classes listed above. (5-3-03)

e. For forest valuation zones 3 and 4, the criteria for stratification shall be generally the same as that used in zones 1 and 2 based on the habitat typing methodology described in "Forest Habitat Types of Central Idaho,"

as referenced in Rule 006 of these rules, with the following adjustments made in growth rates for lower moisture levels. Poor productivity class, one hundred twenty-five (125) board feet per acre MAI shall be used in the valuation process. Medium productivity class, two hundred thirteen (213) board feet per acre MAI shall be used in the valuation process. Good productivity class, three hundred twenty (320) board feet per acre MAI shall be used in the valuation process. (4-11-06)

04. Deficient Areas. Lakes, solid rock bluffs, talus slopes, and continuously flooded swampy areas, larger than five contiguous acres in size which can be identified through remote sensing shall be valued at forty percent (40%) of the poor bare land value as defined in Section 63-1706, Idaho Code. These areas are defined as being incapable of growing trees. (4-11-06)

963. CERTAIN FORESTLANDS TO BE DESIGNATED FOR TAXATION BY OWNER -- LIMITATIONS (RULE 963).

01. Designation of Forest Parcels. A forest landowner may choose to have the total acreage of forestland parcels owned within the state designated under the provisions of either Section 63-1705 or 63-1706, Idaho Code. The forest landowner cannot have parcels in both designations. If the new owner owns no forestland in the state designated under Section 63-1705 or 63-1706, Idaho Code, he may choose the option of forest taxation he desires. Designation shall be made on or before December 31st, of the year preceding assessment and will be effective for the following year. Where forest property is held in joint ownership, all co-owners must mutually agree on a property designation under Section 63-1703(a) and (b), Idaho Code. Each co-owner must make a timely designation. Where co-owners are unable to agree on a mutual designation or fail to make a designation, the forestland shall be subject to appraisal and assessment as provided in Section 63-1702, Idaho Code. (7-1-97)

02. Change in Use. Failure to notify the assessor of the change in use when lands have been designated shall cause forfeiture of the designation as to the changed acres, and the property shall be appraised, assessed and taxed, as provided in Section 63-1702, Idaho Code, from the date of latest designation or renewal. (7-1-97)

03. Certain Lands With No Deferred Taxes. There are no deferred taxes on lands designated under Section 63-1705, Idaho Code. (7-1-97)

964. YIELD TAX ON APPLICABLE FOREST PRODUCTS (RULE 964).

01. Calculation. The calculation described below will be used to update the bare forestland value for tax assessment purposes on an annual basis:

$$BLVz = ([0.5] \times [(Tz - Tn)/Tn] + 1) \times (BLVy)$$

| | |
|----------------|---|
| STEP 1: | Subtract Tn from Tz |
| STEP 2: | Divide the Answer in Step 1 by Tn |
| STEP 3: | Multiply the Answer in Step 2 by 0.5 |
| STEP 4: | Add 1 to the Answer in Step 3 |
| STEP 5: | Multiply BLVy by the Answer in Step 4 |
| KEY: | |
| BLVz = | Bare forestland value for next year |
| BLVy = | Bare forestland value for current year |
| Tz = | Five year average stumpage value (\$/MBF) for the period ending in the current year |
| Tn = | Five year average stumpage value (\$/MBF) for the period ending one year ago |

(4-11-06)

02. Stumpage Value. The stumpage value shall be the same as that used in the productivity valuation process by zone. (4-11-06)

03. Bare Forestland Value. After review of the productivity valuation process by March 1 each year, the State Tax Commission shall review and adjust, as appropriate, the bare forestland values for the current year. (4-11-06)

04. Landowner's Report. By June 1, of each year the county treasurer shall make a written report to include the forest landowner's name, legal description of forest property owned, and yield taxes paid for the current assessment year. This report shall be submitted to the county auditor and a record shall be maintained for ten (10) years and not disposed of until the eleventh year. (4-11-06)

965. (RESERVED)

966. RECAPTURE OF DEFERRED TAXES ON LANDS DESIGNATED UNDER SECTION 63-1706, IDAHO CODE (RULE 966). Section 63-1703, Idaho Code. (4-2-08)

01. Ownership Interest/Deferred Taxes. Where forestland is held in joint ownership, a transfer of ownership for purposes of recapturing deferred taxes shall occur when any one (1) of the legal entities holding an ownership interest in the subject property shall convey, transfer, or otherwise dispose of their ownership interest or portion thereof. Any such transfer of ownership shall subject the entire parcel to recapture of deferred taxes, unless the new owner timely redesignates their ownership interest under Section 63-1706, Idaho Code. (7-1-97)

02. Deferred Tax Responsibility. Deferred taxes shall be the responsibility of the selling landowner. Deferred taxes shall constitute a lien on the land. (3-30-01)

03. Change in Use/Deferred Taxes. For forestland designated under Section 63-1706, Idaho Code, but subject to recapture of deferred taxes as provided in Section 63-1703, Idaho Code, because of a change in use with no change in ownership, recapture of deferred taxes shall be calculated in the following manner: (5-8-09)

a. The difference between the current bare land value for the correct class of land in the forest value zone in which the parcel lies and the current market value for assessment purposes of the property during the current year; (3-30-01)

b. Multiplied by the current levy for the tax code area or areas in which the parcel lies; (3-30-01)

c. Multiplied by the number of years, including the entire current year, the lands have been subject to designation under Section 63-1706, Idaho Code, not to exceed ten (10) years. Additionally, a credit shall be allowed for any yield tax paid up to the amount of the deferred taxes. (3-30-01)

04. Transfer of Ownership/Deferred Taxes. For forestland designated under Section 63-1706, Idaho Code, but subject to recapture of deferred taxes as provided in Section 63-1703, Idaho Code, because of a change in ownership or a removal of the designation, recapture of deferred taxes shall be calculated in the following manner: (5-8-09)

a. The difference between the current bare land value for the correct class of land in the forest value zone in which the parcel lies and the current productivity value for the correct class of land in the forest value zone in which the parcel lies, for the current year; (3-30-01)

b. Multiplied by the current levy for the tax code area or areas in which the parcel lies; (3-30-01)

c. Multiplied by the number of years, including the entire current year, which the lands have been subject to designation under Section 63-1706, Idaho Code, not to exceed ten (10) years. Additionally, a credit shall be allowed for any yield tax paid up to the amount of the deferred taxes. (3-30-01)

05. Investment Lands. Investment lands are defined as those in secondary categories 1, 2, 3, 4, 5, and

9, as defined in Rule 510 of these rules. (4-2-08)

967. (RESERVED)

968. CERTAIN CHRISTMAS TREES AND ANNUAL FOREST CROPS - EXEMPT FROM YIELD TAX (RULE 968).

Sections 63-602K, 63-604, and 63-1708, Idaho Code. (3-30-07)

01. Certain Forest Products Exempt From Yield Tax Under Twenty-Five Dollars. Annual forest crops, including Christmas trees, nuts, berries, foliage, cones, and other forest products harvested for domestic use, are exempt from the forest product yield tax when this tax would be less than twenty-five dollars (\$25.00) and the forest crops are harvested on land designated under Section 63-1703 or 63-1704, Idaho Code. (3-30-07)

02. Categorization of Christmas Tree Farms Land, complying with the definition of “actively devoted to agriculture” as defined in Section 63-604, Idaho Code, and used to grow Christmas trees and other annual forest crops, shall be identified in the appropriate agricultural secondary category pursuant to the secondary category descriptions in Rule 510 of these rules. (3-30-07)

03. Cross References. For the descriptions of agricultural secondary categories, see secondary categories 1, 2, 3, 4, and 5 in Rule 510 of these rules. For additional information relating to complying with the “actively devoted to agriculture” criteria, see Rule 645 of these rules. For land valuation information, see Rules 613 and 614 of these rules. (3-30-07)

969. -- 979. (RESERVED)

980. VALUATION OF MINES FOR TAXATION (RULE 980).

The prices referred to in Section 63-2801, Idaho Code, for patented lode and placer claims are five dollars (\$5) and two dollars fifty cents (\$2.50), per acre, respectively. (3-23-94)

981. (RESERVED)

982. REPORTING NET PROFITS OF MINES (RULE 982).

Sections 63-2801, 63-2802 and 63-2803, Idaho Code. (4-5-00)

01. Amount to be Reported. The amount of money received from the sale of minerals or mined metals during the calendar year immediately preceding the current tax year shall be reported by the owner of the mine or mining claim. If there is no sale, but minerals or mined metals are shipped to a smelter or other facility, an amount of money equivalent to that which would have been received from sale of the shipped minerals or mined metals shall be reported. Moneys received from rents, commissaries, discounts on purchases, and investments are not to be included. A separate annual net profit statement shall be filed by the owner of mines or mining claims, for each mine or mining claim located in any county in Idaho. The statement filed with any county assessor shall not include amounts received pursuant to mines or mining claims located outside the county. The owner shall complete the statement on forms prescribed by the State Tax Commission. (4-5-00)

02. Additional Allowable Deductions. In addition to deductions specified in Section 63-2802, Idaho Code, the following expenditures can be subtracted from the amount of money or equivalent to be reported. (4-5-00)

a. Expenses for Social Security, worker’s compensation, insurance provided by the employer for the benefit of employees at the mine, fire and water protection, first aid and safety devices, mine rescue materials, experimental work reasonably connected with reduction of the ores. (4-5-00)

b. Expenses for improvements made during the year immediately preceding the current tax year. (4-5-00)

c. Expenses for reclamation or remediation not previously deducted, including payments into a sinking fund mandated by law for reclaiming or remediating the mining site. (4-5-00)

03. Nondeductible Items. In addition to expenditures specified as nondeductible pursuant to Section 63-2802, Idaho Code, the following expenditures can not be subtracted from the amount of money to be reported. (4-5-00)

- a.** Federal, state and local taxes and license fees. (4-5-00)
- b.** Depreciation, depletion, royalties, and donations. (4-5-00)
- c.** Insurance except as listed in Subsection 982.02.a. (5-3-03)
- d.** Construction repair, and operation of dwellings, community buildings and recreational facilities. (4-5-00)
- e.** Miscellaneous administrative and other expenses not related to labor, machinery or supplies needed for mining, reducing ores, construction of mills and reduction works, transporting ore and extracting metals and minerals from ore. (4-5-00)

983. -- 987. (RESERVED)

988. QUALIFIED PROPERTY FOR EXEMPTION (RULE 988). Sections 63-302, 63-313, 63-404, and 63-3029B, Idaho Code. (4-6-05)

01. Definitions. The following definitions apply for the purposes of the property tax exemption under Section 63-3029B, Idaho Code, and do not decide investment tax credit eligibility for Idaho income tax purposes. (3-20-04)

a. Year in which the investment is placed in service. “Year in which the investment is placed in service” means the calendar year the property was put to use or placed in a condition or state of readiness and availability for a specifically assigned function in the production of income. (4-6-05)

b. Operator’s Statement. The “operator’s statement” is the annual statement listing all property subject to assessment by the State Tax Commission and prepared under Section 63-404, Idaho Code. (3-20-04)

c. Personal Property Declaration. A “personal property declaration” is any form required for reporting personal property or transient personal property to the county assessor under Sections 63-302 or 63-313, Idaho Code, respectively. (3-20-04)

d. Qualified Investment. “Qualified investment” means property that would have otherwise been taxable for property tax purposes and is eligible or qualified under Section 63-3029B, Idaho Code, provided that property is reported on the personal property declaration or operator’s statement and is designated as exempt from property tax for two (2) years on Form 49E. (3-20-04)

e. Qualified Investment Exemption. The “qualified investment exemption” (QIE) referred to in this rule is the property tax exemption under Section 63-3029B, Idaho Code. (3-20-04)

f. Assessor. The “assessor” is the representative of the county assessor’s office or the State Tax Commission who is responsible for the administration of the QIE. (3-29-12)

02. Designation of Property for Which Exemption Is Elected. The owner shall designate the property on which the QIE is elected. The owner shall make this designation on Form 49E and attach it to a timely filed personal property declaration or, for operating property, the timely filed operator’s statement. Owners who designate property on which the QIE is elected may not file the annual affidavit provided for in Section 63-602KK(6), Idaho Code, but must file the personal property declaration. This prohibition shall be limited to the time period during which the taxpayer may be subject to recapture under Section 63-3029B, Idaho Code. The description of the property on Form 49E must be adequate to identify the property to be granted the exemption. In addition to all other steps required to complete the personal property declaration or operator’s statement, the owner must provide on the personal property declaration or operator’s statement the date the item elected for the QIE was placed in service.

(3-29-10)

03. Election for Investments Not Otherwise Required to Be Listed on the Personal Property Declaration. For investments, like single purpose agricultural or horticultural structures, that are not otherwise required to be listed on the personal property declaration, the owner must list that property to elect the QIE. As with any property designated for the QIE, the owner must attach Form 49E to the personal property declaration. (3-20-04)

04. Continuation of Listing. For all property designated for QIE, even though that property is exempt for two (2) years, the owner must list that property on the personal property declaration or operator's statement in the initial year for which the QIE is claimed and the following four (4) consecutive years, unless that property has been sold, otherwise disposed of, or ceases to qualify pursuant to Section 63-3029B, Idaho Code. (3-20-04)

05. Period of QIE. The QIE shall be granted for the two (2) calendar years immediately after the end of the calendar year in which the property acquired as a qualified investment was first placed in service in Idaho. (3-20-04)

06. Election Specificity. The QIE election provided by Section 63-3029B, Idaho Code, shall be specific to each qualified item listed on the personal property declaration or operator's statement. An item that is a qualified investment, but for which there is no QIE election during the year after the "year in which the investment is placed in service" in Idaho, is not eligible for the QIE. (4-6-05)

07. Notification by Assessor. (4-6-05)

a. Upon Receipt of Form 49E or a Listing. Upon receiving Form 49E or any listing provided to comply with Subsection 988.08 or 988.12 of this rule, the assessor shall review the application and determine if the taxpayer qualifies for the property tax exemption under Section 63-3029B, Idaho Code. If the assessor determines that the property tax exemption should be granted, the assessor shall notify the taxpayer and, if applicable, send a copy of this form or listing to the State Tax Commission. (3-29-12)

b. Upon Discovery of Changes. Upon discovering that property granted the QIE was sold, otherwise disposed of, or ceased to qualify under Section 63-3029B, Idaho Code, within the five (5) year period beginning with the date the property was placed in service, the assessor shall notify the State Tax Commission and the taxpayer immediately. The assessor shall also provide this notification upon discovery that the owner first claiming the QIE failed to list the item on any personal property declaration or failed to file a personal property declaration in any year during this five (5) year period. This notice shall include: (3-29-12)

i. Owner. Name of the owner receiving the QIE. (4-6-05)

ii. Property description. A description of the property that received the QIE. (4-6-05)

iii. New or used. State whether the individual item was purchased new or used. (4-6-05)

iv. Date placed in service. The date the owner reported the item was first placed in service in Idaho. (4-6-05)

v. First year value of QIE. For each item, the amount of exempt value in the first year the QIE was elected and an identification of the year. (4-6-05)

vi. Second year value of QIE. For each item, the amount of exempt value in the second year after the QIE was elected. (4-6-05)

vii. Tax code area number. For each item, the number of the tax code area within which that item was located. (4-6-05)

c. Denial of the QIE. Upon review of the taxpayer's application, if the assessor determines that the property tax exemption should not be granted for all or part of the market value of any item or items, then the assessor shall deny the exemption for those items. The assessor shall notify the taxpayer electing the QIE and shall identify the

basis for the denial. The assessor's notification cancels the election with respect to those items. Upon receiving this notification, the taxpayer is then free to pursue the income tax credit under Section 63-3029B, Idaho Code, for those items denied the QIE by the assessor. (3-29-12)

08. Moved Personal Property. In order to provide unmistakable identification of the property, certain taxpayers must send written notification by the date provided in Section 63-302, 63-313, or 63-404, Idaho Code, when moving property that previously received the QIE. This notification: (3-20-04)

a. Is required of taxpayers moving locally assessed property between counties in Idaho during the five (5) year period beginning the date that property was placed in service; (4-6-05)

i. The taxpayers send this notification to the assessor in the county that granted the QIE and the assessor in any Idaho county to which the property has been moved. (4-6-05)

ii. The taxpayers must include a listing which describes the property exactly as it was described on the original Form 49E or cross references the property originally listed on Form 49E. (4-6-05)

b. Is not required of taxpayers when the property is State Tax Commission assessed nonregulated operating property. (4-6-05)

09. Notification Regarding Transient Personal Property. For transient personal property elected for the QIE, the definition of home county in Section 63-313, Idaho Code, and Rule 313 of these rules, applies. When a home county receives information of an election for QIE and a notice that the exempt property was used in another county in Idaho, the home county must forward information identifying that property to the other county(ies) in accordance with procedures in Section 63-313, Idaho Code. Also, the home county assessor shall send a copy of this notice to the State Tax Commission. (3-20-04)

10. Partial-Year Assessments. Property assessed based on a value prorated for a portion of the year in which the property is first placed in service may still be eligible for the QIE in the subsequent two (2) calendar years, provided the QIE is elected. (3-20-04)

11. Limitation on Amount of Exemption. (3-20-04)

a. New Property. The QIE shall be for the full market value for assessment purposes for new property that is a qualifying investment. (3-20-04)

b. Used Property. The QIE for used property placed in service during a taxable year for income tax purposes shall be limited. For each taxpayer, the QIE shall be the lesser of the QIE cost or the current year's market value in accordance with the following procedure: (4-6-05)

i. QIE cost shall be determined for each item of used property upon which the QIE is claimed. QIE cost is the lesser of an item's cost or one hundred fifty thousand dollars (\$150,000); provided, however, that the QIE cost for all elected used property shall not exceed one hundred fifty thousand dollars (\$150,000) in a taxable year (See Example B in Subparagraph 988.11.c.ii., of this rule). In the event the cost of one (1) or more items of used property exceeds one hundred fifty thousand dollars (\$150,000), QIE cost shall reflect the reduction necessary to stay within the one hundred fifty thousand dollar (\$150,000) limit (See IDAPA 35.01.01, "Income Tax Administrative Rules," Rule 719 for information on the selection of items of used property). (4-6-05)

ii. For each item purchased used, the QIE shall be limited to the lesser of the QIE cost or the current year's market value (See Example B in Subparagraph 988.11.c.ii., of this rule). (4-6-05)

c. Examples. In the following examples, all of the property is owned by the same taxpayer and is a qualified investment. (4-6-05)

i. Example A. In Example A, 2004 is the first year during which the qualified investment receives the QIE. The taxpayer may decide which of the used items placed in service in 2003 is considered first for the exemption. In this example, computer 1 has been given the exemption first. Since the limitation is based on cost, the remaining

used property exemption cannot exceed one hundred thirty thousand dollars (\$130,000) and the QIE cost is determined accordingly. The conveyor belt is a new investment, first eligible for the QIE in 2005. In 2006, the assembly line, computer 1, and computer 2 would be fully taxable at the market value as of January 1, 2006.

| Example A | | | | | | | | | | |
|--------------------------------------|------------------------|-----------|-------------|-----------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Property Description (same taxpayer) | Year Placed in Service | Cost | New or Used | QIE Cost | 2004 Market Value | 2004 Exempt Value | 2004 Taxable Value | 2005 Market Value | 2005 Exempt Value | 2005 Taxable Value |
| Computer 1 | 2003 | \$20,000 | Used | \$20,000 | \$12,000 | \$12,000 | \$0 | \$8,000 | \$8,000 | \$0 |
| Assembly line | 2003 | \$160,000 | Used | \$130,000 | \$140,000 | \$130,000 | \$10,000 | \$110,000 | \$110,000 | \$0 |
| Computer 2 | 2003 | \$50,000 | New | N/A | \$40,000 | \$40,000 | \$0 | \$30,000 | \$30,000 | \$0 |
| Conveyor belt | 2004 | \$200,000 | Used | \$150,000 | N/A | N/A | N/A | \$200,000 | \$150,000 | \$50,000 |

(4-6-05)

ii. Example B. In Example B, the property was purchased at auction for a cost much less than its market value.

| Example B | | | | | | | | | | |
|------------------------|------------------------|----------|-------------|----------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Property Description | Year Placed in Service | Cost | New or Used | QIE Cost | 2006 Market Value | 2006 Exempt Value | 2006 Taxable Value | 2007 Market Value | 2007 Exempt Value | 2007 Taxable Value |
| Construction Equipment | 2005 | \$20,000 | Used | \$20,000 | \$80,000 | \$20,000 | \$60,000 | \$70,000 | \$20,000 | \$50,000 |

(4-6-05)

d. Used Property Placed in Service by Fiscal Year Taxpayer. If a taxpayer had a fiscal year beginning July 1, 2004, and placed one hundred fifty thousand dollars (\$150,000) of qualifying used property in service on May 15, 2004, and an additional one hundred fifty thousand dollars (\$150,000) of qualifying used property in service on August 1, 2004, the taxpayer would qualify for an exemption of up to three hundred thousand dollars (\$300,000) on this used property in 2005 and 2006. The exempt value in the second year of the exemption could not exceed the lesser of three hundred thousand dollars (\$300,000) or the (depreciated) market value of this used property. (4-6-05)

12. Multi-County Taxpayers. (3-20-04)

a. Except taxpayers electing QIE for property that is State Tax Commission assessed operating property, any taxpayers electing the QIE for properties purchased new must indicate on Form 49E the county where each property is located or must complete a separate Form 49E and attach it to the personal property declaration submitted to each county. (3-20-04)

b. Except taxpayers electing QIE for property that is State Tax Commission assessed operating property, any taxpayers electing the QIE for properties purchased used must attach any Form 49E listing property purchased used to the personal property declaration sent to each county. A Form 49E listing only property purchased used may be provided to comply with this requirement. (3-20-04)

c. Any taxpayers electing QIE for property that is State Tax Commission assessed nonregulated operating property and purchased new or used must indicate on Form 49E each county where each property is located and attach it to the operator's statement. (4-6-05)

d. If multiple Form 49Es are submitted to one (1) or more assessors, a copy of each Form 49E must be attached to the correct year's income tax return. (3-20-04)

13. Special Provisions for Nonregulated Operating Property. (4-6-05)

a. For nonregulated operating property, the market value of the QIE is calculated by multiplying the depreciated original cost of the property times the ratio of the correlated value determined under Subsection 405.08 of these rules to the cost approach value determined under Subsection 405.02 of these rules. (4-6-05)

b. The following special provisions apply for the reduction in market value of nonregulated operating property resulting from QIE being elected. (4-6-05)

i. Reduction in Idaho value. For nonregulated operating property except situs property, the reduction in market value will be made by subtracting the market value of the QIE from the allocated Idaho value before apportionment to any taxing district or unit. (4-6-05)

ii. Reduction in market value of situs property owned by nonregulated operating property companies. For situs property owned by nonregulated operating property companies, the reduction in market value will be made by subtracting the market value of the specific investment in the specific location. (4-6-05)

14. Cross Reference. For more information relating to procedures and requirements for QIE, refer to Section 63-3029B, Idaho Code, and IDAPA 35.01.01, "Income Tax Administrative Rules," Rule 719. For information relating to recapture of QIE, refer to Rule 989 of these rules. (4-6-05)

989. QUALIFIED INVESTMENT EXEMPTION (QIE) RECAPTURE (RULE 989). Section 63-3029B, Idaho Code. (4-6-05)

01. In General. If a taxpayer has elected the property tax exemption (also known as the QIE) allowed by Section 63-3029B, Idaho Code, for property sold or otherwise disposed of prior to being held five (5) full years, or property that ceases to qualify or failed to originally qualify pursuant to Section 63-3029B, Idaho Code, the property tax benefit shall be subject to recapture. (3-29-10)

02. Notification by Taxpayer That Property Ceases to Qualify. If an item on which a taxpayer claimed the QIE ceases to qualify during the recapture period or was incorrectly claimed by the taxpayer as qualified investment, the taxpayer shall provide notification of the amount owing and shall remit said amount to the State Tax Commission by the due date of that taxpayer's income tax return, irrespective of any income tax extensions of the income tax payment, for the income taxable year in which such event occurs. Notification shall be accomplished by filing State Tax Commission Form 49ER. For each item of property, for each year in which the QIE was granted, the taxpayer shall include with such notification the following: (3-29-10)

a. A description of the item that ceases to qualify, (4-6-05)

b. The county where the item was located, (4-6-05)

c. The date the item was placed in service, (4-6-05)

d. The date the item was no longer qualified for the QIE, (4-6-05)

e. The amount of value exempted from property tax each year, and (4-6-05)

f. The amount of the property tax benefit recapture. (4-6-05)

03. Notification in Case of Failure by Taxpayer to File Form 49ER. If any taxpayer who is required to file Form 49ER fails to do so by the date specified in Subsection 989.02 of this rule, the State Tax Commission shall issue a Notice of Deficiency in the manner provided in Section 63-3045, Idaho Code, to the taxpayer who claimed the QIE. The notice shall show the calculation of the recaptured property tax benefit. (4-6-05)

04. Protest of Recapture. If a taxpayer does not agree with the Notice of Deficiency issued to assert the recapture, the taxpayer may file a protest with the State Tax Commission to request a redetermination of the deficiency. The protest shall meet the requirements as provided in Section 63-3045, Idaho Code, and IDAPA 35.02.01, "Tax Commission Administrative and Enforcement Rules," Rule 320. (4-6-05)

05. Property Tax Benefit Subject to Recapture. For any item determined to be subject to the recapture of the property tax benefit under Section 63-3029B(4)(d), Idaho Code, the taxpayer shall multiply the exempt value of the property by the applicable average property tax levy determined by the State Tax Commission under Subsection 989.06 or 989.07 of this rule. The result of this calculation shall be multiplied by the recapture percentage found in the following table.

| Table for Reduction of Property Tax Benefit Subject to Recapture | |
|---|-----------------------------|
| Time Held/Time Qualifying | Recapture Percentage |
| Less than one (1) year | 100% |
| Equal to one (1) year but less than two (2) years | 80% |
| Equal to two (2) years but less than three (3) years | 60% |
| Equal to three (3) years but less than four (4) years | 40% |
| Equal to four (4) years but less than five (5) years | 20% |

The taxpayer shall report this calculation on Form 49ER and shall submit this form and remit the amount calculated to the State Tax Commission no later than the date indicated in Section 989.02 of this rule. (3-30-07)

06. County Average Property Tax Levy -- Locally Assessed Property Located in One (1) County or Nonapportioned Centrally Assessed Property. For locally assessed property located in one (1) county or nonapportioned centrally assessed property, the State Tax Commission shall compute and report the county average property tax levy according to the following procedure. (4-6-05)

a. Property Tax Budget Summation - General. Except as provided in Paragraph 989.06.b. of this rule, for each year, sum the property tax portion of the annual budget of each taxing district wholly located within the county for which the average levy is to be calculated. This is the approved amount found on the taxing district's L-2 Form in the column entitled "Balance to be levied" as described in Rule 803 of these rules. To this amount, add the prorated portion of the approved "Balance to be levied" for any taxing district located partially within the county for which the average levy is to be calculated. The prorated portion is determined by multiplying the levy for the taxing district by the taxable value (as defined in Section 63-803(4), Idaho Code) of the portion of the taxing district within the county for which the average levy is to be calculated. (4-7-11)

b. Property Tax Budget Summation - Special Rules for Counties with Urban Renewal Revenue Allocation Areas. This provision is applicable when taxing districts in the county have funds with levies calculated including all or part of an urban renewal revenue allocation area increment value pursuant to Sections 50-2908(1)(a) through (e), Idaho Code. (4-7-11)

i. For any such fund, the prorated portion is determined by multiplying the levy of the fund by the taxable value within the county, including the increment value, used to determine the levy for that fund. (4-7-11)

ii. For any such fund for which the entire increment value is added to the taxable value before computing the levy, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (4-7-11)

iii. For any such fund for which part of the increment value is added to the taxable value before

computing the levy, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (4-7-11)

iv. Provided that some taxing district funds within the county are subject to the levy calculation procedures identified in Subparagraphs 989.06.b.ii. and/or iii. of this rule, for all funds other than those identified in this rule, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (4-7-11)

c. Average Property Tax Levy. (4-7-11)

i. For counties without urban renewal revenue allocation areas, the average property tax levy shall be computed by dividing the total of the property tax budgets computed in Paragraph 989.06.a. of this rule, by the taxable value (as defined in Section 63-803(4), Idaho Code) of the county for which the average levy is to be calculated. (4-7-11)

ii. For counties with urban renewal revenue allocation areas and funds with levies calculated including all or part of urban renewal revenue allocation area increment value pursuant to Sections 50-2908(1)(a) through (e), Idaho Code, the average property tax levy shall be computed by summing the quotients determined by dividing the sums determined in Subparagraphs 989.06.b.ii., iii., and iv., by the taxable value of the county including the entire increment value, part of the increment value, or none of the increment value, depending on whether all, part, or none of the increment value has been used to determine the levy. (4-7-11)

d. Notice to Each County Auditor. The State Tax Commission will notify each county auditor of the county's current year's average property tax levy no later than the first Monday in December each year. (4-6-05)

07. Statewide Average Property Tax Levy -- Locally Assessed Property Located in More Than One County or Apportioned Centrally Assessed Property. For locally assessed property located in more than one (1) county or apportioned centrally assessed property, the State Tax Commission shall determine the average urban property tax levy of the state and shall notify each county auditor of said average no later than the first Monday in December each year. (4-6-05)

08. Noticing Remittance for the Recapture of the Property Tax Benefit. When the State Tax Commission remits to a county the property tax benefit recaptured under Section 63-3029B(4)(f), Idaho Code, it shall include with this remittance a notice identifying the following: (4-6-05)

a. Owner. Name of the owner receiving the QIE; (4-6-05)

b. Property Description. A description of the property that received the QIE; (4-6-05)

c. First Year Value of QIE. The amount of exempt value in the first year the QIE was elected and an identification of the year; (4-6-05)

d. Second Year Value of QIE. The amount of exempt value in the second year after the QIE was elected; (4-6-05)

e. Tax Code Area Number. The number of the tax code area within which that item was located; and (4-6-05)

f. Amount Remitted. The amount of money remitted for any item. (4-6-05)

09. No Allocation of Remittances to Urban Renewal Agencies. Remittances received by a county for property tax benefits recaptured under Section 63-3029B(4)(f), Idaho Code, shall not be subject to allocation to urban renewal agencies. (4-6-05)

10. Penalty and Interest. Penalty and interest shall be determined as provided in Sections 63-3045 and 63-3046, Idaho Code. Penalty and interest shall be computed from the due date found in Subsection 989.02 of this rule. (4-6-05)

11. Cross Reference. For more information relating to QIE, refer to Section 63-3029B, Idaho Code, and Rule 988 of these rules. (4-6-05)

990. CERTIFICATION OF THE TAX CHARGE ON FARM MACHINERY, TOOLS AND EQUIPMENT FOR REPLACEMENT FUND DISTRIBUTION (RULE 990).
Sections 63-602EE and 63-3638, Idaho Code. (4-6-05)

01. Tax Charge Described. Tax charges to be certified are year 2000 property taxes levied against farm machinery, tools and equipment formerly categorized as Category 58. (3-15-02)

02. Category 58 Described. Rule 130 of these rules formerly described Category 58 as unlicensed farm or ranch machinery, shop tools, or equipment not assessed as real property. (3-15-02)

03. Cross Reference. Boards of county commissioners and county clerks need to refer to Rule 803 of these rules for special directions relating to certifying the year 2000 tax charge on farm machinery, tools and equipment to the State Tax Commission. (4-6-05)

991. -- 994. (RESERVED)

995. CERTIFICATION OF SALES TAX DISTRIBUTION (RULE 995).
Section 63-3638, Idaho Code. (5-3-03)

01. Most Current Census. Population shall be from the most current population census or estimate of incorporated city populations available from "Table 4, Annual Estimates of the Resident Population for Incorporated Places in Idaho" and estimate of county populations from "Table 1, Annual Estimates of the Resident Population for Counties of Idaho" available from the Bureau of the Census during the quarter of the year for which any distribution of sales tax money is to be made. If the State Tax Commission is notified that the Bureau of the Census has revised any city or county population estimates, the revised estimates shall be used for the distribution of sales tax money. (4-4-13)

02. Market Value for Assessment Purposes. Market value for assessment purposes shall mean the market value certified to the State Tax Commission pursuant to Section 63-510, Idaho Code, and shall include homeowner's exemptions, and the amount of real and personal property value which exceeds the assessed value shown on the base assessment roll for a revenue allocation area as defined in Section 50-2903(15), Idaho Code, for the calendar year immediately preceding the current fiscal year. (5-3-03)

03. Current Fiscal Year. For the purposes of this section, current fiscal year shall mean the current fiscal year of the state of Idaho. For distribution purposes, the current fiscal year shall begin with the distribution made in October, following collection of sales taxes in July, August, and September. (3-30-01)

04. Incorporated City. Incorporated city shall, for the current fiscal year, have a duly elected mayor and city council. (4-4-13)

05. Valuation Estimates. Valuation estimates for distribution of revenue sharing monies shall be updated at least annually. Updated estimates shall be used beginning with the October distribution. (4-4-13)

06. Determination Date and Eligibility. The eligibility of each city for revenue sharing monies pursuant to Section 63-3638(10)(a), Idaho Code, shall be determined as of July 1 of the current year. Cities formed after January 1, 2001, shall also be entitled to a share of the money pursuant to the provisions of Section 63-3638(10)(c), Idaho Code. (4-6-05)

07. Quarterly Certification. The State Tax Commission shall certify quarterly to each county clerk the base and excess shares of the distributions required pursuant to Section 63-3638(10)(c) and 63-3638(10)(d), Idaho Code, and the distributions to cities and counties required pursuant to Section 63-3638(10)(a) and 63-3638(10)(b), Idaho Code. Each county clerk shall calculate and certify the distribution of these monies to the eligible taxing districts based on the directives of the State Tax Commission. (4-6-05)

a. City and County Base Shares. For cities and counties, the initial base share shall be the amount of money to which they were entitled for the fourth calendar quarter of 1999, based on the provisions of Section 63-3638(e), Idaho Code, as such section existed prior to July 1, 2000. In addition, the initial base share shall be adjusted proportionally to reflect increases that become available or decreases that occur, unless increases exceed five percent (5%) of the initial base share. (3-30-01)

b. Special Purpose Taxing District Base Shares. For special purpose taxing districts the initial base share shall be the amount of money to which they were entitled for the fourth calendar quarter of 1999, based on the provisions of Section 63-3638(e), Idaho Code, as such section existed prior to July 1, 2000. Special purpose taxing district initial base shares shall be proportionally reduced to reflect decreases in the amount of sales tax available to be distributed. (3-30-01)

c. Excess Shares. Excess shares shall be any amounts above the base share that any city, county or special purpose taxing district is entitled to receive pursuant to Section 63-3638(10)(c) or 63-3638(10)(d), Idaho Code. These amounts shall not be subject to redistribution provisions of Section 40-801, Idaho Code. (4-6-05)

d. Shares Pursuant to Section 63-3638(10)(a) or 63-3638(10)(b), Idaho Code. Shares to be distributed pursuant to Section 63-3638(10)(a) or 63-3638(10)(b), Idaho Code, shall be termed "revenue sharing." Such shares shall be subject to quarterly distribution and for this purpose, the one million three hundred twenty thousand dollars (\$1,320,000) distribution pursuant to Section 63-3638(10)(b)(i), Idaho Code, shall be considered an annual amount and shall be divided into four (4) equal shares. (4-6-05)

08. Notification of Value. The county auditor shall notify the State Tax Commission of the value of each taxing district and unit as specified in Section 63-510, Idaho Code. (3-30-01)

09. Corrections. (3-30-01)

a. When distributions have been made erroneously, corrections shall be made to the following quarterly distribution(s) so as to provide the quickest practicable restitution to affected taxing districts. Corrections shall be made to reconcile erroneous distributions made for the current fiscal year. Errors made in distributions for the last quarter of the current fiscal year shall be corrected as soon as practicable in distributions made for the following fiscal year. (4-6-05)

b. The State Tax Commission shall notify affected county clerks when the State Tax Commission becomes aware of an error in the distribution of the base or excess shares. (3-30-01)

c. The State Tax Commission shall notify affected cities or county clerks when the State Tax Commission becomes aware of an error in the distribution of city or county revenue sharing monies. (3-30-01)

996. -- 999. (RESERVED)

Subject Index

A

Additional Documentation By Taxing Districts Not Levying Against All Taxable Property 109
Abstracts Showing Value of Property Against Which Levy is to be Applied 110
Ambulance Districts 110
Fire Districts 109
Flood Control, Levee, Watershed Improvement, Community Infrastructure Districts, & Herd Districts 110
Tax Levy Rate Calculations & Documentation of Categories to be Taxed 109
Allocation 49
Appeal Of Operating Property Assessments 46
Appearances & Practice 46
Communication 46
Hearings 47
Liberal Construction 46
Notice to County Assessors 46
Parties 46
Pre-Hearing Conferences 47
Procedure Governed 46
Service by State Tax Commission 46
Apportionment Of Railcar Fleets Assessed Values Within The State 49
Determination of Average Tax Rate -- Private Railcar Fleets Under Five Hundred Thousand Dollars Assessed Value 50
Private Railcar Fleet Apportionment 49
Appraisal Procedures, Market Value 18
Assessment Of Operating Property 45
Allocation 46
Appraisal Approaches 45
Appraisal Procedures 45
Cross Reference 46
Identify the Unit 45
Reconciliation 45
Situs Property Apportionment 46
The Cost Approach 45
The Income Approach 45
The Market Approach 45
The Unit Method 45
Assessment Of Transient Personal Property 34
Definitions 35
Exempt Transient Personal Property 36

Nontaxable Transient Personal Property 35
Overassessment Prohibited 35
Assessor's Plat Book 18
Assessor's Plat Book Map Scales 19
Plat Maps 18
Property Ownership Records 19
Section Outlines 19
Subdivision of Sections 19

B

Budget Certification - Dollar Certification Form (L-2 Form) 99
Budget Certification 100
Budget Certification Requested Documents 100
Cross Reference for School Districts with Tuition Funds 103
Definitions 99
L-2 Form Contents 100
Special Provisions for Calculating Total Levy Rate for Taxing Districts or Units With Multiple Funds 103
Special Provisions for Cities With Existing Library Operations or Services Consolidating With Any Library District 103
Special Provisions for Fire Districts Levying Against Operating Property 101
Special Provisions for Interim Abatement Districts 103
Special Provisions for Levies for Payment of Judgments by Order of Court 103
Special Provisions for Library Districts Consolidating With Any City's Existing Library Operations or Services 102
Special Provisions for Property Tax Replacement other than Replacement Money Received for Property Subject to the Exemption Provided in Section 63-602KK, Idaho Code 102
Special Provisions for Property Tax Replacement Received for Property Subject to the Exemption Provided in Section 63-602KK, Idaho Code 102
Special Provisions for School Districts' Tort Funds - Hypothetical New Construction Levy 103
Budget Certification Relating To New

Construction & Annexation 93
Change in Status 97
Definitions 93
Limitation on Annexation & New Construction Roll Value 98
Manufactured Housing 97
New Construction Roll Listing 94
Notification of New Construction Roll & Annexation Values 99
Partial New Construction Values 97
Special Provisions for Value Increases & Decreases 94
Budget Certification Relating To Operating Property Annexation Value 92
Annexation Values for Operating Properties 92
Appropriate County Auditor, Defined 92
Corrected Annexation Values for Operating Properties 92
County Auditor to Notify Taxing Districts or Units 92

C

Cadastral Certification Program 12
Application for Certification 12
Certification Requirements 13
Cross Reference 13
Maintaining Cadastral Specialist Certification 13
Cancellation Of Taxes By Board Of County Commissioners 111
Certain Christmas Trees And Annual Forest Crops - Exempt From Yield Tax 118
Categorization of Christmas Tree Farms Land 118
Certain Forest Products Exempt From Yield Tax Under Twenty-Five Dollars 118
Cross References 118
Certain Forest Lands To Be Designated For Taxation By Owner-- Limitations 116
Certain Lands With No Deferred Taxes 116
Change in Use 116
Designation of Forest Parcels 116
Certification Of Sales Tax Distribution 126
Corrections 127
Current Fiscal Year 126
Determination Date & Eligibility 126

- Incorporated City 126
 - Market Value for Assessment Purposes 126
 - Most Current Census 126
 - Notification of Value 127
 - Quarterly Certification 126
 - Valuation Estimates 126
 - Certification Of The Tax Charge On Farm Machinery, Tools & Equipment For Replacement Fund Distribution 126
 - Category 58 Described 126
 - Cross Reference 126
 - Tax Charge Described 126
 - City, County, School District, & Special District Or Unit Of Government Abstracts Of Value And Identification Of Urban Renewal Increment And Partial Exemption Values 50
 - Cross Reference 51
 - Definitions 50
 - Indicate Increment & Exemption Values 50
 - Submittal of Corrections to Erroneous Abstracts or Related Documents 51
 - Compliance Of Continuing Valuation Program 40
 - Compliance Procedure Examples 41
 - Definitions 40
 - Monitoring Procedure 40
 - Remediation Plans 41
 - State Tax Commission To Ensure Corrective Action 41
 - Computation Of Property Taxes 110
 - Duty of the County Auditor 110
 - Duty of the County Treasurer 110
 - Computation Of The Idaho Irrigation Exemption 71
 - Idaho Irrigation Exemption 71
 - Idaho Production & Delivery Value 71
 - Irrigation Use Ratio 71
 - Production & Delivery Ratio 71
 - Correction Of Erroneous Levy 110
 - Errors Discovered After the Fourth Monday in October 110
 - Errors Discovered by the Fourth Monday in October 110
 - County Valuation Program To Be Carried On By Assessor 36
 - Cross Reference 37
 - Date Plan Is Submitted 37
 - Definitions 36
 - Plan for Continuing Program of Valuation 36
 - Request for Extension 37
 - Testing for Current Market Value 37
 - Court Or Board Of Tax Appeals Ordered Refunds Or Credits - Levy Restrictions 111
- D**
- Definitions 111
 - Bare Forestland 113
 - County Average Forestland Levy Rate 113
 - Custodial Expenses 111
 - Forest Land Management Plan 113
 - Guiding Discount Rate 113
 - Joint Ownership 113
 - Present Use 111
 - Real Price Appreciation of Stumpage 113
 - Weighted Average Forestland Levy Rate 113
 - Definitions For Property Tax Reduction Benefit
 - Blind 85
 - Burden of Proof 85
 - Claimant's Income 85
 - Cross Reference 87
 - Fatherless/Motherless Child 85
 - Physician 87
 - Proportional Reduction of Value 86
 - Widow/Widower 87
 - Description Of Primary Categories Used To Test For Equalization 14
 - Conversion Table
 - Secondary Categories to Primary Categories 14
 - Cross Reference 15
 - Definitions 14
 - Improved Commercial or Industrial Property Category 14
 - Improved Residential Property Category 14
 - Manufactured Homes on Leased Land Category 14
 - Vacant Commercial or Industrial Land Category 14
 - Vacant Residential Land Category 14
 - Documentation For Newly Organized Or Altered Taxing Districts Or Revenue Allocation Areas (RAAs) Under The Jurisdiction Of Urban Renewal Agencies 29
- Approval of Property Tax Levy or Revenue Allocation 32
 - Deadline for Completion 32
 - Definitions 29
 - Digital Map Information 32
 - Documentation to Be Filed for Disincorporated Cities or Dissolved Taxing Districts, or RAAs 31
 - Documentation to Be Filed for Newly Created or Altered Cities, Taxing Districts, or RAAs 31
 - Furnished By The State Tax Commission 32
 - Notification of Approval or Disapproval 32
 - One Uniform System 32
 - Tax Code Areas 32
- E**
- Election To Create A New Taxing District -- Clerk's Mailed Notice 108
 - Example, Calculation of Partial Exemption of Facilities for Water or Air Pollution Control 72
 - Exemption For Never Occupied Residential Improvements & Commercial, Industrial, & Residential Site Improvements 73
 - Non-Qualifying Residential Improvements 73
 - Qualifying Residential Improvements 73
 - Extensions Of Statutory Deadlines For Disaster Relief 33
 - Application by County Officials 33
 - Contents of Application 33
 - Procedure 33
- F**
- Farm 66
- H**
- Homeowners Exemption On Occupancy Tax Roll 73
 - Eligibility for Multiple Exemption 73
 - Separate Applications 74
 - Homesite Assessment & Forestlands Of Less Than Five Acres & Contiguous Parcels 113
 - Accepted Assessment Procedures 114
 - Appropriate Market & Comparable Selection 114
 - Associated Site

Improvements 114
Definitions 114
Forestlands of Less Than Five
Acres & Contiguous
Parcels 114
Homesite 114
Homesite Assessment 114
How To Verify That Claimants Are
Lawfully Present In The United
States 87
Lawful Presence in the United
States 87

I
Investigation Of Written Complaints 9
Conclusion of Investigation 10
Definitions 9
Investigation Procedure 9
Public Official's Response to Final
Report 10

L
Land Actively Devoted To Agriculture
Defined 83
Cross Reference 85
Definitions 83
Homesite Assessment 84
Valuing Land, Excluding the
Homesite 84
Levy By New Taxing Units - Duties Of
Auditor 109
Levy by Newly Formed or
Organized Taxing
Districts 109
Levy by Taxing Districts Altering
Boundaries 109
Levy Considered Not
Authorized 109
Limitation On Budget Requests -
Special Plant Facilities Fund Levy
Provisions 92
Cooperative Service Agency
School (COSA) Plant Facility
Fund Increases 93
Limits on Plant Facilities
Funds 92
Maximum Amount of Increased
Plant Facilities Fund 93
No Additional Plant Facilities
Fund Permitted 92
Plant Facilities Fund Extensions or
Increases 92
Special Reporting for COSA &
Increased Plant Facilities
Levies 93
Special Reporting Requirements
for State-Authorized Plant
Facilities Levy 93

M
Manufactured Home Designated As
Real Property 33
Definition of Permanently
Affixed 34
Reversal of Declaration of
Manufactured Home as Real
Property 34
Statement of Intent to Declare
(SID) 33
Status of Manufactured Housing
Previously Declared Real 34
Market Value, Occupancy Tax 43

N
Notification Of Personal Property
Exempt Value By Taxing District Or
Unit 50

O
Occupancy Tax On Newly Constructed
Improvements On Real Property 42
Allocation to Urban Renewal
Agencies 43
Examples for Calculation of Value
Less Homeowner's Exemption
(HO) 43
Notice of Appraisal 43
Property Qualifying for the
Homestead Exemption on
Occupancy Value 43
Property Subject to Occupancy
Tax 42
Prorated Market Value 42
Operating Statement--Contents 43
Cross Reference 45
Filing Date for Operator's
Statement 45
Operator's Statement 43
Record of Property
Ownership 44
Reporting of Mileage 44
Situs Property 44
Tax Code Area Maps 44

P
Partial Exemption For Remediated
Land 79
Calculation of the Exemption 80
Definitions 79
Exempt Value Subject to
Taxation 80
Procedures to Qualify for the
Exemption 80
Sites Previously Granted the
Exemption Are Ineligible 81
Partial Year Assessment Of Real &
Personal Property 34

Change of Status 34
Cross Reference 34
Quarterly Assessment 34
Penalty For Failure To Make Statement,
Operator's Statement 50
Penalty For Failure To Provide Notice
Of Budget Hearing 108
County Clerks to Submit
Lists 108
Exceptions 108
Penalties for Noncompliance 108
Personal & Real Property -- Definitions
& Guidelines 17
Fixtures 17
Operating Property 18
Personal Property 17
Real Property 17
Powers & Duties - Property Tax - Value
Information 8, 9
Additional Abstracts to
Accompany County
Abstracts 9
Cross Reference 9
Requirement to Submit
Abstracts 9
Values by Secondary Category 9
Private Car Reporting By Railroad
Companies 48
Car Type 49
Marks 49
Miles Traveled 49
Name of Private Railcar Fleet 48
Name of Reporting Railroad
Company 48
Private Railcar Fleet's
Address 49
Procedure After Claim Approval 89
Certification of Completed
Electronic Property Tax
Reduction Roll by County
Auditor 91
Certification of Electronic Property
Tax Reduction Roll by County
Assessor 90
Final Property Tax Reduction
Roll 90
Formatting Requirements 90
Preliminary Property Tax
Reduction Roll 90
Program Of Education 10
Administration 10
Appraisal School & Other
Courses 10
Cross Reference 11
Examination Committee --
Establishment &
Procedures 11

- Record Keeping & Reporting of Attendance, Grades, & Credit Hours 10
- Property Exempt From Taxation 57
- Burden of Proof 58
- Confidentiality 58
- Notice of Decision 58
- Property Exempt From Taxation - Certain Intangible Personal Property 69
- Cross Reference 71
- Definitions 70
- Operating Property Election, Reporting & Methods 71
- Personal Property Reporting for Locally Assessed Property 71
- Tangible Property Value Not Affected by Intangible Personal Property Value 70
- Property Exempt From Taxation -- Certain Personal Property 74
- Application Required to Establish Initial Eligibility for the Exemption Provided in Section 63-602KK(2), Idaho Code 74
- Cross Reference 79
- Effective Date 74
- Limitation on Eligibility for the Exemption 77
- Limitation on Replacement Money 78
- Preliminary & Final Personal Property Tax Reduction Lists 76
- Procedure During Years Following Year of Initial Eligibility for Exemption 75
- Reporting Operating Property Exempt Value to Counties 76
- Special Provisions for Exempt Personal Property Within Urban Renewal Revenue Allocation Areas (RAAs) 79
- Special Rules for the Exemption Provided in Section 63-602KK(1) 78
- Tax Commission's Review & Correction of the Personal Property Tax Reduction Lists 77
- Taxpayers' Election of Property Location 75
- Valuation Assessment Notice 76
- Property Exempt From Taxation -- Homestead 59
- Determination of Residency 61
- Homestead Exemption 59
- Idaho Annual House Price Index Change 59
- Notification of Erroneous Claims 61
- Partial Ownership 59
- Property Exempt From Taxation - Homestead - Continued Eligibility After Death Of Claimant 59
- Occupancy 59
- Ownership Interest 59
- Property Exempt From Taxation -- Motor Vehicles, Recreational Vehicles, & Vessels Properly Registered 64
- Exempt Motor Vehicles 64
- Exempt Permanently Affixed Personal Property 64
- Motor Vehicle Defined 64
- Recreational Vehicles 64
- Taxable Personal Property 64
- Taxable Vehicles 64
- Property Exempt From Taxation -- Oil Or Gas Related Wells 83
- Application 83
- Definitions of Oil or Gas Well 83
- Ineligible Land & Equipment 83
- Property Exempt From Taxation - Property Used For School Or Educational Purposes 58
- Application for Exemption for Leased Personal Property 59
- Eligibility of Leased Property 58
- Property Exempt From Taxation -- Qualified Equipment Utilizing Post Consumer Or Post Industrial Waste 81
- Application 81
- Exempt Petition's Definitions 81
- Qualified Personal Property 81
- Property Exempt From Taxation -- Religious Corporations Or Societies 58
- Comparable Valuation Methodology to Partially Exempt Property Under Section 63-602C, Idaho Code 58
- Valuing the Taxable Part of Qualifying Property 58
- Property Exempt From Taxation -- Residential Improvements -- Special Situations 61
- Apportionment of Homeowner's Exemption by Dual Residency Couples 63
- Definitions 62
- Determining the Qualifying Portion of a Multidwelling or Multipurpose Building & the Related Land 63
- Dual Residency Couples 62
- Dual Residency Couples-- General Principles 62
- Example -- Both Residences are Community Property 62
- Example -- Both Residences Are Separate Property 63
- Example -- One Residence is Community Property, The Other is Separate Property 62
- Multidwelling or Multipurpose Building 62
- Multiple Ownerships Including Community Interests as Partial Owners 63
- Related Land 62
- Scope 61
- Property Exempt From Taxation-- Facilities For Water Or Air Pollution Control 72
- Calculation of Partial Exemption 72
- Exempt Property 72
- Exemption for Portion of Water Corporation Property 73
- Exemption Reported on Abstracts 73
- Filing Procedure 72
- Ineligibility 72
- Inspection 72
- Property Exempt From Taxation-- Speculative Portion Of Value Of Agricultural Land 65
- Calculation of Net Income from Cash Rent 65
- Calculation of Net Income From Crop Share Rent 65
- Cross Reference 67
- Definitions 65
- Determination of Five Year Average Crop Prices 66
- Farm Credit System Interest Rate 66
- Notification 67
- Property Tax Appraiser Certification Program 11
- Application for Certification 11
- Certification Requirements 12
- Cross Reference 12
- Maintaining Property Tax Appraisal Certification 12
- Property Tax Notice & Receipts - Duty Of Tax Collector 110
- Tax Notices Applicable to Taxpayers Eligible for the

- Exemption Provided by Section 63-602KK, Idaho Code 111
 Tax Notices with Zero Tax Owed 110
 Property Tax Relief ("Circuit Breaker") Program -- Special Situations 88
 Apportionment of Property Tax Reduction by Dual Residency Couples 89
 Dual Residency Couples 88
 General Principles 88
 Multiple Ownerships Including Community Interests as Partial Owners, Example 89
 Scope 88
- Q**
 Qualified Investment Exemption (QIE) Recapture 123
 County Average Property Tax Levy -- Locally Assessed Property Located in One (1) County or Nonapportioned Centrally Assessed Property 124
 Cross Reference 126
 In General 123
 No Allocation of Remittances to Urban Renewal Agencies 125
 Noticing Remittance for the Recapture of the Property Tax Benefit 125
 Notification by Taxpayer That Property Ceases to Qualify 123
 Notification in Case of Failure by Taxpayer to File Form 49ER 123
 Penalty & Interest 125
 Property Tax Benefit Subject to Recapture 124
 Protest of Recapture 124
 Statewide Average Property Tax Levy -- Locally Assessed Property Located in More Than One County or Apportioned Centrally Assessed Property 125
 Qualified Property For Exemption 119
 Continuation of Listing 120
 Cross Reference 123
 Definitions 119
 Designation of Property for Which Exemption Is Elected 119
 Election for Investments Not Otherwise Required to Be Listed on the Personal Property Declaration 120
 Election Specificity 120
 Limitation on Amount of Exemption 121
 Moved Personal Property 121
 Multi-County Taxpayers 122
 Notification by Assessor 120
 Notification Regarding Transient Personal Property 121
 Partial-Year Assessments 121
 Period of QIE 120
 Special Provisions for Nonregulated Operating Property 123
- R**
 Railcar Valuation, Idaho Taxable Value 49
 Recapture Of Deferred Taxes On Lands Designated Under Section 63-1706, Idaho Code 117
 Change in Use/Deferred Taxes 117
 Deferred Tax Responsibility 117
 Investment Lands 117
 Ownership Interest/Deferred Taxes 117
 Transfer of Ownership/Deferred Taxes 117
 Re-Examination Of Value--Complaint By Assessor 48
 Complaint 48
 Information to be Provided by the State Tax Commission 48
 Meeting to Examine Valuation & Allocation 48
 Request for Reexamination of Value 48
 Reporting Net Profits Of Mines 118
 Additional Allowable Deductions 118
 Amount to be Reported 118
 Nondeductible Items 119
 Rules Pertaining To Assessment Of Internal Revenue Code (IRC) Section 42 Low-Income Properties 24
 Appraisal Approaches 25
 Cross Reference 29
 Definitions 24
 Financial Statements to be Provided by the Owners 29
 Rules Pertaining To Market Value Duty Of County Assessors 18
 Appraisal Approaches 18
 Market Value Definition 18
- S**
 Secondary Categories For Improvements - Listing & Reporting 54
 Cross Reference 56
 Secondary Category 25 - Common Area Land & Improvements 55
 Secondary Category 26 - Residential Condominiums 55
 Secondary Category 27 - Commercial or Industrial Condominiums 55
 Secondary Category 30 - Improvements 55
 Secondary Category 31 - Improvements 55
 Secondary Category 32 - Improvements 55
 Secondary Category 33 - Improvements 55
 Secondary Category 34 - Improvements 55
 Secondary Category 35 - Improvements 55
 Secondary Category 36 - Improvements 55
 Secondary Category 37 - Improvements 55
 Secondary Category 38 - Improvements 55
 Secondary Category 39 - Improvements 55
 Secondary Category 40 - Improvements 55
 Secondary Category 41 - Improvements 55
 Secondary Category 42 - Improvements 55
 Secondary Category 43 - Improvements 55
 Secondary Category 44 - Improvements 55
 Secondary Category 45 - Utility System Land & Improvements 55
 Secondary Category 46 - Manufactured Housing 56
 Secondary Category 47 - Improvements to Manufactured Housing 56
 Secondary Category 48 - Manufactured Housing 56
 Secondary Category 49 - Manufactured Housing 56
 Secondary Category 50 - Residential Improvements on Leased Land 56
 Secondary Category 51 -

- Commercial or Industrial Improvements on Leased Land 56
- Secondary Category 57 - Equities in Land With Improvements Purchased From the State 56
- Secondary Category 60 - Improvements on Railroad Rights-of-Way 56
- Secondary Category 61 - Improvements by Lessee Other Than Secondary Category 62 56
- Secondary Category 62 - Improvements on Exempt or Public Land 56
- Secondary Category 65 - Manufactured Housing 56
- Secondary Category 69 - Recreational Vehicles 56
- Secondary Category 81 - Exempt Improvements 56
- Secondary Categories For Land - Listing & Reporting 51
- Cross Reference 54
- Secondary Category 1 - Irrigated Agricultural Land 51
- Secondary Category 10 - Homesite Land 52
- Secondary Category 11 - Recreational Land 52
- Secondary Category 12 - Rural Residential Tracts 52
- Secondary Category 13 - Rural Commercial Tracts 52
- Secondary Category 14 - Rural Industrial Tracts 53
- Secondary Category 15 - Rural Residential Subdivisions 53
- Secondary Category 16 - Rural Commercial Subdivisions 53
- Secondary Category 17 - Rural Industrial Subdivisions 53
- Secondary Category 18 - Other Land 53
- Secondary Category 19 - Waste 54
- Secondary Category 2 - Irrigated Grazing Land 51
- Secondary Category 20 - Residential Lots or Acreages 54
- Secondary Category 21 - Commercial Lots or Acreages 54
- Secondary Category 22 - Industrial Lots or Acreages 54
- Secondary Category 25 - Common Area Vacant Land 54
- Secondary Category 3 - Non-Irrigated Agricultural Land 51
- Secondary Category 4 - Meadow Land 51
- Secondary Category 45 - Utility System Vacant Land 54
- Secondary Category 5 - Dry Grazing Land 52
- Secondary Category 57 - Equities In Vacant Land Purchased From the State 54
- Secondary Category 6 - Productivity Forestland 52
- Secondary Category 7 - Bare Forestland 52
- Secondary Category 8 52
- Secondary Category 81 - Exempt Land 54
- Secondary Category 9 - Patented Mineral Land 52
- Secondary Categories, Other Than Land Or Improvements - Listing & Reporting 56
- Cross Reference 57
- Secondary Category 45 - Utility System Personal Property 57
- Secondary Category 55 - Boats or Aircraft 57
- Secondary Category 56 - Construction Machinery, Tools, and Equipment 57
- Secondary Category 57 - Equities in Personal Property Purchased From the State 57
- Secondary Category 59 - Furniture, Fixtures, Libraries, Art, & Coin Collections 57
- Secondary Category 63 - Logging Machinery, Tools, & Equipment 57
- Secondary Category 64 - Mining Machinery, Tools, & Equipment 57
- Secondary Category 66 - Net Profits of Mines 57
- Secondary Category 67 - Operating Property 57
- Secondary Category 68 - Other Miscellaneous Machinery, Tools, & Equipment 57
- Secondary Category 70 - Reservations & Easements 57
- Secondary Category 71 - Signs & Signboards 57
- Secondary Category 72 - Tanks, Cylinders, Vessels 57
- Secondary Category 81 - Exempt Property, Other Than Land or Improvements 57
- Silviculture 111
- Special Provisions For Private Railcar Fleets 49
- Allocation 49
- Definitions 49
- Miles to Miles Method of Allocation 49
- Speculative Portion Of Value Of Agricultural Land - Examples 67
- Average Property Tax Rate Calculation Example 67
- Capitalization Rate Calculation Example 68
- Cash Rent Agreement Calculation Example 68
- Crop Share Agreement Calculation Example 69
- Cross Reference 69
- Subsequent Assessment Of Property Concealed 111
- T**
- Table A - Effect on New Construction Roll 96
- Table B - Effect on Hypothetical Taxing District's Maximum Allowable Property Tax Budget 96
- Tax Commission to Provide Information on Section 42 Property Sales 29
- Tax Exemption For Investment In New Plant & Building Facilities Upon County Commissioners' Approval 82
- Cross Reference 83
- The Exemption 83
- The Investment in Plant 83
- Tax Exemption For New Capital Investments 81
- Continuation of Tax Exemption Following the End of the Project Period 82
- Cross Reference 82
- Failure to Make the Qualifying New Capital Investment 82
- New Construction 82
- Notification of New Capital Investment 81
- Property of the Taxpayer 82
- Tax Levy - Certification - Urban Renewal Districts 103
- Criteria for Determining Whether Levies for Funds Are to Be Computed Using Base Value or

- Market Value for Assessment Purposes 107
- Cross Reference 108
- Definitions 103
- Establishing & Adjusting Base & Increment Values 104
- Levy Computation for Taxing Districts Encompassing RAAs Within Urban Renewal Districts 106
- Modification of an Urban Renewal Plan 107
- Taxation Of Forestlands Under The Productivity Option 115
 - Classification of Forestlands 115
 - Deficient Areas 116
 - Forest Valuation Zones 115
 - Forestland Valuation Process 115
- U**
- Uniform Parcel Numbering System 20
 - Condominiums 23
 - Definitions 20
 - Parcel Number Cancellation or Retention Upon Property Transfers 20
 - Parcel Number Functions 20
 - Patented Mines & Patented Mining Claims 23
 - Property Split by County Line, Section Line, or Tax Code Area Boundary 20
 - Rural Land not Subdivided 20
 - Subdivided Rural Land 22
 - Subdivided Urban Land 22
 - Urban Land not Subdivided 22
- Use Of Ratio Study To Equalize Boise School District 38
 - Abstracts of Value for the Boise School District 39
 - Assessor to Identify Boise School Districts 39
 - Certification of Values 40
 - Cross References 40
 - Exception from Requirement for at Least One Observation for Use of Secondary Category in Adjusted Value Determination 39
 - Procedures for Boise School District Ratio Studies 38
 - Urban Renewal Increment & Exemption to be Subtracted 39
 - Use of Property Designations 39
- Use Of Ratio Study to Test for Equalization in Counties 15
 - Cross References 17
- Equalization Ratio Study 15
- Exception from Requirement for at Least One Observation for Use of Secondary Category in Adjusted Value Determination 16
- Follow-Up Ratio Study 15
- Notice of Follow-Up Ratio Study 16
- Reasonable Statistical Certainty 17
- Submission of Additional Information 16
- Tested For Equalization 15
- Use of Alternate Ratio Study 16
- Use of Ratio Study Results 16
- V**
- Valuation Of Mines For Taxation 118
- Value Of Recreational Vehicles For Annual License Registration & Taxation Of Unregistered Recreational Vehicles 7
 - Assessment Notice Mailed or Assessment Canceled 8
- Value of Motor Home or Van Conversion For Registration Fees 8
- Value of Recreational Vehicle For Registration Fees 7
- Value of Vehicles Designed for Combined RV & Non-RV Uses for Registration Fees 8
- Value Of Residential Property In Certain Zoned Areas 64
 - Qualifying Residential Improvements 64
 - Residential Property 64
- Y**
- Yield Tax On Applicable Forest Products 116
 - Bare Forestland Value 117
 - Calculation 116
 - Landowner's Report 117
 - Stumpage Value 117