

374. -- 376. (RESERVED).

377. MANNER OF ASSESSMENT--VALUATION.

01. Appraisal Techniques. Appraisal techniques used by the Commission in estimating market value for assessment purposes will be the same as recognized by court decisions, supported by text books and technical publications common to the industry. These techniques include the cost approach, income approach, and stock and debt or market approach. By correlation of these approaches, market value is estimated. (3-4-96)L

02. Unitary Method of Valuation. The unitary method of valuation is, in most cases, used by the department on centrally assessed properties. This method values the entire units of property as one (1) thing or going concern. valuation. For example, the estimated market value of a line of interstate railroad or utility is something more than an aggregation of the value of separate parts of it, operated separately. It is the aggregate of these values plus that arising from the unitary operation of the whole which constitutes the full value of property. Then each state has an equal right to a just proportion of that value. (3-1-96)L

03. Material Relating to Valuation. The material relating to valuation, value approaches, reproduction and replacement cost approaches to value, historical and original cost approaches to value, the income approach and stock and debt approach to value shall also apply to the assessment of private railroad car companies except as provided otherwise in Idaho Property Tax Administrative Section 204 of these rules. (3-1-96)L

04. Value Approaches. The level of market value sought shall be consistent with the market value concept defined in Section 204 of these rules. The appraiser shall consider one (1) or more of the following, as may be appropriate for the property being appraised. (3-4-96)L

a. The price or prices at which the property and comparable properties have recently sold the comparative sales approach. (7-1-93)

b. The prices at which fractional interests in the property or comparable property have recently sold, and the extent to which prices would have been increased had there been no prior claims on the assets (stocks and debt approach). (7-1-93)

c. The cost of replacing reproducible property with new property of similar utility, or of reproducing the property at its present site and at present price levels, less the extent to which the value has been reduced by depreciation, including both physical deterioration and obsolescence the replacement or reproduction cost approach. (7-1-93)

d. The amount invested in the property or the depreciation computed the method employed by the regulatory agency if the income from the property is regulated by law and the regulatory agencies use historical cost or historical cost less depreciation as a rate base the historical cost approach. (7-1-93)

e. The amount that investors would be willing to pay for the right to receive the income that the property would be expected to yield, with the risk attendant upon its receipt the income approach. (7-1-93)

05. Reproduction and Replacement Cost Approaches to Value. (7-1-93)

a. The reproduction or replacement cost approach to value is used in conjunction with other value approaches and is preferred when neither reliable sales data including sales or fractional interests nor reliable income data are available and when the income from the property is not so regulated as to make such costs irrelevant. It is particularly appropriate for construction work in progress. (7-1-93)

b. The reproduction cost of a property may be extended either by 1) adjusting the property's original cost for price level changes and abnormalities, if any, or 2) applying current prices to the property's labor, material, components, with appropriate additions for managerial services, interest on borrowed or owner-supplied funds, or other costs typically incurred in bringing the property to a finished state (or to a lesser state as unfinished on the lien date). Estimates may be made by using square feet, cubic feet, or other unit costs; a summarization of the in place costs of all components; a quantity survey of all material, labor and other cost elements; or combination of these

methods. (7-1-93)

c. The original costs of reproducible property shall be adjusted, i the aggregate or by groups, for price level changes since original construction by multiplying the cost incurred in a given year by an appropriate price index factor. When detailed investment records are unavailable for earlier years or when only a small percent of the total investment is involved, the investments in such years may be lumped and factored to present price levels by means of an index number that represents the appraiser's best judgement of the weighted average price change. If the property was not new when acquired by its present owner and its original cost is unknown, its acquisition cost may be substituted for original cost in the foregoing calculations. (7-1-93)

d. The replacement cost of property may be estimated as indicated by applying current prices to the labor and material components of a substitute property capable of yielding the same services and amenities, with appropriate additions as specified in Subsection 377.05.b. (7-1-93)

e. Reproduction or replacement cost shall be reduced by the amount that such cost is estimated to exceed the current value of the reproducible property by reason of physical deterioration, misplacement, over-or-under improvement, and other forms of depreciation or obsolescence. The percent that the remainder represents, of the reproduction or replacement cost, is the property's percent good. (7-1-93)

06. Historical and Original Cost Approaches to Value. (7-1-93)

a. Historical cost is the first cost of a property item regardless of the present owner or interim sales transactions. It usually refers, in utility properties, to the cost of a property item when first devoted to public service. (7-1-93)

b. Original cost is the cost of a property item to the present owner. At times, it is used as equivalent to historical cost. The majority of utility companies have had their major growth under control of state and federal regulatory bodies. Original cost has been defined by the regulatory agencies as the cost of property when first devoted to utility service. This amount is nearly always the amount shown on the books of the company as investment in operative plant. If one operating company were to purchase another operating company, and consolidate the books, the amount the surviving company would be permitted--and required--to show in its investment in plant accounts is the amount the dead company had invested, regardless of whether the purchase price was more or less than the book amount, with the difference being carried in a balance sheet account, the amount to be written off during a period of time through surplus. This depreciated original cost is the basis used by the regulatory bodies to develop a rate base upon which the utility may earn. (7-1-93)

07. The Income Approach to Value. (7-1-93)

a. The income approach to value should be used in conjunction with other recognized approaches when the property under appraisal is typically purchased in anticipation of a money income. It is the preferred approach for the appraisal of land when reliable sales data for comparable properties are not available. It is the preferred approach for the appraisal of improved real properties and personal properties when reliable sales data are not available and the cost approaches are unreliable because the reproducible property has suffered physical depreciation, functional or economic obsolescence, is a substantial over-or-under improvement, is misplaced, or is subject to legal restriction on income that is unrelated to cost. (7-1-93)

b. Using the income approach, an appraiser values an income property by computing the present worth of future income. This present worth depends upon the size, shape, duration of the estimated income stream and upon the capitalization rate at which future income is discounted to its present worth. (7-1-93)

c. The income to be capitalized is the amount which an informed owner and informed buyer may anticipate on the lien date that the taxable property existing on that date will yield under prudent management and subject to such legal enforceable restrictions as such persons may foresee as of that date. This income is the amount of operating income or revenue left after paying operating expenses and certain other recognized obligations but before payment of any interest on debt or dividends on stock. These terms mean the net income available to all interests in the property, i.e., the debt holders and the stockholders. (7-1-93)

d. The income approach shall be used according to nationally accepted appraisal techniques. The direct capitalization techniques or derivatives thereof shall not be used in estimating the value for the income approach. (3-4-96)L

08. Stock and Debt Approach to Value. (7-1-93)

a. Application. It is important to use the stock and debt approach to value in conjunction with other approaches to the unit value of property 1) when the value of the stock and debt can be adequately measured by reference to market transactions and 2) when the value of the property approaches the value of all the property of the enterprise or can be extracted from the value of all the property of the enterprise by means of reasonable allocation devices. The approach is based on the accounting concept that the value of the assets, property, of an enterprise equals the sum of the values of the enterprise's capital stock and its liabilities. (7-1-93)

b. Valuation of Stocks. The stocks to be valued are the outstanding shares of preferred and common stock other than those held by an affiliate included in the unit to be valued, plus any publicly held shares of such affiliates. The value of the shares of preferred or common stock is indicated by their market prices per share on the lien date, or the average prices per share over a recent relatively short period, multiplied by the number of shares outstanding on the lien date or at the end of the period. For shares traded over the counter, either the average of their bid-and-ask prices or their actual sales prices may be used as market prices. If neither market prices nor bid-and-ask prices are available for a stock that is a comparatively unimportant part of the capitalization, such stock may be valued by reference to preferred stock yields or common stock yields and price/earnings ratios for issues of comparable quality. (7-1-93)

c. Valuation of Current Liabilities. The current liabilities to be valued are those current and deferred liabilities that are actual legal obligations. The market value of these debts is indicated by their face or book value in the absence of evidence to the contrary. Contingent liabilities should be excluded unless there is evidence that they represent actual legal obligations. The objective is to include any obligation that purchasers of the total equity interest would assume, at the amount the purchaser would reduce the price he pays for the equity interest by reason of the obligation assumed. (7-1-93)

d. Exclusions. The market value of the stock plus the market value of the debts equals the value of the enterprise. When the enterprise owns nontaxable property, such as cash, receivables, and securities, or property assessable by other agencies, the enterprise value must be reduced by the amount these items are estimated to contribute to the stock and debt value in order to arrive at the market value of the assessable property. If the objective of the appraiser is to arrive at an indicator of the value of the taxable unitary property, the enterprise value must also be reduced by the value of any non-unitary property within the assessor's jurisdiction. (7-1-93)

e. Additions. The stock and debt value includes only the so-called bonus value of leased property, which may be positive or negative. Consequently, if leased properties are included in the unit that is being appraised, the capitalized net rental payments must be added to the stock and debt value to derive the unit value indicator. (7-1-93)

09. Method of Apportionment Situs Property. (7-1-93)

a. Property which is of such nature that it cannot be reasonably apportioned on the basis of rail, wire, or pipeline mileage shall be referred to as situs property. The word SITUS shall be interpreted as meaning the place where something exists. Undepreciated cost is considered by the Commission to be of prime importance and the basis of apportionment for such situs property to the county and district in which this property is situated. Property having this status is generally considered as being microwave stations and radio relay towers which are not physically connected with wires; fish facilities of an electrical power company where in such facilities are located in a district in which no wire miles exist; furniture and fixtures located in a district having no track, wire or pipeline miles. (7-1-93)

b. Leased machinery and equipment, leased land, buildings and improvements located thereon which are considered as being used as a stage of utility or materiality to the operating company's business are sited to insure proper identification of property assessment, and billing of taxes to the lessee as well as the lessor. (7-1-93)

378. -- 380. (RESERVED).

381. ATTENDANCE OF AGENTS OF UTILITY.

01. The Commission may require the attendance of the person to be assessed under Section 63-701, Idaho Code, et seq., or Section 63-801, Idaho Code, et seq., or the officers, managers or agents of such person with or without a formal hearing. Notice of the Commission's requirement of testimony may be given by mail, and if a formal hearing has been requested, the notice may be sent with the Notice of Hearing. (7-1-93)

02. The Commission may require the person to be assessed to designate a witness who consents to testify on any matter designated by the Commission which in the judgement of the Commission, would assist it in fixing the value of the property. The person designated shall testify as to matters known or reasonably susceptible to being ascertained by the person to be assessed. (7-1-93)

03. The notice may also require the person to be assessed to produce all documents or items which the Commission might designate to enable it to value or assess the property, whether or not a formal hearing has been requested or testimony is to be taken. (7-1-93)

382. -- 385. (RESERVED).

386. TAXPAYER ENTITLED TO HEARING--PROCEDURES BEFORE THE STATE TAX COMMISSION.

01. Procedure Governed. These rules shall govern all practice and procedure before the Commission in all matters arising under Section 63-701, Idaho Code, et seq., and Section 63-801, Idaho Code, et seq. (7-1-93)

02. Liberal Construction. These rules shall be liberally construed to secure just, speedy and economical determination of all issues presented to the Commission. In special cases, where good cause appears, not contrary to statute, the Commission may permit deviation from these rules insofar as it may find compliance therewith to be impracticable or unnecessary. (7-1-93)

03. Communication. All notices and petitions herein required to be filed with the Commission must be in writing, identify the filing party, signed by the filing party, dated and give the filing party's mailing address and telephone number. Filing shall not be complete until the documents or items are received by the Commission. (7-1-93)

04. Service by Commission. All notices and orders required to be served by the Commission may be served by mail and service thereof shall be complete when a true copy of such document, properly addressed and stamped, is deposited in the United States mail. (7-1-93)

05. Parties. (7-1-93)

a. Petitioner. Persons petitioning for formal hearings shall be called petitioners. (7-1-93)

b. Staff. Commission staff may appear as a party at any hearing and may be represented by Deputy Attorney Generals assigned to the Commission. (7-1-93)

06. Appearances and Practice. (7-1-93)

a. Rights of Parties. At any hearing, all parties shall be entitled to enter an appearance, to introduce evidence, examine and cross-examine witnesses, make arguments, and generally participate in the conduct of the proceeding. (7-1-93)

b. Taking of Appearances. The presiding officer conducting the hearing may require appearances to be stated and shall see that all parties present are identified on the record. (7-1-93)

c. Representation of Parties. Appearances and representation of parties shall be made as follows: A

party who is a natural person may represent himself or herself or be represented by an attorney. A partnership may be represented by a partner, duly authorized full-time employee or by an attorney. A corporation may be represented by an officer, duly authorized full-time employee or by an attorney. A municipal corporation or nonprofit organization may be represented by an officer, duly authorized full-time employee or by an attorney. All other parties may appear and shall be represented by an attorney. An attorney who is not admitted to practice in the state may not appear and represent parties unless such attorney is duly admitted to practice and in good standing before the highest court of any state and is associated with an attorney who is admitted to practice and in good standing in the state. (7-1-93)

07. Pre-Hearing Conferences. (7-1-93)

a. General. The Commission may, upon written or other sufficient notice to all interested parties, hold a pre-hearing conference for the purpose of formulating or simplifying the issues, obtaining admissions of fact and of documents which will avoid unnecessary proof, arranging for the exchange of proposed exhibits or prepared expert testimony, limitation of number of witnesses, procedure at the hearing, and such other matters which may expedite orderly conduct and disposition of the proceedings or settlements thereof. (7-1-93)

b. Action Taken. The actions taken at such conference and the agreements made thereat by the parties concerned shall be recorded and the Commission may issue a pre-hearing order in respect thereto. When so issued such pre-hearing order will control the course of subsequent proceedings unless modified at the hearing to prevent manifest injustice. (7-1-93)

c. Facts Disclosed Privileged. Facts disclosed in pre-hearing conferences are privileged. Except by agreement, they shall not be used against participating parties, before the Commission or elsewhere, unless proved by evidence other than that employed in disclosing such facts. (7-1-93)

08. Hearings. (7-1-93)

a. Request for Hearing. All requests for formal hearings shall be in the form of a petition and two (2) copies filed with the Commission on or before August 1st of the current year. The petition shall state all factual and legal basis on which the request is based. (7-1-93)

b. Notice of Hearing. The Commission shall notify all petitioners of the place, date and time of the formal hearing. (7-1-93)

c. Motions. Motions may be submitted for the Commission's decision on either written or oral argument and the filing of affidavits in support or contravention thereof may be permitted. Motions filed by different parties but involving the same point of law may be set for hearing at the same time. The practice respecting motions and forms thereof shall conform insofar as practicable with the practice in the district courts of the state. (7-1-93)

d. Hearing Officer. The hearing shall be conducted by the Commissioner supervising the ad valorem section of the Commission or his designate. The Commissioner shall not vote on any matters where he has been staff supervisor. (7-1-93)

e. Testimony Under Oath. All testimony to be considered by the Commission in formal hearings, except matters noticed officially or entered by stipulation, shall be sworn testimony. Before taking the witness stand each person shall swear, or affirm, that the testimony he is about to give in hearing before the Commission shall be the truth, the whole truth and nothing but the truth. (7-1-93)

f. Rules of Evidence. In conducting any investigation, inquiry or hearing, neither the Commission nor any officer or employee thereof shall be bound by the technical rules of evidence, and no informality in any proceeding or in the manner of taking of testimony shall invalidate any order, decision, or rule made, approved or confirmed by the Commission. Rules of evidence before the courts of the state will be generally followed but may be relaxed at the discretion of the Commission when deviation from the technical rules of evidence will aid in ascertaining the facts. When objection is made to the admissibility of evidence such evidence may be received subject to later ruling by the Commission. The Commission, at its discretion either with or without objection may exclude inadmissible, incompetent, cumulative or irrelevant evidence or order such evidence discontinued. Parties objecting to the introduction of evidence shall briefly state the grounds of objection at the time such evidence is offered. The

evidence to be admitted at hearing shall be material and relevant to the issue. (7-1-93)

g. Recessing Hearing for Conference. In any proceeding the presiding officer may, in his discretion, call all parties together for a conference prior to the taking of testimony, or may recess the hearing for such conference, with the view of carrying out the purpose of this rule. The presiding officer shall state on the record the results of such conference. (7-1-93)

h. Transcript. An official transcript of the hearing will be taken. Any party desiring the taking of stenographic notes by a qualified court reporter may so request in writing. The party requesting the report shall bear the expense of the reporter's attendance fees and if the reporter's transcript is deemed by the Commission or presiding officer as the official transcript of the hearing, the party requesting the reporter shall furnish the Commission a transcript free of charge. (7-1-93)

i. Transcript Copies. Any person desiring a copy of the record of proceedings taken at any hearing must inform the Commission in writing or on the record. Upon completion of the record, the Commission shall notify the person requesting a copy of its completion and the fee for producing such record. Upon receipt by the Commission of the amount of the fee in cash, certified check or money order, the Commission will forward a copy of the record to the requesting party. (7-1-93)

387. -- 390. (RESERVED).

391. RE-EXAMINATION OF VALUE--COMPLAINT BY ASSESSOR.

A complaint by an assessor to the Commission to examine the valuation and allocation of value of operating property will be acknowledged as being properly filed if such complaint is submitted in the following manner and contains the particulars outlined below: (7-1-93)

01. Complaint Must Be in Writing. Complaint must be in writing and contain clear and concise statements, in paragraphs separately numbered, of the matters that lay a foundation for re-examination. (7-1-93)

02. Final Filing Day. The final day for filing a complaint must be within twenty (20) days following the Commission's certification of values of operating property to the county auditor. (7-1-93)

03. Complaint Shall State Specific Grounds. Complaint shall state the specific grounds for examining valuation or allocation and must precisely express: reason for re-examination of value as to change of allocation or change in value, if any; the basis for such reason; the particular matter submitted for determination; a concise recital of the facts affecting such matter; a concise specification of the particular relief sought; a statement of the case law, if any, relied upon. (7-1-93)

04. Examination of Complaint by Commission. Upon a filing of a complaint by the assessor, the Commission will examine same and notify the complainant as to its acceptance, or if said complaint is unacceptable, within five (5) days. (7-1-93)

05. Request for Appearance. The Commission may request appearance of assessor or representative of any company whose operating property may be in question. (7-1-93)

06. Notice of Findings. Upon a filing of acceptable complaint, the Commission will make an examination of valuation or allocation of value and give notice of the findings of such examination within thirty (30) days following the notice of acceptance of such petition. (7-1-93)

07. Idaho Code Provisions. Nothing contained in this section or rule should be interpreted as replacing or modifying in any way the provisions under Section 63-712, Idaho Code, providing for the county auditor to carefully examine the statement of assessed values from the Commission with the previous year's assessment and shall notify the Commission, if in the opinion of the county auditor errors were made or any property in the county subject to assessment by the Commission has not been assessed, as soon as any error or omission in such statement is discovered by the county auditor. (7-1-93)

392. -- 399. (RESERVED).

400. CAR COMPANIES DEFINED--STATEMENT.

01. Representatives of all railroad car companies or business enterprises, other than railroad companies operating a line of railroad or any sleeping cars owned by a car company, owning or operating any cars or having any property in the state for the year ending December 31 of the preceding year, shall by April 30 of each year, file a statement with the Commission. (7-1-93)

02. To obtain uniformity, the Commission has prepared a report form for car companies. The report form will be T.C. Form AR-1 captioned RAILROAD CAR COMPANIES ANNUAL REPORT. Three copies of such report forms will be mailed by the Commission to all known car companies following the assessment date, January 1, each year. One completed copy of the report form must be returned to the Commission by April 30 of each year. Additional report forms will be available upon request. (7-1-93)

03. The fact that report forms are inadvertently not mailed or a company may not have received report forms will in no case be grounds to obviate an assessment or payment of tax. (7-1-93)

04. In addition to the above report, it is requested that a copy of the last annual report of the Board of Directors, or other officers, for the stockholders of the company, and a copy of its Interstate Commerce Commission Report, be furnished the Commission. (7-1-93)

401. -- 403. (RESERVED).

404. STATEMENT BY RAILROAD COMPANY.

01. The president or other officer of every railroad company whose lines of railroad track runs through, in or into this state shall, by April 15 of each year file a statement with the Commission. The statement has been prepared and will be available upon request to the Commission. The statement will be referred to as STC Form C-1 entitled RAILROAD COMPANY'S REPORT OF PRIVATE CAR COMPANIES--ANNUAL STATEMENT OF MILEAGE MADE BY PRIVATE line cars in the state of Idaho for the year ending December 31, _____. (7-1-93)

a. Such complete statement will show: the name of the reporting railroad company; the name of each private car company, defined under Section 63-803, Idaho Code; business address of car companies; classification of cars by symbol, XC, SC, etc., according to Official Railway Equipment Register or by general description such as flat, tank, refrigerator, etc.; car initials; total number of miles traveled on their lines of railroad trackage, main line, branches, sidings, spurs, and warehouse or industrial trackage in this state during the year ending December 31 of the preceding year; rate per mile stated in cents, and amounts paid for mileage in Idaho. (7-1-93)

02. The use of STC Form C-1 by the various railroad companies is optional so long as the information received is legible and virtually in the same manner and order as specified on the approved statement. (7-1-93)

03. In addition to using such report as the basis of assessment, it will serve as a means of alerting the Commission of any car companies operating within the state for the first time, which in turn will enable the Commission to supply such car companies with the necessary reports to be filed with the Commission. (7-1-93)

405. -- 407. (RESERVED).

408. MANNER OF ASSESSMENT.

01. Type Valuation Data. Private car companies have little fixed property in the state. Their properties are largely railroad cars which are by nature very mobile. But generally the same evidences of value in estimating market value for assessment purposes can be used on private car companies as on operating property, namely: replacement/reproduction cost new less depreciation, original cost less depreciation, capitalized income, stock and debt method, and sales. (7-1-93)

02. Special Rule. Any car company having one thousand (1,000) or less miles of total wheelage, and/or

a car located within the state fifteen (15) days or less, in case of repairs, idle products, storage use or otherwise, during the prior calendar year ending December 31, may be considered as not being sufficient to economically justify the assessment and collection of the property tax effective January 1 of the current year. However, this rule may be exercised ONLY by the Commission and in no case shall be reason for not filing the required annual reports with the Commission. Car companies having one thousand one (1,001) or more miles of total wheelage and/or a car located within the state sixteen (16) days or more shall be considered as having sufficient property to justify the cost of assessment and collection of the tax. (7-1-93)

03. Allocation of Number of Cars, Value, to the State. Based upon available data and statistics, the Commission will develop the quantity of cars assignable to the state on the basis of the average number of cars within its boundaries for the twelve (12) month period prior to the assessment date rather than attempting to ascertain the number of cars actually in the state on the assessment date. (7-1-93)

04. Situs Count Method/Approach. Consideration will be given to a car quantity which is divided into two (2) counts, one (1) titled standing count and the other running count. The standing count utilizes the daily yard checks made by railroad companies as of 7:00 A.M. each work day. This count includes all cars on industrial spurs, side tracks, yard tracks and storage tracks. It does not include cars that are made up into trains. A sampling of approximately twenty-six (26) staggered days across the calendar will be used. The total count is averaged and assumed to be equivalent to the average annual count of standing cars in the state. The running count is intended to be the average number of cars in the state necessary to generate the car miles that are reported traveled in the state. From railroad company data the average speed of a train in through-mainline service is estimated. Currently, four hundred (400) miles per car per day is applicable. Therefore, when the total car miles traveled in Idaho are divided by a factor composed of four hundred (400) miles per day multiplied by three hundred sixty-five (365) days in a year, one hundred forty-six thousand (146,000) miles the average number of running cars per year necessary to generate the state's car miles is estimated. By adding the standing count of cars and the running count of cars, the total number of cars for the state is estimated by the situs count approach. (7-1-93)

05. Prorate/Wheelage Method. Another approach to developing car quantity is allocation by prorate or wheelage method. (7-1-93)

a. Several sources of data and computable steps are required to produce a reliable estimate of the number of cars allocable to Idaho. (7-1-93)

b. One such type of data required is the total miles within the United States traveled by all cars owned or leased by the car company for the previous year. This data is available from the car company and is required by the Commission to be furnished prior to April 30th each year, on forms provided by the Commission. Again, the reported total miles traveled is for the prior year for the calendar months of January through December. Example: Car company report due April 30 covers the total car miles traveled by all cars owned or leased during the preceding months of January through December. (7-1-93)

c. Another required statistic is the total car miles of all owned or leased cars that traveled within the state and is to be furnished by the car company. The various companies are also required by the Commission to compile car mileage for each car company and submit to the Commission. If there is a difference between the two (2) sources of data, the two (2) must be reconciled. (7-1-93)

d. With the above information in hand, i.e., total car miles traveled within the prior year by car company and total car miles traveled within the state, an average percentage of the company fleet of cars within Idaho during the year is obtainable by dividing the total miles traveled by all cars within the U.S. into the total miles traveled within Idaho. The percentage thus developed is applied to the in service owned and leased cars of the company. The result is an average of the number of cars within the fleet allocable to Idaho by the prorate or wheelage method. (7-1-93)

06. Correlation of Methods. The arithmetic or weighted average of the situs count and prorate methods will be utilized to estimate the number of cars allocable to the state. The average number of cars thus developed will be converted to estimated market value for assessment purposes through multiplying the average estimated value per

car. Example:

Average Value of Car	\$ 10,000
Average No. of Cars Allocable to Idaho	10
Estimated Market Value, for Assessment Purposes	\$100,000

See ISTC 412

(7-1-93)

409. -- 411. (RESERVED).

412. APPORTIONMENT OF ASSESSED VALUES WITHIN THE STATE.

01. Railroad companies' reports to the Commission include the various in service main and branch line track miles by county and tax code area for purposes of apportioning railroad valuation. The same track miles are used for the apportionment of assessed values, of five hundred thousand dollars (\$500,000) or more, of private car companies. (7-1-93)

02. This car company value is first assigned to the railroad systems generating the mileages of each company in the proportion that the individually produced miles compare to the total state mileage. The assigned values are then divided by the in service main track mileage, of that particular railroad, to obtain a rate per mile. This rate is then used to apportion value on the basis of the number of miles of track existing in each county and tax code area. For the purpose of apportioning value by miles traveled, main track is interpreted as including branch lines, which are the main tracks of the railroad between designated points, as well as main lines normally considered as being used for through freight, wherein both contribute to the total mileage, but does not include industrial spurs, sidings or passing tracks. (7-1-93)

03. The Commission will, from time to time, conduct studies to ascertain the trackage, of the railways, over which the various types of cars are traveling. For example, the freight car movement over the Simplot spur of the Oregon Short Line Railroad Company, located between Fort Hall, Idaho, and the Gay Mine in Bingham County, consisting of twenty-one and forty-nine one hundredths (21.49) miles, is entirely a shale rock haul and would never, under present conditions, have refrigerator-type cars wheeled over such line. Therefore, the Commission is justified in eliminating such trackage from the track mileage used for prorating the value on refrigerator-type cars in the county by tax code areas. The county auditor places such valuation on the assessment rolls of the county and applies the appropriate tax levies to determine the amount of tax to be collected by the county treasurer in the same manner as applies to personal property. (7-1-93)

04. Assessed value in counties and taxing districts within the state is allocated by prorating on a mileage basis as follows:

Example: Assume that private car company P has an assessed value of one hundred two thousand dollars (\$102,000); that the cars of company P were propelled by the following railroad companies over their trackage for a total of twenty-three million five hundred forty-two thousand one hundred (23,542,100) miles within the state.

The number of miles of railroad track over which cars were propelled, existing in each county and tax code area, as reported to the Commission by each railroad company, times rate per mile, Column 7 above, equals the assessed value to be certified to the county auditor. Assessed value of car companies as provided in Section 63-804A, Idaho Code, and apportioned to the counties shall be placed on the personal property assessment rolls of the counties. Collection of such taxes shall be made in the same manner as other personal property taxes. See Title 63, Chapter 13, Idaho Code. (7-1-93)

05. Determination of Average Tax Rate--Car Companies Under Five Hundred Thousand Dollars (\$500,000) Assessed Value. For car companies having an assessed value of less than five hundred thousand dollars (\$500,000), the Commission shall determine the tax to be charged on their property, by applying to the assessed value the average tax rate in the state for the current year. The average tax rate is ascertained by obtaining from each county

auditor the amount of tax computed in such county in which assessed value was allocated, and dividing the total of all the counties' taxes by the total assessed value for all car companies having as assessed value of five hundred thousand dollars (\$500,000) or more in the state.

Total computed tax received from all county auditors = Average Tax Rate Assessed value all car companies over \$500,000, state of Idaho

The Commission will circulate a letter of inquiry to all county treasurers, requesting the amount of such taxes approximately October 15 of each year which must be returned to the Commission by November 1 of each year. (7-1-93)

06. Collection of Taxes--Car Companies Under Five Hundred Thousand Dollars (\$500,000) Assessed Value. The Commission will prepare tax notices for the various car companies having an assessed value under five hundred thousand dollars (\$500,000) and mail such tax notice to the companies by the fourth (4th) Monday of November of each year. Taxes on private car companies become delinquent on the twentieth day of December. In the event of delinquency in the payment of tax, a two percent (2%) penalty of the amount of the taxes plus one percent (1%) interest per month dating back to January 1st will be added to the original amount of the tax as provided in Section 63-1302, Idaho Code. (7-1-93)

413. -- 415. (RESERVED).

416. PENALTY FOR FAILURE TO MAKE STATEMENT.

In the event a car company should fail or refuse to make statement, report as provided by Section 63-802, Idaho Code, by April 30 of each year, the Commission shall add a fifty percent (50%) penalty to the assessed value as determined by the Commission, as provided by this section; provided, however, that in the event an emergency may exist, the company may petition the Commission for an extension of time for filing, not to exceed thirty (30) days; provided further that for such petition to be valid it must be submitted in writing to the Commission, Property Tax Division, by April 30 of each year. (7-1-93)

417. -- 429. (RESERVED).

430. MUNICIPAL TAXES CERTIFICATION OF VALUATION.

01. For the budget preparation of a unit of government, the certification to all taxing districts of full market value less exemptions must be made by the assessor and auditor between the first (1st) and fourth (4th) Monday of January. (7-1-93)

02. The certification of full market values less exemptions by the assessor and auditor under this section is the full market value of all real, personal, and operating property of the prior calendar year. (7-1-93)

03. The full market value of operating property less exemptions shall be obtained by district from the Commission's data printout certification filed with the auditors. (7-1-93)

431. -- 459. (RESERVED).

460. TRANSIENT PERSONAL PROPERTY DEFINED.

01. Transient personal property is property that is not properly registered for highway use in accordance with Section 49-434, Idaho Code, and that moves from county to county and spends more than thirty (30) days but less than one (1) year in any county. (7-1-93)

02. Farm machinery and other personal property not used in construction, logging, or mining shall not be considered transient personal property. (7-1-93)

03. For payment of taxes refer to Section 63-1302, Idaho Code. (7-1-93)

461. -- 479. (RESERVED).

480. DEFINITIONS.

01. Forest land shall include parcels currently classified or eligible for classification under ISTC 44. (7-1-93)
02. Present use shall mean that the land contains actively growing trees of a marketable species which may be accepted by a commercial mill in the forest value zone. (7-1-93)
03. Silvicultural treatment 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, and genetic tree improvement. (7-1-93)
04. Forest land management plan shall mean a written management plan performed and submitted by a professional consulting forester, Idaho Department of Lands woodland forester, 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 B.S. degree in forestry from an accredited four (4) year institution. (7-1-93)
05. Bare forest land shall qualify as forest land 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. (7-1-93)
06. Joint ownership as used in ISTC 62 includes ownership of a single parcel of forest land by two or more legal entities irrespective of their proportionate ownership interests in the parcel, but shall not include the community property interests of a spouse. (7-1-93)

481. -- 483. (RESERVED).

484. LANDS OF LESS THAN FIVE ACRES.

Forest land of four and nine hundred ninety-nine one thousandths (4.999) contiguous acres or less shall not be eligible for valuation and taxation as forest land, whether or not the landowner owns other parcels which are eligible. The five (5) acre size is determined EXCLUSIVE of homesite. (7-1-93)

- a. Example 1. Landowner owns a fifteen (15) acre parcel which contains four acres of forest, nine (9) acres of irrigated row crop, and two (2) acres of homesite. The four (4) acres of forest is not eligible for valuation and taxation as forest land. (7-1-93)
- b. Example 2. Landowner owns eight (8) one (1) acre parcels of forest, and one (1) five hundred (500) acre parcel of forest. The eight (8) one (1) acre parcels are not eligible for valuation and taxation as forest lands. (7-1-93)

485. -- 487. (RESERVED).

488. CERTAIN FOREST LANDS TO BE DESIGNATED FOR TAXATION BY OWNER -- LIMITATIONS.

01. A forest landowner may choose to have the total acreage of forest land 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 forest land 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 by 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 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 forest land shall be subject to appraisal and assessment as provided in ISTC 484 of these rules. (7-1-93)

02. Reforestation lands shall be eligible for designation at time of contract expiration or when declassified by the state, so long as the land qualifies for classification as forest land. (7-1-93)

03. If the forest landowner fails to make a designation by December 31st of the year preceding assessment, the forest lands shall be assessed under Section 63-1702, Idaho Code, until a timely designation is made. (7-1-93)

04. After January 1st and by December 31st of the tenth (10th) year of designation, a landowner may change designations for the upcoming ten (10) year period, subject to any recapture of deferred taxes caused by such choice. Failure to make a new designation shall cause an automatic renewal for ten (10) years of the existing designation. (7-1-93)

05. 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. (7-1-93)

06. There are no deferred taxes on lands designated under Section 63-1705, Idaho Code. (7-1-93)

07. Recapture of deferred taxes on lands designated under Section 63-1706, Idaho Code, shall be handled as follows: (7-1-93)

a. **Ownership Interest/Deferred Taxes.** Upon removal of the designation, a substantial change in use, or ownership transfer and subsequent change in designation, forest land designated under Section 63-1706, Idaho Code, shall be subject to a recapture of deferred taxes. Where forest land is held in joint ownership, a transfer of ownership for purposes of recapturing deferred taxes shall occur when any one 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 the parcel. (7-1-93)

b. Recaptured deferred taxes shall be the responsibility of the selling landowner. Deferred taxes shall constitute a lien on the land. (7-1-93)

c. All deferred tax amounts shall be due and payable to the treasurer on demand and subject to the provisions of Sections 63-1102 and 63-1117, Idaho Code, from date of delinquency. (7-1-93)

d. All deferred tax amounts shall be certified to the real property roll immediately following delinquency. (7-1-93)

e. Forest lands designated under Section 63-1706, Idaho Code, and subsequently removed from the designation by change in use with no ownership transfer, unless such transfer is a parcel less than five (5) acres in size, to any taxing category other than designation under Section 63-1705, Idaho Code, shall cause a recapture of deferred taxes calculated in the following manner: 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, multiplied by the current levy for the tax code area or areas in which the parcel lies, (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. A credit shall be allowed for any yield tax paid up to the amount of the deferred taxes. (7-1-93)

f. Forest land designated under Section 63-1706, Idaho Code, upon transfer of ownership or removal to designation under Section 63-1705, Idaho Code, provided the transfer is a parcel equal to or greater than five (5) acres in size, shall be subject to a recapture of deferred taxes calculated in the following manner: 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, during the current year, multiplied by the current levy for the tax code area or areas in which the parcel lies, 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. A credit shall be allowed for any yield tax paid up to the amount of the deferred taxes. (7-1-93)

g. In the event of nonpayment, the yield taxes due shall constitute a lien on all real and personal property of the landowner. (7-1-93)

08. Investment lands are defined as those in categories 1, 2, 3, 4, 5, and 9, as defined in ISTC 044. (7-1-93)

489. - 491. (RESERVED).

492. TAXATION OF LARGE SIZE FOREST TRACTS.

01. Taxation under the provisions of Section 63-1705, Idaho Code, shall not include timber inventory in addition to the productivity value since the value of timber growing on the land is included in the productivity formula. The productivity formula used to determine the forest value shall be as follows:

$$\frac{\text{MAI} \times \text{SV} + \text{other agricultural related income} - \text{costs}}{\text{Capitalization Rate}}$$

Capitalization Rate

KEY:

MAI = Mean Annual growth Increment, board feet/acre/year

SV = Stumpage Value, preceding five (5) year rolling average of timber harvested within the forest value zone from state timber sales or the best available data for the same five (5) year period.

Other Agricultural Related Income = Grazing income from the forest land.

Costs = Annualized expenses directly related to producing the forest crop, including, but not limited to the establishment, maintenance, improvement, and management of the crop over the rotation period, including the forest protection fee currently charged by the Idaho Department of Lands.

Capitalization Rate = Shall be the five (5) year rolling average from the Spokane Federal Land Bank determined in accordance with the procedures described for the determining of the capitalization rate for agricultural lands in Section 63-105CC, Idaho Code.

(7-1-96)

02. The state shall be divided into four forest valuation zones:

ZONE 1 - Boundary, Bonner, Kootenai counties.

ZONE 2 Benewah, Shoshone, Latah, Clearwater, Nez Perce, Lewis, Idaho counties.

ZONE 3 Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore, Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka counties.

ZONE 4 - The remaining nineteen (19) counties.

03. Classification of Forest Lands. Forest valuation Zones 1 and 2: There shall be three separate productivity classes of forest land poor, medium, and good. These broad classes are related in the following manner by definition to the MEYER AND HAIG TABLES. These classes apply to forest land which may or may not be stocked with commercial or young growth timber. (7-1-93)

a. Poor productivity class is defined as forest land having a mean annual increment, MAI, of one hundred (100) board feet per acre per year, based on an eighty (80) year rotation and sixty-five percent (65%) of

normal stocking by the end of the rotation period. This productivity class includes western white pine site index 35-45 and ponderosa pine site index 45-80. One hundred (100) board feet per acre MAI shall be used in the productivity formula. (7-1-93)

b. Medium productivity class is defined as forest land having a mean annual increment, MAI, of two hundred twenty-five (225) board feet per acre per year, based on an eighty (80) year rotation and sixty-five percent (65%) of normal stocking by the end of the rotation period. 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 productivity formula. (7-1-93)

c. Good productivity class is defined as forest land having a mean annual increment, MAI, of three hundred fifty (350) board feet per acre per year, based on an eighty (80) year rotation and sixty-five percent (65%) of normal stocking by the end of the rotation period. 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 productivity formula. (7-1-93)

d. Forest valuation Zones 3 and 4: Criteria shall be the same as that used in Zones 1 and 2 with the following adjustments made for lower moisture levels. Poor productivity class, one hundred (100) board feet per acre MAI shall be used in the productivity formula. Medium productivity class, two hundred thirteen (213) board feet per acre MAI shall be used in the productivity formula. Good productivity class, three hundred twenty (320) board feet per acre MAI shall be used in the productivity formula. (7-1-93)

04. The recommended MAI's to be used in the productivity formulas for the appropriate forest valuation zones are according to the best available information and subject to change upon receipt of updated information. The MAI's shall be considered as midpoints of a class in the following manner:

MP	
Zones 1 and 2:	
Poor	38 - 100 - 162 board feet per acre
Medium	163- 225 - 286 board feet per acre
Good	287 - 350 and greater board feet per acre
MP Zones 3 and 4:	
Poor	44 - 100 - 156 board feet per acre
Medium	157 - 213 - 268 board feet per acre
Good	269 - 320 and greater board feet per acre

(7-1-93)

05. The Commission shall provide a field appraisal manual on forest valuation as deemed necessary. (7-1-93)

06. Lakes, solid rock bluffs, talus slopes, and continuously flooded swampy areas, larger than five contiguous acres in size which can be identified on aerial photos shall be valued at forty percent (40%) of the poor bare land and yield value in accordance with Section 63-1706, Idaho Code. These areas are defined as being incapable of growing trees. (7-1-93)

493. -- 495. (RESERVED).

496. YIELD TAX ON APPLICABLE FOREST PRODUCTS.

01. The formula shown below will be used to update the bare forest land value for tax assessment purposes on an annual basis: (7-1-93)

See formula in the appendices at end of this chapter

The stumpage value used in the formula shall be the same as that used in the productivity formula by zone, and the bare forest land values shall be reviewed by the Commission periodically (7-1-93)

02. Previous calendar year's delinquent yield taxes owing shall be certified to the real roll for collection no later than November 1. (7-1-93)

03. By December 31, 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 shall be kept on file. (7-1-93)

497. -- 499. (RESERVED).

500. PROPERTY EXEMPT FROM TAXATION.

Christmas tree farms shall be categorized on the tax rolls under the applicable agricultural category. Section 63-1708, Idaho Code, shall only apply to Christmas trees harvested from designated lands. (7-1-93)

501. -- 524. (RESERVED).

525. MEETING OF COMMISSIONERS AS BOARD OF EQUALIZATION.

01. Subsequent Roll Required. The assessor shall prepare a subsequent roll of all assessable property not included on the current year's rolls which were equalized between the fourth (4th) Monday of June and the second (2nd) Monday of July. (7-01-93)

02. Adjournment of County Board of Equalization. Boards of Equalization may RECESS and meet as business warrants but must meet and adjourn on the second Monday of July and on the first Monday of December. Early adjournment of the Board shall not preclude taxpayer appeals. (7-01-93)

03. Missed Property Roll. Real and personal property not previously assessed during the current year shall be assessed between the fourth (4th) Monday of November and December 31, and listed on the missed property roll which shall be equalized at the first regular meeting of the Board of Equalization in January. (7-01-93)

04. Additional Abstract Required. An abstract shall be prepared for the assessment roll that includes any property discovered and assessed, for the current year, and equalized by the county commissioners during their monthly meeting, as a Board of Equalization in January of the following year. This abstract shall be forwarded to the Tax Commission no later than the 4th Monday of January. (3-23-94)

526. -- 549. (RESERVED).

550. TAXING DISTRICTS NEWLY ORGANIZED OR ALTERED.

01. The following documentation shall be filed with the county assessor, county recorder, and Tax Commission no later than ten (10) days following the effective date of any action creating a new district or municipal boundary or altering an existing district or municipal boundary. (7-1-93)

a. A legal description which plainly and clearly defines the boundary of a new district or municipality, or the altered portion of an existing district or municipality with a copy of the ordinance or order effecting the formation or alteration. (7-1-93)

b. A copy of a map prepared in a draftsmanlike manner or a record of survey as defined by Chapter 19, Title 55, Idaho Code, which matches the legal description. (7-1-93)

02. Legal description means a narrative which 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: (7-1-93)
- a. Section, township, range, and meridian. (7-1-93)
 - b. An initial point, being a government surveyed corner, such as a section corner, quarter corner, meander corner, or mineral survey corner. (7-1-93)
 - c. A true point of beginning, defined by bearings and distances from the initial point, that begins the new or altered district or municipal boundary. (7-1-93)
 - d. Bearings and distances that continuously define an area boundary with a closure accuracy of at least one (1) part in five thousand (5,000). Variations from closure requirements of this subsection may be approved when verified documentation is provided: When boundaries follow mountain ranges, rivers, lakes, canals, etc., that are clearly delineated on published U.S. Geological Survey quadrangle maps at scale 1:24,000 or, if not available, at scale 1:62,500; or when references to cardinal directions, government survey distances, and section or aliquot part corners are used and modern survey information is not available; or when legislatively established boundaries are defined by Idaho Code, a duplication and reference to that section of the code shall be provided. (7-1-93)
 - e. The legal description to annex to an existing district, shall duplicate the metes and bounds of the existing district, or shall reference the former legal description as, formerly known as, unless the existing district can be clearly identified. (7-1-93)
03. Map prepared in a draftsmanlike 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: Section, township, range, and meridian identifications. North arrow, bar scale, and title block. District name and ordinance number or order date. Bearing and distance annotation between boundary points. Clearly defined boundary lines of the newly formed district or altered district, together with reference to the existing boundary where contiguous. District boundaries delineated on recorded surveys, engineer drawings, or U.S. Geological Survey Quadrangle maps are also acceptable. General hunting and fishing, city street, or nonscaled maps will not be accepted. (7-1-93)
04. Contiguous means being in actual contact or touching along a boundary or at a point. (7-1-93)
05. December 31 of the current year shall be the deadline for completion of any action that creates, alters, or dissolves any taxing district requiring a revision of the Commission's tax code area maps for the following year, unless the law provides otherwise. (7-1-93)
06. Any district altering its boundary during the year shall provide to the Commission a complete legal description of the new district including all alterations, by January 10 of the following year. (7-1-93)
07. No property tax levy shall be approved by the Tax Commission for any newly formed district or altered portion of an existing district: That fails to provide documentation plainly and clearly designating the boundaries of such district; or whose boundaries overlap with like districts. (7-1-93)
08. The Commission will prepare one uniform system of tax code area numbers and maps which shall be used by each county for property tax purposes. (7-1-93)
09. Each tax code area shall have a separate tax code area number which shall be initiated or changed only by the Commission. (7-1-93)
10. The Commission will furnish annually, without charge, one set of updated tax code area maps, a listing of taxing districts included in each tax code area, and a list of changes in taxing district boundaries to the county assessor, recorder, and treasurer. There shall be a charge for all other tax code area maps. (7-1-93)

551. -- 561. (RESERVED).

562. LIMITATION ON BUDGET REQUESTS, SECTION 63-2220A, IDAHO CODE.

01. Budget Requests. Each Board of County Commissioners shall submit a budget request for each taxing district in the county that certifies a budget request to finance the ad valorem portion of its annual budget to the Tax Commission and shall not submit other documents unless requested to do so by the Tax Commission. Documents not to be submitted to the Tax Commission unless requested include newspaper advertisements, school district budget books, entire budget documents, other than the budget request, and similar documents. (6-30-95)

02. Property Values. The value of property subject to the occupancy tax pursuant to Chapter 39, Title 63, Idaho Code, shall be the non-prorated value. The value shall not include any portion of the value of improvements subject to property tax. If the exemption provided by Section 63-105DD, Idaho Code, has been granted, the value of improvements not subject to property tax must be reduced by the value of said exemption. (6-30-95)

03. Building Permits for Preceding Year. "Building permit for the preceding year" means a building permit, issued in the calendar year preceding submission of the formula, for installing new manufactured housing or for constructing improvements. Building permit shall not include any building permit issued for additions or alterations to existing residential improvements. Building permit shall not include any plumbing, electrical, or mechanical permit. Building permit shall not include any building permit refunded or cancelled by the issuing authority in the calendar year preceding submission of the formula. (6-30-95)

04. Use of Quantitative Formula. Any taxing district electing to use a quantitative formula based on the value of building permits for the preceding year must submit such formula and a building permit report to the State Tax Commission. The formula must be submitted no later than June 1 of the current tax year for any taxing district with a fiscal year beginning July 1 and no later than August 1 of the current tax year for all other taxing districts. (6-30-95)

05. Formula Use Limitations. The formula shall sum the values stated on the building permits and shall exclude building permits for properties known to be fully exempt from property tax. (6-30-95)

06. Approval of Formula by Commission. Upon receipt of the formula, the State Tax Commission must approve or disapprove said formula and must notify the taxing district and the county clerk of each county in which the district is located of the approved formula within 28 days. Upon disapproval of a formula, a district may submit a different formula within the time limits provided in subsection .04 of this rule. (6-30-95)

07. Building Permit Report Requirements. The building permit report required in subsection .04 of this section must be a list of the following: (6-30-95)

- a. Each building permit number, building address, or parcel number; (6-30-95)
- b. A description of the improvement authorized by each building permit; (6-30-95)
- c. The tax code area of the improvement authorized by each building permit; and (6-30-95)
- d. The value stated on each building permit. (6-30-95)

563. -- 579. (RESERVED).

580. VALUATION OF MINES FOR TAXATION.

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)

581. -- 584. (RESERVED).

585. GUIDE TO REPORTING NET PROFITS OF MINES.

01. Revenues Included in Report. The only items which are proper revenues TO BE INCLUDED within the net profits reported for ad valorem taxation are the moneys or their equivalent received from the sale of

minerals or metals extracted from the Earth. Moneys received from rents, commissaries, discounts on purchases, and investments are NOT TO BE INCLUDED. The net profit statement shall be filed between January 1 and May 1, each year with the assessor of the county in which the mine(s) or mineral or metal deposits are located. The person, corporation, or association engaged in mining shall complete the statement on forms prescribed by the Commission using as a guide the following allowable deductions to arrive at net profit. None of the nondeductible items can be claimed. (7-1-93)

02. Allowable Deductions. (7-1-93)

a. The actual expenditure of money and labor in and about extracting the metals and minerals from the mine, transporting same to mill, concentrators, or reduction works, reduction thereof and conversion into money, or its equivalent. Expenditures for necessary labor, machinery, and supplies needed and used in mining operations. Improvements necessary in and about the mine for reducing ores and for the construction of mills and reduction works. (7-1-93)

b. Social Security, compensation insurance, forest fire fighting, fire and water protection, first aid and safety devices, mine rescue materials, experimental work reasonably connected with reduction of the ores. (7-1-93)

c. Deductions for improvements can be only for the year immediately preceding the filing of annual net profits statement. (7-1-93)

03. Nondeductible Items. (7-1-93)

a. Taxes. State and county, state corporation license, federal income, capital stock, war facilities. (7-1-93)

b. Depreciation, depletion, royalties, donations, including allotments to schools for experimental work, war work, and aid. (7-1-93)

c. Insurance. No deduction for insurance except as listed in Subsection 585.02.b. (7-1-93)

d. Construction and Repairs. Dwellings for employees, boarding and bunkhouses, community buildings, such as halls, schools, swimming pools, ball parks, commissaries, including water, fuel, heat and light. (7-1-93)

e. Miscellaneous Administrative and Other Expenses. Periodicals, tax service; assessment work, other mining claims; director's salaries and expenses; secretaries' salaries and expenses; corporation organization expense; appraisals, property insurance; maintenance of offices in other states; Secret Service, strike breakers, guns; subscriptions to mine organizations and societies; expenses entered on books with no detail attached; publication of meetings, financial statements; audits; political; burial expense; stock transfer costs; advertising; premium on surety bonds; legal retainers and litigation; and traveling expenses to outside properties, conventions, hearings. (7-1-93)

586. -- 599. (RESERVED).

600. COOPERATIVE ELECTRICAL ASSOCIATIONS--TAXING GROSS EARNINGS--DEFINITIONS.

01. The cost of power purchases and generation dollar amounts shall be taken from the RURAL ELECTRIFICATION ADMINISTRATIONS UNIFORM SYSTEM OF ACCOUNTS BULLETIN 181-1. (7-1-93)

a. To develop generation expense figures Accounts 500 through 554 shall be used. (7-1-93)

b. To develop cost of power purchases Accounts 555, 556 and 557 shall be used. (7-1-93)

02. For any utility not a borrower from the Rural Electrification Administration, the actual costs of purchased power and generation shall be the same as subsections 600.01.a. and 600.01.b., above. (7-1-93)

601. -- 634. (RESERVED).

635. CERTIFICATION OF SALES TAX DISTRIBUTION.

01. Most Current Census. Population shall be from the most current population census or estimate 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. (3-24-94)

02. Market Value for Assessment. Market value for assessment purposes shall mean the market value, including homeowners 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(12), Idaho Code, for the calendar year immediately preceding the current fiscal year. (3-24-94)

03. Incorporated City. Incorporated city shall, for the current fiscal year, have a duly elected mayor and city council, and be recognized by the Bureau of the Census, U.S. Department of Commerce, for the distribution of federal general revenue sharing monies. (3-24-94)

04. Population and Valuation Estimates. Population and valuation estimates for distribution of revenue sharing monies shall be updated at least annually. Updated estimates shall be used beginning with the October distribution. (3-24-94)

05. Determination Date. The eligibility of each city for revenue sharing monies shall be determined as of July 1 of the current year. (3-24-94)

06. Quarterly Certification. The Commission shall certify quarterly to the counties the BASE and EXCESS shares of the six percent (6.0%) distribution. Each county clerk shall calculate and certify the distribution of these monies to the eligible taxing districts based on the directives of the Commission. The clerk shall prepare and transmit to the county treasurer and the Commission separate certifications for BASE and EXCESS distributions. (3-24-94)

07. Prescribed Filing. Upon receipt of the current operating property roll from the Commission, and by the fourth Monday of September, each county auditor shall certify to the Commission the full market value of each taxing district within the county. The auditor shall use a form prescribed by the Commission and shall show for each district the net taxable market value used for levy certification, the value of the homeowners exemption, and the full market value after adding back the homeowners exemption. Values shall be shown for all cities, regardless of levy requests. (3-24-94)

636. -- 649. (RESERVED).

650. OCCUPANCY TAX ON NEWLY CONSTRUCTED IMPROVEMENTS ON REAL PROPERTY.

01. Manufactured Housing. Occupancy tax shall apply to industrial structures and NEW manufactured housing. Used manufactured housing is not subject to the occupancy tax. (3-23-94)

02. Value Prorated Monthly. The value for occupancy tax purposes shall be prorated at least monthly. (3-23-94)

03. Market Value. The market value for occupancy tax purposes shall be entered on an occupancy tax valuation roll. Occupancy tax shall not be included in the assessed value of any taxing district, but must be declared in the certified budget. (3-23-94)

04. Certified Copy. The county clerk shall certify a copy of the occupancy tax valuation roll to the Commission by the fourth (4th) Monday of January immediately following the year of first occupancy. (3-23-94)

651. -- 654. (RESERVED).

655. HOMEOWNERS EXEMPTION ON OCCUPANCY TAX ROLL.

01. Exemption. The exemption granted by Section 63-3905, Idaho Code, applies only to the pro rata improvement value that appears on the Occupancy Roll. (3-23-94)

02. Eligibility For Double Exemption. Obtaining the exemption in Section 63-105DD, Idaho Code, will not preclude a property owner from eligibility for the exemption granted by Section 63-3905, Idaho Code. (3-23-94)

03. Limitation to One Exemption. The limitation to one (1) exemption in Section 63-105DD, Idaho Code, is not applicable to newly constructed and occupied residential structures. (3-23-94)

04. Separate Applications. The application for this exemption shall not substitute for the application required by Section 63-105DD, Idaho Code. (3-23-94)

05. Examples and Procedures. Examples and procedures are addressed in the Idaho Assessor's Manual. (3-23-94)

656. -- 999. (RESERVED).

CHART I

COMPANION SHEET FOR LAND NOT SUBDIVIDED

Township & Range	Sec	Parcel No.	Grantor	Grantee	Remarks	Deed Type	Date	Inst No.
23N10E	29	7985	Little, Dwayne	Downend, Robt	See Par #7832	WD	1/10/7	492183
23N10E	29	7990	Downend, Robt		Split frm 7985			
23N10E	29	8000	Downend, Robt	Wood, Don	"	WD	3/9/74	641809
23N10E	29	8010	Downend, Robt		Split frm 7990			
23N10E	29	7250	Downend, Robt	Dunford, H.	"	WD	4/9/79	642186

CHART 2

COMPANION SHEET FOR LAND SUBDIVIDED
QUARTER SECTION BREAKDOWN KEY

City No	Sub No	Blk No	Lot & Spt No	Grantor	Grantee	Remarks	Deed Type	Date	Inst No
A	0054	001	0090	Long, Phil	Dick, Carol		WD	1/11/69	190624
A	0054	001	009A	Dick, Carol		Retaining N1/2 of Lot 9			
A	0054	001	0096	Dick, Carol	Lusk, Earl	S1/2 of Lot 9	WD	2/12/77	299486
A	0054	001	0098	Lusk, Earl	Craig, Ron	SI/2 of Lot 9	WD	6/9/79	299999

THIS KEY IS TO BE USED ONLY FOR LAND NOT SUBDIVIDED

CHART 3

QUARTER SECTION BREAKDOWN KEY

THIS KEY IS TO BE USED ONLY FOR LAND NOT SUBDIVIDED

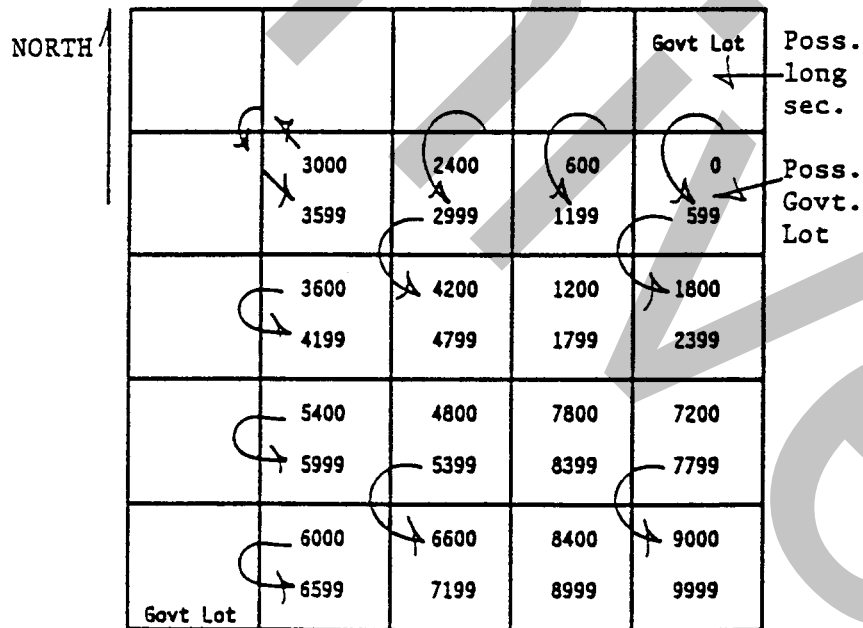


CHART 4

(1)	(2)	(3)		(4)		(5)		(6)		(7)
R.R. Co.	Miles Co. P Cars were propelled- Reported by R.R.	% Each R.R. Co. (Col.2 Col. 2.Tot.	x	Assessed Val. -Car Co. P	=	Assessed Val. allocated to R.R. Trackage (Col 3 x Col 4)	-	Miles Track Over Which Cars were Propelled	=	Rate per mi.Assessed val. (Col. 5- Col 6)
A	10,421,050	44.27%	x	\$120,000	=	\$ 45,155	-	650	=	\$69.469
B	8,520,800	36.19%	x	120,000	=	36,194		830	=	44.475
C	4,600,250	<u>19.54%</u>	x	120,000	=	<u>19,931</u>		<u>370</u>	=	53-868
	23,542,100	100.00%				\$102,000		1,850		

EQUATION

$$BLV_{y+1} = \frac{1}{2} \times (T_{n+1} + T_n) + BLV_y$$

KEY:

BLV_{y+1} = Bare land value for next year

BLV_y = Bare land value for current year

T_{n+1} = Five year average stumpage value (\$/MBF) for the period ending in the current year

T_n = Five year average stumpage value (\$/MBF) for the period ending one year ago