

IDAPA 35 – STATE TAX COMMISSION

35.01.03 – PROPERTY TAX ADMINISTRATIVE RULES

DOCKET NO. 35-0103-1801

NOTICE OF INTENT TO PROMULGATE RULES – NEGOTIATED RULEMAKING

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

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

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

1. Attend the negotiated rulemaking meeting(s) and participate in the negotiation process,
2. Attend through a teleconference,
3. Provide oral or written recommendations, or both, at the negotiated rulemaking meeting, and/or
4. Submit written recommendations and comments to the address below.

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

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

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

Property Tax Rule 312

This rule changes the time when government owned property transferred to a private owner becomes taxable. The existing rule defers the time until the next January 1, 2019. The proposed change will conform to I. C. 63-602Y, which provides that property changing status from exempt status to taxable status, becomes taxable quarterly and the tax is prorated accordingly.

Property Tax Rule 408

Subsection 408.02 requires final values of operating properties be sent to county assessors. Subsection 408.03 designates July 15 as the date by which county assessors may file a complaint concerning the valuation or allocation of the value. There is a need to review the timing of this process because the operating property values are not final values until after the Tax Commission meets in August as the State Board of Equalization.

Property Tax Rule 610

This rule will explain that the primary guidance in determining partial ownership relative to the homeowner's exemption program is the specific language found in the transfer deed.

Property Tax Rule 613

A petition has been received asking a review of the manner in which agricultural values are determined.

Property Tax Rule 614

A petition has been received asking a review of the manner in which agricultural values are determined.

Property Tax Rule 630

Recently enacted HB591 made operating property owners eligible to apply for this exemption. This rule is being

changed to require taxpayers to apply to the Tax Commission for the exemption whenever operating property is involved in the exemption.

Property Tax Rule 709

This rule will explain that the primary guidance in determining partial ownership relative to the property tax reduction program is the specific language found in the transfer deed.

Property Tax Rule 802

Idaho Code 63-301A and Rule 802.06 provides that new construction is not counted in a revenue allocation area (RAA) until the RAA dissolves. Additional clarification is needed to show how new construction is counted when a dissolving RAA has expanded into a taxing district, or when a taxing district has expanded into an RAA.

Property Tax Rule 803

Recently passed legislation (HB559) created a provisional property tax exemption; (HB392) clarified the dates when solar farm gross earnings receipts are to be reported and deducted from property tax revenue; and HB567(a) revised the levy process to follow when cemetery taxing districts consolidate. The changes describe the handling of revenue distributed or refunds made pertaining to the new provisional exemption found in I. C. 63-602(4). The dates for reporting certain gross earnings tax are changed to June 30, and the deduction of the solar revenue from the property tax budget is explained. A detailed explanation of how to compute levies for consolidating cemetery taxing districts is provided.

Property Tax Rule 804

This rule will clarify whether or not the “base assessment roll” includes the property which existed in the revenue allocation area (RAA) at the time of RAA formation and subsequently became taxable.

Property Tax Rule 962

This rule will adopt the process by which the county assessor may change a forest parcel’s productivity class. The process, at a minimum, will set forth requirements for landowner notification, inspector qualifications and retention of documents.

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

All written comments must be directed to the address below.

Dated this 6th day of April, 2018.

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