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**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 22 and Chapters 28 and 35, Title 63, Idaho Code. Rules relating to the market value of recreational vehicles are authorized by Section 49-445, Idaho Code. Rules relating to taxation of newly constructed improvements are authorized by Section 63-105A, Idaho Code. (7-1-98)

**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 63-112 and 63-710, Idaho Code. (7-1-93)

**004. PUBLIC RECORDS (RULE 004).**

The records associated with this chapter are subject to the provisions of the Idaho Public Records Act, Chapter 3, Title 9, Idaho Code, to the extent that these documents are not confidential under Sections 63-3076, 63-3077 or 9-337 through 9-350, Idaho Code. (3-15-02)

**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. The correspondence mailing address is P.O. Box 36, Boise, Idaho 83722-0410. 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 e-mail address is "taxrep@tax.state.id.us". All offices are open from 8 a.m. to 5 p.m. except Saturday, Sunday and 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 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 main office of the State Tax Commission as listed in Rule 005 of these rules. (5-3-03)

**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 1999 by the International Association of Assessing Officers. (5-3-03)
- b. “Recreation Vehicle Guide of the National Automobile Dealers Association” published in 2004 for the September through December period by the National Appraisal Guides Incorporated. (4-6-05)
- c. “Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association” published in 2004 for the September through December period by the National Appraisal Guides Incorporated. (4-6-05)
- d. “Official Railway Equipment Register” published for the last three (3) quarters in 2004 and the first quarter in 2005 by R. E. R. Publishing Corporation, Agent as a publication of Commonwealth Business Media, Inc. (4-6-05)
- 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 Instructions for the Survey of the Public Lands of the United States” published by the Government Printing Office for the Bureau of Land Management in 1973, Technical Bulletin No. 6. (5-3-03)

**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.

<b>DEPRECIATION SCHEDULE FOR RVS</b>				
	<b>Travel/ Camp Trailers</b>	<b>Campers</b>	<b>Van Conversions</b>	<b>Motor Homes</b>
<b>Age</b>	<b>Percent Good</b>	<b>Percent Good</b>	<b>Percent Good</b>	<b>Percent Good</b>
0	100	100	100	100
1	86	83	85	85
2	76	76	74	77
3	66	64	62	68

DEPRECIATION SCHEDULE FOR RVS				
	Travel/ Camp Trailers	Campers	Van Conversions	Motor Homes
Age	Percent Good	Percent Good	Percent Good	Percent Good
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%

<b>Motor Home/Van Type</b>	<b>Valuation Factor</b>
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. -- 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 education program shall be the responsibility of the State Tax Commission (Commission) through its education director. The assessors' education committee and the Commission's education director shall set the curriculum of classes for the annual education program. This curriculum shall include classes important to providing training to appraise property for assessment purposes. (1-1-98)

**02. Education and Certification Requirements.** An applicant for certification must have passed Commission Course No. 1, IAAO Course No. 102, 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. (3-15-02)

**a.** Equivalency for Course No. 1 and No. 102 shall be established by the Commission and approved by the examination committee. (3-15-02)

**b.** Beginning January 1, 1998 and on or before each January 1 thereafter, to maintain certification each "certified property tax appraiser", who became certified on or before December 31, 1995, shall have completed thirty-two (32) hours of appraisal education during the previous two (2) years as described in Subsection 125.02.d. of this rule. Beginning January 1, 1998, to maintain certification each "certified property tax appraiser", who became certified during the two (2) year period prior to each January, shall have completed sixteen (16) hours of appraisal



education during the calendar year following the year of certification. By January 1 of each year thereafter, said “certified property tax appraiser” shall have completed thirty-two (32) hours of appraisal education during the previous two (2) years as described in Subsection 125.02.d. (3-30-01)

**c.** The examination committee shall decide which classes meet the requirements for maintaining certification and the hours of appraisal education awarded for each. For Commission administered classes, the Commission’s staff will monitor attendance and hours of appraisal education to be awarded to each “certified property tax appraiser” in attendance. For these classes, the education director shall provide certificates of attendance showing the number of hours of appraisal education to be awarded. For those not administered by the Commission, the “certified property tax appraiser” has the responsibility to report education hours completed. The report shall be on a form provided by the Commission and shall be submitted to the education director. To receive education hours for any classes not administered by the Commission, a copy of a record verifying attendance must be submitted with the report of education hours completed. (1-1-98)

**d.** The Commission shall maintain records to show the number of hours completed during the current year and the previous two (2) years. By June and November each year, the education director shall send an appraisal certification status report to each county assessor. 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 appraisal education completed during the previous and current years. (1-1-98)

**e.** For Commission developed classes in which a test is given, the education director will notify the appropriate county assessor of the grades achieved on the test. (1-1-98)

**f.** When any “certified property tax appraiser” fails to meet the continuing education requirements, the examination committee shall place this person on six (6) month probation. When any “certified property tax appraiser” fails to meet the continuing education requirements within the probationary period, this 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. (3-15-02)

**g.** 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. (3-15-02)

**h.** The county shall reimburse its employees’ expenses for registration, tuition, fees, texts, travel, food, and lodging required to comply with these rules. (1-1-98)

**i.** Each person, except the county assessor, members of the county board of equalization and State Tax Commissioners, making decisions regarding final values for assessment purposes shall be a “certified property tax appraiser”. For each county assessor’s employee, that county assessor shall ensure compliance with this provision. For each Commission employee the appropriate Commission supervisor shall ensure compliance with this provision. (3-15-02)

**03. Application For Certification.** (3-15-02)

**a.** After any applicant has completed the requirements provided in Subsection 125.02, the county assessor (for the county assessor’s employee) or appropriate Commission supervisor (for the Commission employee) shall submit the completed “application for state certification” form to the education director. The Commission shall prescribe the “application for state certification” form and shall distribute a copy of said form to each county assessor. The “application for state certification” form shall list the name and address of the applicant, identify the employer of the applicant, list the courses completed, be signed by the applicant, and be dated with the submission date of the application. On the “application for state certification” form the county assessor or Commission supervisor, as applicable, shall certify the completion of the minimum experience requirement. (3-15-02)

**b.** The education director shall ensure that information on the certification process and the “application for state certification” form are available to students attending the Commission Course No. 1 and Commission sponsored IAAO Course No. 102. (3-15-02)

**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 Commission’s education director. The Commission shall appoint the members of the committee. The committee will operate by majority rule. (3-15-02)

**a.** Terms. The term of the Commission’s education director shall be continuous. The other members shall serve four (4) year terms. The education director shall maintain records of dates of appointments. (7-1-93)

**b.** If any member fails to serve the full-appointed term, the Commission shall appoint another person for the remainder of the term. The appointee shall be from the same category as the one who failed to serve. (3-15-02)

**c.** The committee shall elect a chairman each year. (7-1-93)

**d.** Any applicant may appeal to a review board any complaints concerning matters involving examination structure, grading, or grievances concerning the committee. The review board shall consist of four (4) persons: the president of the Idaho Assessors’ Association; a person appointed by the president of the Idaho Assessors’ Association; a person appointed by the examination committee; and a person appointed by the Commission. No board member may be an assessor of the applicant’s county or a member of the examination committee. (1-1-98)

**e.** The applicant may request, in writing to the Commission’s education director, permission to take the examination for Commission Course No. 1. The director shall set the time and place for the examination. (7-1-93)

**05. Incentives For Certification.** The legislature and Commission recommend that counties offer pay incentives to encourage employees to obtain prompt certification. These pay incentives should include at least three (3) parts: state certification; successful completion of additional professional appraisal courses or seminars; and designation from a recognized professional appraisal organization. (1-1-98)

**126. -- 129. (RESERVED).**

**130. EQUALIZATION BY CATEGORY -- IDENTIFICATION AND REAPPRAISAL (RULE 130).** Sections 63-109 and 63-315, Idaho Code. Property shall be identified for assessment purposes in the categories outlined below. These categories are to be used on the current year's assessment notice, assessment roll and abstract. (3-15-02)

**01. 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.) This irrigated land must be capable of and normally producing harvestable crops and may be located inside or outside the boundaries of an incorporated city. (3-30-01)

**02. 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.) 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 an incorporated city. (3-30-01)

**03. 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.) 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 an

incorporated city. (3-30-01)

**04. 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.) This meadow land must be capable of lush production of grass and may be located inside or outside the boundaries of an incorporated city. (3-30-01)

**05. 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.) 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 an incorporated city. (3-30-01)

**06. 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. (3-30-01)

**07. 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. (3-30-01)

**08. Category 8 - Speculative Homesite.** In each county with a population of less than one hundred thousand (100,000), rural subdivision plat lots granted the exemption under Section 63-602FF, Idaho Code, for the current year's assessment roll. (5-3-03)

**09. 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. (3-30-01)

**10. Category 10 - Homesite Land.** Land being utilized for homesites on categories 1 through 9. (3-23-94)

**11. Category 11 - Recreational Land.** Land used in conjunction with recreation but not individual homesites. (3-23-94)

**12. Category 12 - Rural Residential Tracts.** Rural residential land not in a properly recorded subdivision. (3-23-94)

**13. Category 13 - Rural Commercial Tracts.** Rural commercial land not in a properly recorded subdivision. (3-23-94)

**14. Category 14 - Rural Industrial Tracts.** Rural industrial land not in a properly recorded subdivision. (3-23-94)

**15. Category 15 - Rural Residential Subdivisions.** Rural residential land in a properly recorded subdivision. (3-23-94)

**16. Category 16 - Rural Commercial Subdivisions.** Rural commercial land in a properly recorded subdivision. (3-23-94)

**17. Category 17 - Rural Industrial Subdivisions.** Rural industrial land in a properly recorded subdivision. (3-23-94)

**18. Category 18 - Other Land.** Land not compatible with other categories. (4-5-95)

19. **Category 19 - Waste.** Public Rights-of-Way includes roads, ditches, and canals. Use this category to account for total acres of land ownership. Only list acres in this category on the abstract. (3-15-02)
20. **Category 20 - Residential Lots or Acreages.** Land inside city limits zoned residential. (3-30-01)
21. **Category 21 - Commercial Lots or Acreages.** Land inside city limits zoned commercial. (3-30-01)
22. **Category 22 - Industrial Lots or Acreages.** Land inside city limits zoned industrial. (3-30-01)
23. **Category 25 - Common Areas.** Land and improvements not included in individual property assessments. (4-5-95)
24. **Category 26 - Residential Condominiums.** Land and improvements included in individual assessments of condominiums in areas zoned residential or in areas zoned commercial or industrial but maintained as residences. (7-1-97)
25. **Category 27 - Commercial or Industrial Condominiums.** Land and improvements included in individual assessments of condominiums in areas zoned commercial or industrial. (3-23-94)
26. **Category 30 - Improvements.** Other than residential, located on category 20. (3-23-94)
27. **Category 31 - Improvements.** Residential improvements located on category 10. (3-30-01)
28. **Category 32 - Improvements.** Other than residential, located on categories 1 through 12 and 15. (3-23-94)
29. **Category 33 - Improvements.** Located on category 11. (3-23-94)
30. **Category 34 - Improvements.** Residential in nature, located on category 12. (3-23-94)
31. **Category 35 - Improvements.** Commercial in nature, located on category 13. (3-23-94)
32. **Category 36 - Improvements.** Industrial in nature, located on category 14. (3-23-94)
33. **Category 37 - Improvements.** Residential in nature, located on category 15. (3-23-94)
34. **Category 38 - Improvements.** Commercial in nature, located on category 16. (3-23-94)
35. **Category 39 - Improvements.** Industrial in nature, located on category 17. (3-23-94)
36. **Category 40 - Improvements.** Located on category 18. (3-23-94)
37. **Category 41 - Improvements.** Residential in nature, located on category 20. (3-23-94)
38. **Category 42 - Improvements.** Commercial in nature, located on category 21. (3-23-94)
39. **Category 43 - Improvements.** Industrial in nature, located on category 22. (3-23-94)
40. **Category 44 - Improvements.** Taxable improvements located on otherwise exempt property under the same ownership. (3-23-94)
41. **Category 45 - Utility Systems.** Locally assessed utility systems not under the jurisdiction of the State Tax Commission. (3-30-01)
42. **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 a real property has been filed but becomes effective the following year. (5-3-03)

**43. Category 47 - Improvements to Manufactured Housing.** Additions not typically moved with manufactured housing. (3-23-94)

**44. 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. (5-3-03)

**45. 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. (5-3-03)

**46. Category 55 - Boats Or Aircraft.** Unlicensed watercraft or unregistered aircraft. (3-23-94)

**47. 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. (3-23-94)

**48. Category 57 - Equities In State Property.** Property purchased from the state under contract. (4-5-95)

**49. 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. (3-23-94)

**50. Category 60 - Improvements on Railroad Rights-of-Way.** Improvements located on railroad rights-of-way under separate ownership. (3-23-94)

**51. Category 61 - Improvements by Lessee Other Than Category 62.** Improvements made by the tenant or lessee to landlord's property. (3-23-94)

**52. Category 62 - Improvements on Exempt Or Public Land.** Taxable improvements which are owned separately from exempt or public land on which they are located. (3-23-94)

**53. Category 63 - Logging Machinery, Tools, and Equipment.** Unlicensed logging machinery, shop tools, and equipment not assessed as real property. (3-23-94)

**54. Category 64 - Mining Machinery, Tools, and Equipment.** Unlicensed mining machinery, shop tools, and equipment not assessed as real property. (3-23-94)

**55. Category 65 - Manufactured Housing.** Manufactured housing not considered real property located on exempt, rented or leased land. 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. (3-15-02)

**56. 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. (3-30-01)

**57. Category 67 - Operating Property.** Property assessed by the State Tax Commission. (3-30-01)

**58. 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. (3-15-02)

**59. Category 69 - Recreational Vehicles.** Unlicensed recreational vehicles. (3-23-94)

**60. Category 70 - Reservations and Easements.** Reservations, including mineral rights reserved divide ownership of property rights. Easements convey use but not ownership. (3-23-94)

**61. Category 71 - Signs and Signboards.** Signs and signboards, their bases and supports. (3-23-94)

**62. Category 72 - Tanks, Cylinders, Vessels.** Containers. (3-23-94)

**63. Category 81 - Exempt Property.** For county use in keeping an inventory, including acreage, of exempt real and personal property. (3-23-94)

**131. USE OF RATIO STUDY IN EQUALIZATION (RULE 131).**  
Section 63-109, Idaho Code. (5-3-03)

**01. Annual 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 categories of property established in Rule 130 of these rules. The ratio study shall be conducted in accordance with the "Standard on Ratio Studies" published in 1999 by the International Association of Assessing Officers. 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. The State Tax Commission may delete sales when necessary to improve representativeness. The study shall be completed in February following the end of the period studied. The appropriate ratio study statistical measure of level shall be determined as follows: (3-30-01)

**a.** Given a sample of ten (10) or fewer observations, the mean shall be used. (3-30-01)

**b.** Given a sample of eleven (11) or more observations, the median shall be used. (3-30-01)

**02. Tested For Equalization.** Categories which will be tested for equalization purposes will include the following, provided that adequate samples can be obtained: (4-5-95)

**a.** Improved Urban Residential: Abstract Items 20 and 41; (4-5-95)

**b.** Unimproved Urban Residential: Abstract Item 20; (4-5-95)

**c.** Improved Rural Residential: Subcategory 1 (tracts): Abstract Items 12, 18, 34, and 40; Subcategory 2 (subdivisions): Abstract Items 15 and 37; (4-5-95)

**d.** Unimproved Rural Residential: Subcategory 1 (tracts): Abstract Items 12 and 18; Subcategory 2 (subdivisions): Abstract Item 15; (4-5-95)

**e.** Commercial: Abstract Items 13, 16, 21, 27, 33, 35, 38, and 42. (Urban and rural categories and land and improved categories will be analyzed separately, if adequate samples are available.) (3-30-01)

**f.** Residential Condominiums: Abstract Item 26. (3-30-01)

**g.** Manufactured Housing Without Land: Abstract Items 46, 47, 49, and 65. (5-3-03)

**h.** Manufactured Housing With Land: Abstract items 46, 47, and 48 with residential land for ratio studies conducted beginning January 1, 2002. (3-15-02)

**03. Separate and Combined Analyzations.** (3-30-01)

**a.** Categories 18 and 40 may be analyzed separately from Categories 12 and 34 if adequate samples

are available. If these categories (18 and 40) are not used for residential property, they should not be included in the 12/34 study. (3-30-01)

**b.** Manufactured housing sales that include land may be analyzed as an independent category or in combination with other improved residential property sales with the same land category. The manufactured housing sales with land will be analyzed as an independent category unless the State Tax Commission and county assessor agree that analysis in combination with other improved residential property sales with the same land category would produce a more representative sample. (3-15-02)

**c.** Samples for the categories listed in Subsection 131.02 may be analyzed in combinations designed to produce studies of improved residential property, unimproved residential property, commercial property, and manufactured housing. Such analysis will be conducted upon request by the county assessor, provided that the assessor provides evidence to the State Tax Commission that the resulting combined category studies will provide results that are more representative of the categories to be equalized. (3-30-01)

**04. Follow Up Ratio Study.** When the annual ratio study provided in Subsections 131.01 and 131.02, discloses that assessments in any category of property as defined in Subsections 131.02 and 131.03 in a county are out of compliance with the equalization standards of this rule, the State Tax Commission shall conduct a follow up ratio study. The follow up ratio study shall 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. The State Tax Commission shall notify the county assessor of the results of 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. (3-30-01)

**05. Use of Ratio Study Results.** The results of the annual ratio study or any follow-up ratio study shall be one source of information upon which the State Tax Commission may rely when equalizing assessments of property by category under Section 63-109, Idaho Code. When the results of any ratio study on any property category as defined in Subsections 131.02 and 131.03 show, with reasonable statistical certainty as defined in Subsection 131.08, that the appropriate measure of level of any 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 any category or subcategory included in the analysis conducted in an amount the State Tax Commission finds necessary to accomplish equalization of assessments of property. The State Tax Commission may order the county auditor to adjust the value of manufactured homes with land as if the combination were a category. If categories have been combined for analysis, adjustment will not be considered for any category that does not have at least one observation in the ratio study conducted for the combined categories. (3-15-02)

**06. Use of Alternate Ratio Study.** When the follow-up ratio study required by Subsection 131.04 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 category of property, the State Tax Commission may delay implementation of any order to adjust property values until two successive years' ratio studies fail to produce an appropriate measure of level between ninety percent (90%) and one hundred ten percent (110%). (3-30-01)

**07. 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)

**08. Reasonable Statistical Certainty.** For the purposes of this section and equalization pursuant to Section 63-109, Idaho Code, "reasonable statistical certainty" that any category is not equalized shall mean that the appropriate measure of level determined by the ratio study for the category must be provably less than ninety percent (90%) or greater than one hundred ten percent (110%) of market value for assessment purposes. Beginning with the ratio study used to test 2000 assessments, such a determination shall occur if: (3-30-01)

**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 (3-30-01)

**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%). (3-30-01)

**132. -- 204. (RESERVED).**

**205. PERSONAL PROPERTY -- DEFINED (RULE 205).**

Sections 63-201, 63-302, and 63-309, Idaho Code. Personal property can be moved without marring or defacing real property to which it may be attached. Personal property includes the following. (4-5-00)

**01. Equities in State Land.** Land purchased from the state under contract is personal property. Tax can be paid in two (2) installments. (7-1-93)

**02. Reservations and Easements.** Reservations include reserved mineral rights and divided ownership of property rights. Easements convey use but not ownership. (4-5-00)

**03. Machinery, Tools, and Equipment.** Mechanical apparatuses, instruments, or implements not permanently integrated with real property, held as tenant improvements, or held for rent or lease are personal property. (7-1-93)

**04. Furniture, Fixtures, Libraries, Art, and Coin Collections.** Trade articles used commercially for convenience, decoration, service, or 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 are personal property. (7-1-93)

**05. Recreational Vehicles.** Unlicensed recreational vehicles are personal property. (7-1-93)

**06. Boats.** Unlicensed watercraft are personal property. (7-1-93)

**07. Net Profit 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 as defined in Section 63-2802, Idaho Code, or by State Tax Commission rule is personal property. (4-5-00)

**08. Signs and Signboards.** Signs and signboards, their bases and supports are personal property. (7-1-93)

**09. Leased Personal Property.** The listing of leased personal property shall also include the name and address of the other party to the lease and the terms of the lease. (4-5-00)

**206. -- 209. (RESERVED).**

**210. REAL PROPERTY DEFINED (RULE 210).**

Sections 63-201, 63-304, and 63-309, Idaho Code. (4-5-00)

**01. Real Property.** Land and whatever is permanently upon or affixed to the land, except for the provisions defined in Section 63-309, Idaho Code. (4-5-00)

**02. Improvements.** Improvements are valuable additions to land, except for the provisions defined in Section 63-309, Idaho Code. (4-5-00)

**03. Manufactured Housing.** Manufactured housing subject to the provision of Section 63-304, Idaho Code, is real property. (4-5-00)



**04. Affixed Property and Other Improvements.** Property affixed to the land in such a manner that it may not be removed without materially damaging the land or attached improvements is real property. Real property includes appurtenances that would normally be expected to be sold together with the land. (4-5-00)

**a.** Equipment attached only by plug in electrical connection is not affixed. (4-5-00)

**b.** Equipment permanently situated and adapted to use in one place is affixed. (4-5-00)

**c.** Vault doors, drive-in windows, automatic tellers, and night depositories are affixed when owned by the owner of the building. (4-5-00)

**211. -- 216. (RESERVED).**

**217. RULES PERTAINING TO MARKET VALUE DUTY OF COUNTY ASSESSORS (RULE 217).**

**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 value are: (3-30-01)

**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 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. This includes the use of market rent, not contract rent. (3-30-01)

**218. ASSESSOR'S PLAT BOOK (RULE 218).**

Sections 63-209, 63-210, 63-212, 63-219, and 63-307, Idaho Code. (3-15-02)

**01. Plat Maps.** Plat maps for all privately owned land shall be prepared. (7-1-97)

**a.** Permanent plats shall be drafted on thirty (30) inch by thirty-six (36) inch, 0.003 inch drafting film (minimum thickness). (See Sections 50-1304 and 63-209, Idaho Code.) (7-1-97)

**b.** Section, aliquot part, subdivision, and parcel boundaries shall be drafted with ink on drafting film and in accordance with the Bureau of Land Management (BLM) "Manual of Instructions for the Survey of the Public Lands of the United States" published by the Government Printing Office, 1973 edition, Technical Bulletin No. 6. (See Section 50-1304, Idaho Code.) (3-15-02)

**c.** Parcel numbers, and all other desired information, shall be 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 1.25 millimeters. (See Section 50-1304, Idaho Code.) (7-1-97)

**d.** Section outlines shall be platted according to: technical descriptions of Bureau of Land Management, formerly the General Land Office (GLO), surveys, (Section 31-2709, Idaho Code); descriptions on recorded surveys (Sections 55-1901 through 55-1911, Idaho Code); recorded corner perpetuation records (Sections 55-1603 through 55-1612, Idaho Code); recorded subdivision plats and assessor's plats (Sections 50-1301 through 50-1330, 63-209, and 63-210(2) Idaho Code); deeds or contracts with metes and bounds descriptions (Section 31-2709, Idaho Code); highway, railroad, and other engineering quality route surveys; relevant court decisions; and unrecorded data from registered land surveyors (Section 31-2709, Idaho Code). (7-1-97)

**e.** Subdivision of sections shall be platted. (See Sections 31-2709 and 63-209, Idaho Code.) (7-1-97)

**02. Map Scales.** Non-Computer and computer generated maps shall be scaled. (7-1-97)

**a.** Non computer generated plats shall be: One (1) township at one (1) inch = fourteen thousand four hundred (14,400) inches (1,200 feet), 1:14,400; 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; one (1) quarter section at one (1) inch = twelve hundred (1,200) inches (100 feet), 1:1,200. (7-1-97)

**b.** Mapping done from aerial photographs will have the scale recalculated and shown on the map. (7-1-97)

**c.** Subdivision, townsite, and metes and bounds parcels shall be platted to include the basis of bearing with monuments and their coordinates relative to the "Idaho Coordinate System". (See Section 31-2709, Idaho Code, Sections 50-1301, 50-1303, and 50-1304, Idaho Code.) (7-1-97)

**d.** 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 1.25 millimeters. (7-1-97)

**03. Property Ownership Records.** Ownership shall be shown on the property ownership records. (7-1-97)

**a.** 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. (See Sections 63-212 and 63-307, Idaho Code.) (3-30-01)

**b.** Purchasers, agents, guardians, executors, administrators, heirs, and claimants may have their names inserted with the recorded owner's name. (See Sections 63-212 and 63-307, Idaho Code.) (7-1-97)

**04. Uniform Parcel Numbering System.** Each parcel shall be assigned a parcel number. (7-1-97)

**a.** The uniform parcel numbering system shall be used for mapping and record keeping. Each parcel's uniform parcel number shall appear on the plat map and on a companion sheet. The assigned parcel number may also be the tax number. (See Sections 63-209 and Section 63-210(1), Idaho Code.) (7-1-97)

**b.** 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 shall be canceled and a new number(s) assigned. (7-1-97)

**c.** Properties contiguous under common ownership but split by county line, section line, or tax code area boundary shall require separate parcel numbers. (7-1-97)

**d.** Rural land not subdivided shall have the township descriptor minus the "T" in positions 1, 2, and 3 of the parcel number. (7-1-97)

**i.** Positions 4, 5, and 6 shall be the range descriptor minus the "R". (7-1-97)

**ii.** Positions 7 and 8 shall be the section number. If the section number is less than 10, the section number is in position "8", preceded by a zero in position "7". (7-1-97)

iii. 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 (0 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.

North 1  
Standard Section

3000	2400	600	0
3599	2999	1199	599
3600	4200	1200	1800
4199	4799	1799	2399
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. (3-15-02)

iv. The following parcel number example denotes Township 10 North, Range 5 East, Section 4 with the parcel being in the NE (7-1-97)

v. The following table is an example of a companion sheet with parcel numbers for 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

Township & Range	Sec.	Parcel No.	Grantor	Grantee	Remarks	Deed Type	Date	Instrument Number
23N11E	29	8010	Citizen, Fred		Split from #7990			
23N11E	29	8250	Citizen, Fred	Anyone, Jim	Split from #7990	WD	4/9/01	652186

(3-15-02)

e. Land not subdivided inside the city limits shall have a letter in position 1 of the parcel number. Each city letter designator shall be unique. (7-1-97)

i. Positions 2, 3, 4, 5, and 6 shall be zeros. (7-1-97)

ii. Positions 7 and 8 shall be the section number. Number these positions as required in Subsection 218.04.d. of this rule. (3-30-01)

iii. Positions 9, 10, 11, and 12 shall be the quarter section number. Number these positions as required in Subsection 218.04.d. of this rule. (3-30-01)

iv. 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. (7-1-97)

v. 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. (7-1-97)

vi. The following parcel number example denotes a parcel in the NE1/4 of section 29 in the city identified by the letter "A": A 0 0 0 0 0 2 9 2 1 6 3. (7-1-97)

f. Subdivided land within the county, but not in a city, shall have the number zero, in position 1 of the parcel number. (7-1-97)

i. 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. (7-1-97)

ii. Positions 6, 7, and 8 shall be the block number. (7-1-97)

iii. 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. (7-1-97)

iv. Position 12 shall be a 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. (7-1-97)

v. The following parcel number example denotes a subdivided parcel not in any city, identified by the number "0", subdivision number 62, block number 200, and lot number 29: 0 0 0 6 2 2 0 0 0 2 9 0. (7-1-97)

g. Subdivided land within the cities shall have the city letter in position 1 of the parcel number. Each city letter designator shall be unique. (7-1-97)

i. 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. (7-1-97)

ii. Positions 6, 7, and 8 shall be the block number. (7-1-97)

iii. 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. (7-1-97)

iv. Position 12 shall be a 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. (7-1-97)

v. When one whole lot and part of another adjoining lot are under common ownership, one parcel number may be assigned. That parcel number shall be written using the whole lot's number and position 12 shall be a letter. (7-1-97)

vi. 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: A 0 0 6 2 2 0 0 0 2 9 A. (7-1-97)

vii. 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	Owens, Tim	S1/2 Lot 9	WD	6/9/01	299999

(3-15-02)

h. Patented mines and patented mining claims shall have the number "9" in positions 1 and 2 of the parcel number. (7-1-97)

i. Positions 3 through 8 shall denote the township and range, as in the land not subdivided format. (7-1-97)

ii. Positions 9 through 12 shall be a county assigned sequential account number for individual mines. (7-1-97)

iii. 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: 9 9 1 0 N 3 6 E 0 0 5 8. (7-1-97)

i. Condominiums in a city shall have a letter in position 1 of the parcel number. The city designator shall be a unique letter. For condominiums not in any city, position 1 is a zero. (7-1-97)

i. 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 positions. (7-1-97)

ii. 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. (7-1-97)

iii. 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. (7-1-97)

iv. Position 12 shall be a 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. (7-1-97)

v. 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: A 9 0 6 2 0 0 7 0 2 9 0. (7-1-97)

**219. -- 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 50-2907, 50-2908, 63-215, 63-807, 63-1202, 63-3029B, and 63-3638, Idaho Code. (4-6-05)

**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)

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

**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)

**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. If the disincorporating or dissolving entity can provide a map showing the last known boundaries of the entity, this map should accompany the ordinance or order. (4-6-05)

**b.** Upon receipt of the ordinance or order without an accompanying map of the boundaries 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) and send a copy of a map showing the affected tax code area(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 and map shall be sent by the fourth Friday of January. (3-15-02)

**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)

**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)

**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. Only the State Tax Commission shall initiate or change a tax code area number. (3-15-02)

**10. Furnished By The State Tax Commission.** The State Tax Commission will furnish annually, without charge, one (1) set of updated tax code area maps, a listing of cities, taxing districts or RAAs included in each tax code area, and a list of changes in city, taxing district or RAA boundaries 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 tax code area maps. (3-15-02)



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 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. 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 and 63-313, Idaho Code. (3-20-04)

**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, resulting in that transient personal property being assessed in the home county for the entire year or the entire portion of the year the property has been in taxable status and not been outside the state of Idaho. (5-3-03)

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. (5-3-03)

**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)

**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. (7-1-99)

**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 property characteristics necessary for an estimate of the current market value. (7-1-99)

**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)

**315. RATIO STUDIES - SCHOOL DISTRICTS (RULE 315).**  
Section 63-315, Idaho Code. (5-3-03)

**01. Procedures for 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" published in 1999 by the International Association of Assessing Officers. The following specific procedures will be used. (3-30-01)

**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 categories of property and designations defined in Subsection 315.02 in each school district. Except when sales or appraisals must be added or deleted to improve representativeness, sales used will be those occurring within each 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. (3-30-01)

**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 defined in Subsection 315.02 in each school district and appropriate measures of central tendency, uniformity, reliability, and normality computed. (3-30-01)

**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 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 non-representative ratios. In this case the median may be substituted: (3-30-01)

**f.** Within each school district, adjusted market value or taxable value for each category of real, personal and operating property will be summed to produce the total adjusted market value for the school district. The school district taxable value will then be divided by this adjusted market value to produce the overall ratio of assessment in each school district. Statewide totals are to be calculated by compiling county totals. (7-1-98)

**g.** Urban renewal increment values will not be included in the taxable value or the adjusted market value for any school district. (7-1-98)

**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.** Categories of property 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:

Category	Property Category	Ratio Study Designation
41	Urban Residential Improvements	Residential
20	Urban Residential Land	Residential
37	Rural Residential Subdivision Improvements	Residential
15	Rural Residential Subdivision Land	Residential
34 & 40	Rural Residential Tract and Other Rural Improvements	Residential
12 & 18	Rural Residential Tracts and Other Lands	Residential
42	Urban Commercial Improvements	Commercial
21	Urban Commercial Land	Commercial
35 & 38	Rural Commercial Tract and Subdivision Improvements	Commercial
13 & 16	Rural Commercial Tracts and Subdivision Land	Commercial
46, 47, 49, & 65	Manufactured Homes and Attachments	Manufactured Homes and Attachments
48	Manufactured Homes Declared to be Real Property	Residential
26	Residential Condominiums	Residential
27	Commercial Condominiums	Commercial

(5-3-03)

**j.** Except for manufactured homes identified as category 48, sales of manufactured homes including land shall not be used in the ratio study done to calculate school district adjusted market value. (5-3-03)

**k.** For all other property categories not contained in the list in Subsection 315.01.i., adjusted market value will equal taxable value. (3-30-01)

**l.** “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 each school district, the State Tax Commission will designate property as residential, commercial, or manufactured housing and shall assign appropriate property categories defined in Rule 130 of these rules to these designations. For each 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 category of property assigned to a designation. For the taxable value in any category to be included in said sum, at least one observation (sale or appraisal) from that category must be present in the ratio study. If the ratio for any given designation in a 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 school district abstract(s) required pursuant to Subsection 315.04 for each of the categories included in that designation shall be the adjusted market value for said designation for said school district. (3-30-01)

**03. Assessor to Identify School Districts.** Each county assessor will provide to the State Tax Commission the school district in which each sale submitted for the ratio study is located. (7-1-98)

**04. Abstracts of Value by School District.** Each county auditor shall provide to the State Tax Commission abstracts of the taxable value of all property within the portion of each school district in each county. These abstracts shall be submitted in the same manner and at the same time as provided for county abstracts of value. (7-1-98)

**05. Urban Renewal Increment and Exemption to be Subtracted.** The taxable value of each category of property within each 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 63-602P, 63-602AA, 63-602K, 63-602G, 63-602X, 63-602CC, 63-602BB, and 63-602FF, Idaho Code. (5-3-03)

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

**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 Homeowner's Exemption (HO).** The following examples show the correct procedure for the calculation of the taxable value subject to the occupancy tax less the homeowner's exemption (HO): (4-6-05)

- a. Example for prorated market value of one hundred thousand dollars (\$100,000) or more.

Full Market Value of Home: \$120,000
Prorated Market Value for 11 Month Occupancy: $\$120,000 \times 11/12 = \$110,000$
Taxable Value: $\$110,000 - \$50,000 \text{ (HO)} = \$60,000$

(4-6-05)

- b. Example for prorated market value of less than one hundred thousand dollars (\$100,000).

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

(4-6-05)

**05. 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)

**06. Allocation to Urban Renewal Agencies.** Beginning with any distribution of occupancy tax resulting from occupancy taxes levied after approval of levies for the year 2000, the revenue shall be allocated to any applicable school district and urban renewal agency. The revenue distribution to any applicable school district must be satisfied prior to the distribution to the urban renewal agency. Only the occupancy tax revenue from properties within the revenue allocation area shall be distributed in this manner. School districts shall be allocated an amount of occupancy tax equal to four tenths of one percent (0.4%) of the prorated value of property subject to occupancy tax, provided that such property is located within the school district and within the revenue allocation area of an urban renewal agency. (4-5-00)

**318. -- 399. (RESERVED).**

**400. ACCESS TO INFORMATION ON VALUATION (RULE 400).**

**01. Public Records and Qualifying Disclosure Exemption.** Public records are presumed to be open to the public. Records containing certain information pertaining to private businesses may be exempt from disclosure. See Sections 9-337 and 9-340(4), Idaho Code. (7-1-99)

**02. Designation of Information as Confidential.** The taxpayer, whose operating property is assessed by the State Tax Commission, or the operator of this property may designate all or part of the information in the operator's statement as confidential. Information submitted as a supplement or schedule to the operator's statement may also be designated in whole or in part as confidential. The request must be made in writing and attached to the operator's statement required by Rule 404 of these rules. (7-1-99)

**03. Treatment of Designated Information.** The State Tax Commission shall treat the designated confidential information and the portions of the appraisal reports, incorporating such information, as exempt from disclosure under Section 9-340(4), Idaho Code. (7-1-99)

**04. Assessor's Access to Designated Information.** The assessor of a county in which the value of an operating property is apportioned may, in the offices of the State Tax Commission, examine the information designated as confidential for the operating property in question. An assessor cannot disclose this information. The assessor cannot obtain or make copies of this information. (7-1-99)

**401. -- 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 and Water Distribution Pipeline Mileage.** All natural gas and water distribution companies shall report pipeline 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. (5-3-03)

**e. Transmission Pipeline Mileage.** Transmission pipeline mileage is reported in actual pipe sizes, without adjustment, because the pipe is normally uniform in size over long distances. (5-3-03)

**04. Situs Property.** Situs property includes microwave stations, radio relay towers, and thermal electric generation facilities constructed after January 1, 2004, and located in or within five (5) miles of an incorporated city. This property is not apportioned on the basis of mileage. The investment in this property shall be reported in the tax code area(s), within which it is located. (4-6-05)

**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)

**405. ASSESSMENT OF OPERATING PROPERTY (RULE 405).**

**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. Identifying the Unit to be Appraised.** 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. All title and interest in unit property shall be assessed to the owner, lessee or operating company. See Rule 615 of these rules for treatment of intangibles. (7-1-99)

**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.** Factors should use readily available data from existing records. Factors themselves should not be an allocation. (7-1-99)

**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 FLEETS ASSESSED VALUES WITHIN THE STATE (RULE 415).**

**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 1 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. (7-1-99)

**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. -- 508. (RESERVED).**

**509. IDENTIFICATION OF URBAN RENEWAL INCREMENT AND PARTIAL EXEMPTION VALUES ON COUNTY AND SCHOOL DISTRICT ABSTRACTS OF VALUE (RULE 509).**

Section 63-509, Idaho Code. (5-3-03)

**01. County and School District Abstracts to Balance.** The taxable value of property in each category as shown on the abstracts prepared and submitted under Section 63-509, Idaho Code, shall equal the sum of the taxable value of property in each category as shown on the school district abstracts, required under Rule 315 of these rules, for the portion of each school district located within each given county. (3-20-04)

**02. Identification of Increment.** The value that exceeds the value on the base assessment roll in any urban renewal district, under Chapter 29, Title 50, Idaho Code, and Rule 804 of these rules is identified as the "increment". (3-20-04)

**03. Increment and Exemption Values to be Indicated.** 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 63-602X, 63-602BB, 63-602FF, and 63-3029B, Idaho Code, shall be indicated and subtracted from the taxable value shown for each category of property on each county and school district abstract. (3-20-04)

**510. -- 599. (RESERVED).**

**600. PROPERTY EXEMPT FROM TAXATION (RULE 600).**

The burden of proof of entitlement to the exemption is on the person claiming exemption for the property. (4-5-00)

**601. -- 608. (RESERVED).**

**609. PROPERTY EXEMPT FROM TAXATION -- RESIDENTIAL IMPROVEMENTS (RULE 609).**

Sections 63-602G, 63-701, 63-703, and 63-3077, Idaho Code. (4-6-05)

**01. Homeowner's Exemption.** This exemption shall also be known as the homeowner's exemption. (3-15-02)

**02. 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. (4-6-05)

**03. 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 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. (3-20-04)

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

Section 63-602G, Idaho Code.

(4-5-00)

**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. 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 609.02 of these rules. (3-15-02)

**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 609.02 of these rules. (3-15-02)

**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 Subsection 610.03.c. (3-15-02)

**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)

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

**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. (RESERVED).**

**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. (4-5-00)

**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. Examples of Calculation of Taxable Value of Agricultural Land.** The following examples show calculations for the taxable value of agricultural land. Example in Paragraph 613.05.a. shows one calculation of capitalization rate (cap rate), example in Paragraph 613.05.b. shows calculations using cash rent agreements and example in Paragraph 613.05.c. shows calculations using crop share agreements. (4-6-05)

**a.** Capitalization 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%
16	1.1323951%
17	1.1323951%

AVERAGE = 1.13%  
 FARM CREDIT SYSTEM INTEREST RATE = 8.22%  
 TOTAL CAPITALIZATION RATE (CAP RATE) = 9.35% (4-6-05)

**b.** Cash rent agreement calculation example:

CROPS	CONTRACT RENTS PER ACRE	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

CROPS	CONTRACT RENTS PER ACRE	ROTATION IN PERCENT	WEIGHTED INCOME PER ACRE
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
<b>TOTAL INCOME PER ACRE</b>			<b>\$118.50</b>

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	\$ 89.57
CAP RATE	9.35%
VALUE PER ACRE	\$958

(4-6-05)

c. Crop share agreement calculation example:

Crop	Yield	Price	Gross Income	Landlord Share	Landlord Share Gross Income	Rotation Percent	Per Acre Share of Gross Inc.
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
<b>TOTAL INCOME PER ACRE</b>						<b>100.00%</b>	<b>\$167.28</b>

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

<b>Total Income Per Acre \$167.25</b>	<b>Expenses</b>
	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

(4-6-05)

**06. Cross Reference.** See Rule 645 of these rules.

(4-6-05)

**07. 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)

**614. VALUATION OF CHRISTMAS TREE FARMS (RULE 614).**

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.

(7-1-97)

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

**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.

(1-1-99)

**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)

**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 petition the assessor for exemption. (7-1-97)

**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
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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.** Petition for exemption shall be filed in the following manner: (7-1-97)

**a.** The property owner may obtain the declaration forms issued by the State Tax Commission from the county assessor or the State Tax Commission. (3-30-01)

**b.** The property owner completes the declaration 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 petition must be signed by the owner or duly authorized agent. Lack of required information shall be grounds for denial. (7-1-97)

**c.** The completed declaration must be filed with the county assessor for locally assessed property or the State Tax Commission for centrally assessed property by March 15th of each year. (3-30-01)

**05. Inspection.** The county or State Tax Commission representative may inspect the property or audit the owner's records to identify components petitioned for exemption. Those components listed on the declaration must be identifiable as capital assets of the property. (3-30-01)

**06. Exemption Reported on Abstracts.** For locally assessed property, exempt value shall be reported on the real and personal property abstracts. (7-1-97)

**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 of each current year. (3-30-01)

**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's of the hearing time and place. (3-30-01)

**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 Subsection 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 Subsection 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. -- 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. -- 634. (RESERVED).**

**635. PARTIAL EXEMPTION FOR PARCELS OF LAND IN A RURAL HOMESITE DEVELOPMENT PLAT (RULE 635).**

Section 63-602FF, Idaho Code. (5-3-03)

**01. Definitions.** For the purpose of implementing the partial exemption under Section 63-602FF, Idaho Code, beginning with assessments for 2002, the following terms are defined. (5-3-03)

**a.** “Speculative Homesite Exemption.” “Speculative homesite exemption” means an exemption granted under Section 63-602FF, Idaho Code. (5-3-03)

**b.** “Previously Eligible.” Parcels of land in a rural homesite development plat are “previously eligible” for the exemption provided in Section 63-602K, Idaho Code, provided the land was eligible for an exemption on the speculative portion of value of agricultural land at any time since the enactment of that exemption in 1981. (4-6-05)

**c.** “Improvements are Being Built.” “Improvements are being built” or “construction of the improvements has begun” means construction of any structure has commenced or is observable on the land. Construction of improvements does not include construction of any fences or “associated site improvements”, as defined in Rule 645 of these rules. (5-3-03)

**02. Qualifying Criteria for the Speculative Homesite Exemption.** To qualify for the speculative homesite exemption, any parcel of land must meet each of the following criteria. (5-3-03)

**a.** The county where the parcel of land is located is less than one hundred thousand (100,000) in population. (5-3-03)

**b.** The parcel of land is in a recorded subdivision plat. (5-3-03)

**c.** The parcel of land is rural; that is, not within the boundaries of an incorporated city. (5-3-03)

**d.** The parcel of land was “previously eligible” for the speculative agricultural value exemption under Section 63-602K, Idaho Code. (5-3-03)

**e.** The parcel of land is not eligible for the speculative agricultural value exemption under Section 63-602K, Idaho Code, for the current year’s assessment. (5-3-03)

**f.** No improvements, as defined in Paragraph 635.01.c., of this rule are being or have been built upon the parcel of land. (4-6-05)

**03. Nonqualifying Parcels in Subdivisions.** (5-3-03)

**a.** Any parcel never eligible for the exemption provided in Section 63-602K, Idaho Code, shall not be qualified for the speculative homesite exemption. (5-3-03)

**b.** Any rural subdivision parcel designated as timberland under Chapter 17, Title 63, Idaho Code, shall not be qualified for the speculative homesite exemption. (5-3-03)

**04. Calculation of Taxable Value of Land Eligible for the Speculative Homesite Exemption.** The taxable value of land eligible for the speculative homesite exemption shall be calculated based on the prior use qualifying the parcel for the exemption provided in Section 63-602K, Idaho Code; that is, the taxable value per acre of this land shall be equal to the taxable value per acre of qualifying agricultural land in the same use as this land when it previously qualified for the speculative agricultural value exemption. Any additional value for the “associated site improvements,” as defined in Rule 645 of these rules, is part of the value exempt under the speculative homesite exemption and is not included in the taxable value of the land as calculated pursuant to Section 63-602K, Idaho Code. (5-3-03)

**05. Use of Category.** The county assessor shall use the category identified in Rule 130 of these rules for all parcels of land qualifying for the speculative homesite exemption. (5-3-03)

**06. Report of Exempt Value.** As provided in Rule 509 of these rules, the county auditor shall report to the State Tax Commission the total exempt value of all parcels of land qualifying for the speculative homesite exemption. (5-3-03)

**07. Removal of the Speculative Homesite Exemption.** (5-3-03)

**a.** The year following the year in which the population of a county exceeds one hundred thousand

(100,000), the speculative homesite exemption shall be removed from any parcels of land previously qualifying for the speculative homesite exemption in that county. Population shall be determined from the most current census or estimate available from the Bureau of the Census as of January 1 of each year. (5-3-03)

**b.** The year following the year in which any parcel is annexed into an incorporated city or is incorporated into a newly incorporating city, the speculative homesite exemption shall be removed from that parcel. (5-3-03)

**c.** The speculative homesite exemption shall be removed from any parcel of land when “improvements are being built”. The speculative homesite exemption must not be removed until “improvements are being built” upon the parcel, even if, the ownership of a parcel of land has been transferred. (5-3-03)

**636. -- 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 Category. The value of the homesite will be listed in Category 10. (7-1-99)

**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 profit making agricultural enterprise, shall be valued at market value using appraisal procedures identified in Subsection 645.02 and shall not qualify for the speculative value exemption. (3-30-01)

**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 Subsection 645.02 and shall not qualify for the speculative value exemption but may qualify for the exemption under Section 63-602FF, Idaho Code. 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. (5-3-03)

**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 Subsection 645.02 of these rules, 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. (5-3-03)

**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 an agricultural enterprise, shall qualify for the speculative value exemption. Land not annually meeting any of these requirements shall be valued at market value using appraisal procedures identified in Subsection 645.02 and shall not qualify. (5-3-03)

**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. (3-15-02)

**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. For example:

<b>Land Market Value</b>	<b>\$ 50,000</b>
<b>Improvement Market Value</b>	<b>\$150,000</b>
<b>Gross Market Value</b>	<b>\$200,000</b>
<b>Percent of Ownership of Claimant</b>	<b>50%</b>
<b>Claimant's Share of Land Market Value (Land Market Value x Percentage of Ownership)</b>	<b>\$ 25,000</b>
<b>Claimant's Share of Improvement Market Value (Improvement Market Value x Percentage of Ownership)</b>	<b>\$ 75,000</b>
<b>Claimant's Homeowner's Exemption Claimant's Share of Improvement Market Value x 50% (not to exceed \$50,000)</b>	<b>&lt;\$ 37,500&gt;</b>
<b>Claimant's Eligible Net Taxable Value equals Land plus Improvement less Homeowner's Exemption (<math>\\$25,000 + \\$75,000 - \\$37,500 = \\$62,500</math>)</b>	<b>\$ 62,500</b>

In this example, the claimant's property tax reduction benefit will be applied to the tax on his/her net taxable market value of \$62,500. (3-15-02)

**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)

**701. -- 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).**

**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 the fourth Monday in June, 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. (3-30-01)

**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)

**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 and 33-804, Idaho Code. (3-15-02)

**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. (3-15-02)

**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. (3-15-02)

**03. Plant Facilities Fund Extensions or Increases.** 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. (3-15-02)

**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)

**04. Maximum Amount of Increased Plant Facilities Fund.** 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. (3-15-02)

**802. BUDGET CERTIFICATION RELATING TO NEW CONSTRUCTION AND ANNEXATION (RULE 802).**

Sections 63-802, 63-301A, and 63-602FF, Idaho Code. (3-20-04)

**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 category change and in an increase in taxable land value to be reflected on the current assessment roll unless the increase in value was previously included on the new construction roll. Beginning with the assessment roll prepared to reflect value as of January 1, 1997, the increase in taxable land value due to change of land use classification 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. (5-3-03)

**b.** “Nonresidential Structure.” “Nonresidential structure” shall mean any structure listed by the assessor in any category not described as residential, manufactured homes, or improvements to manufactured homes pursuant to Rule 130 of these rules. (5-3-03)

**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, including qualifying new construction within any revenue allocation area within any urban renewal district encompassed by the taxing district or unit. 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. (7-1-99)

**03. 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)

**04. Partial New Construction Values.** 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. Any increase in a 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. In the case of partially completed property previously reported on the property roll, but subsequently exempt pursuant to Section 63-602W, Idaho Code, the increase in value to be reported on the new construction roll following loss of this exemption shall be the difference between previously reported new construction roll value and the taxable value for the year in which the occupied property is first entered on the property roll. If any of this difference is attributable to inflation, such value shall not be included on the new construction roll. (7-1-99)

Example: Assume a partially completed, never occupied residential improvement was assessed at ten thousand dollars (\$10,000) as of January 1, 1997. The improvement was occupied February 2, 1998. Assume the ten thousand dollars (\$10,000) value was on the 1997 new construction roll. Assume that in 1999 the improvement is

assessed at ninety thousand dollars (\$90,000) and a forty-five thousand dollars (\$45,000) homeowner's exemption is then deducted. Assume there has been no inflation. The amount that can be reported on the 1999 new construction roll is calculated as follows: (7-1-99)

1999 Value (before homeowner's exemption)	\$90,000
1999 Homeowner's Exemption	<\$45,000>
1999 Taxable Value (after homeowner's exemption)	\$45,000
1997 Value Already Reported on New Construction Roll	<\$10,000>
1999 New Construction Roll Value (this improvement)	\$35,000

**05. Change in Exemption Status.** (5-3-03)

**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, Idaho Code. (7-1-99)

**b.** For any rural subdivision parcels of land changing use as a result of removal of the exemption under Section 63-602FF, Idaho Code, the increase in value resulting from the removal of this exemption shall not be listed on the new construction roll when the increase in value was already listed on any previous year's new construction roll. (5-3-03)

**06. 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), 63-803, 63-3029B(4), and 63-3638(10), Idaho Code. (4-6-05)

**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, and for fire districts, pursuant to Section 31-1420(3), Idaho Code. (4-5-00)

**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), 63-802(1)(g), or 31-1420(3), 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), 63-802(1)(g), and 31-1420(3), 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

<b>CERTIFIED PROPERTY TAX BUDGET LIBRARY DISTRICT*</b>				
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 Tax List." Recovered/recaptured property tax 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 under Section 63-602G(5), Idaho Code, and/or as recapture of property tax under Section 63-3029B(4), Idaho Code, during the twelve (12) month period ending June 30 each year. (4-6-05)

**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)

**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 Requested Documents.** 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 not submit other documents unless requested to do so by the State Tax Commission. Documents not to be submitted to the State Tax Commission unless requested include newspaper advertisements, school district budget books, entire budget documents, other than the budget request, and similar documents. (4-6-05)

**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 sum of only the following: (4-6-05)
- 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 (For school districts, the amount of money to be included is only the appropriate amount of such money to be subtracted, as provided in Subsection 803.06 of this rule, not all such money.); (4-6-05)
- 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 list”; (4-6-05)
- 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 list”; and (4-6-05)
- iv.** 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 Pursuant to Section 63-3638, Idaho Code.** Property tax replacement monies received pursuant to Section 63-3638, Idaho Code, must be reported on the L-2 Form. For all taxing districts except school districts, these monies must be subtracted from the "balance to be levied". For school districts, only "appropriate property tax replacement monies" are to be subtracted. The reduced balance shall be used to compute levies, but the maximum amount permitted pursuant to Sections 63-802 and 33-802, Idaho Code, shall be based on the sum of these property tax replacement monies and the amount actually levied, or, for school districts, the sum of "appropriate property tax replacement monies" and the amount actually levied. (4-6-05)

**a.** "Appropriate property tax replacement monies" is determined only for school districts and means all property tax replacement monies received pursuant to Section 63-3638, Idaho Code, except an amount equal to four thousands (0.004) multiplied by the year 2000 value of property exempted in Section 63-602EE, Idaho Code. If the amount so determined is greater than the total amount of property tax replacement monies, no property tax replacement monies received pursuant to Section 63-3638, Idaho Code, shall be subtracted from the school district maintenance and operation's (M&O) budget. (4-6-05)

**b.** After receipt from the counties of the year 2000 tax charges on property exempted in Section 63-602EE, Idaho Code, but no later than July 23, 2001, the State Tax Commission shall notify each county clerk of the amount of property tax replacement money to be paid to each taxing district in that county. Beginning in 2002 and thereafter, the State Tax Commission shall, by the fourth Monday of July, notify each county clerk if the amount of property tax replacement money to be paid to a taxing district or the "appropriate amount of property tax replacement money" to be paid to any school district changes from the amount paid in the preceding year. In 2002, the State Tax Commission shall also notify each county clerk of the amount of the "appropriate property tax replacement monies" to be subtracted before computing the M&O levy for each school district. (5-3-03)

**c.** 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 and shall further notify each school district of the appropriate amount to be subtracted before the M&O levy is computed. (5-3-03)

**d.** 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, and from school district maintenance and operation funds made pursuant to Section 33-802, Idaho Code. (4-6-05)

**e.** Levy limits shall be tested against the amount actually levied. (3-15-02)



**07. 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)

**08. 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)

**09. 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)

**804. TAX LEVY -- CERTIFICATION -- URBAN RENEWAL DISTRICTS (RULE 804).**

**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. When a partially exempt parcel 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 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 if this parcel had not been actively devoted to agriculture at that time, the taxable value would have been fifteen hundred dollars (\$1500). After five (5) years, this parcel is no longer used for farming, loses its partial exemption, and becomes reclassified as industrial land with a value of ten thousand dollars (\$10,000). The base value within the RAA would be adjusted upwards by one thousand dollars (\$1,000), the difference between fifteen hundred dollars (\$1500) and five hundred (\$500). (4-5-00)

iii. 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.** The property tax levy for any taxing district or unit which includes all or part of an RAA in an urban renewal district shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the taxing district or unit 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 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 budget by eighty-five million dollars (\$85,000,000). (4-5-00)

**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. 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. (4-5-00)

**05. Allocation to School Districts.** In the case of school districts, the budget limited by Section 63-802, Idaho Code, shall not include the allocation pursuant to Section 50-2908, Idaho Code. Said allocation shall be computed for any school district by multiplying the school district's urban renewal increment as defined in Rule 329 of these rules by four tenths of one percent (0.4%) pursuant to Section 33-1002, Idaho Code. (4-5-00)

**06. Cross Reference.** The county auditor shall certify the full market value by taxing district as specified in Rule 635 of these rules. (4-5-00)

**805. PENALTY FOR FAILURE TO PROVIDE NOTICE OF BUDGET HEARING (RULE 805).**  
Section 63-802A, Idaho Code (3-15-02)

**01. Penalties for Non-Compliance.** 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. The penalties provided by this section apply only to failure to comply with the April 30 notification deadline. (3-15-02)

**a. Non-Complying Non-School Districts.** 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 non-complying district. (3-15-02)

**b. Non-Complying School Districts.** The maintenance and operation portion of the budget is the portion that shall not increase. School tort and tuition funds shall be permitted to increase, subject to the limitations of Section 63-802, Idaho Code. (3-15-02)

**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 first Monday of August, each county clerk shall submit to the State Tax Commission a list of non-complying taxing districts along with other documents required pursuant to Rule 803 of these rules and Section 63-808, Idaho Code. (3-15-02)

**806. (RESERVED).**

**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. -- 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. -- 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. Silvicultural Treatment.** 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 established to protect seedlings, and genetic tree improvement. (7-1-97)

**03. Forest Land Management Plan.** Forest land 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 forest land 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)

**04. Bare Forest Land.** 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. (Title 38, Chapter 13, Idaho Code). (7-1-97)

**05. Joint Ownership.** Joint ownership as used in Subsections 963.01 and 966.01 of these rules includes ownership of a single parcel of forest land 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. FORESTLANDS OF LESS THAN FIVE ACRES AND CONTIGUOUS PARCELS (RULE 961).**

Sections 63-1702 and 63-1703, Idaho Code. 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. (4-6-05)

**01. 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)

**02. 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)

**03. 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)

**04. 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)

**05. 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 LARGE SIZE FOREST TRACTS (RULE 962).**

Section 63-1705, Idaho Code. (5-3-03)

**01. Productivity Formula.** 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:

Step 1 :	(MAI) Mean Annual Growth Increment Multiplied By The (SV) Stumpage Value
Step 2 :	Add Other Agricultural Related Income
Step 3 :	Minus Costs
Step 4 :	The Sum Of Steps 1 - 3 Divided By The Capitalization Rate
Step 5:	Equals The Productivity Value
(MAI x SV + other agricultural related income - costs)/Capitalization Rate	
<b>KEY:</b>	
MAI = Mean Annual Growth Increment, board feet/acre/year	
SV = Stumpage Value, preceding five (5) year rolling average value 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.
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Capitalization Rate = Shall be determined in accordance with the procedures described in Section 63-1705(4), Idaho Code.
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(5-3-03)

**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 Forest Lands.** Forest valuation zones 1 and 2: There shall be three (3) separate productivity classes of forest land: 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 forest land which may or may not be stocked with commercial or young growth timber.

(5-3-03)

**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.** For forest valuation zones 1 and 2, forest land 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 (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. (5-3-03)

**04. Recommended Mean Annual Growth Increments.** 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:

MIDPOINT	
<b>Zones 1 and 2:</b>	
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
<b>Zones 3 and 4:</b>	
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

(7-1-99)

**05. Deficient Areas.** 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 value as defined in Section 63-1706, Idaho Code. These areas are defined as being incapable of growing trees. (7-1-97)

**963. CERTAIN FOREST LANDS 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 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 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 forest land 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 forest land value for tax assessment purposes on an annual basis:

$$BLV_z = \frac{|(0.5 \times |T_z - T_n)| + 1}{T_n} \times (BLV_y)$$



<b>STEP 1:</b>	Subtract <b>T<sub>n</sub></b> from <b>T<sub>z</sub></b>
<b>STEP 2:</b>	Divide the Answer in Step 1 by <b>T<sub>n</sub></b>
<b>STEP 3:</b>	Multiply the Answer in Step 2 by <b>0.5</b>
<b>STEP 4:</b>	Add <b>1</b> to the Answer in Step 3
<b>STEP 5:</b>	Multiply <b>BLV<sub>y</sub></b> by the Answer in Step 4
<b>KEY:</b>	
<b>BLV<sub>z</sub></b>	= Bare forest land value for next year
<b>BLV<sub>y</sub></b>	= Bare forest land value for current year
<b>T<sub>z</sub></b>	= Five year average stumpage value (\$/MBF) for the period ending in the current year
<b>T<sub>n</sub></b>	= Five year average stumpage value (\$/MBF) for the period ending one year ago

(3-30-01)

**02. Stumpage Value.** The stumpage value shall be the same as that used in the productivity formula by zone. (3-30-01)

**03. Bare Forest Land Value.** The bare forest land values for the current year shall be reviewed and adjusted by the State Tax Commission periodically. (3-30-01)

**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 shall be kept on file. (7-1-97)

**965. (RESERVED).**

**966. RECAPTURE OF DEFERRED TAXES ON LANDS DESIGNATED UNDER SECTION 63-1706, IDAHO CODE (RULE 966).**

**01. Ownership Interest/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 (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.** Forest lands designated under Section 63-1706, Idaho Code, and subsequently removed from the designation by change in use with no ownership transfer 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: (3-30-01)

**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.** Forest land designated under Section 63-1706, Idaho Code, upon transfer of ownership or removal to designation under Section 63-1705, Idaho Code, shall be subject to a recapture of deferred taxes calculated in the following manner: (3-30-01)

**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 categories 1, 2, 3, 4, 5, and 9, as defined in Rule 130 of these rules. (3-30-01)

**967. -- 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)

**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. 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. (4-6-05)

**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 county assessor shall send a copy of this form or listing to the State Tax Commission. (4-6-05)

**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 county assessor shall notify the State Tax Commission and the taxpayer immediately. The county 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: (4-6-05)

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)

**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. Denial of QIE.** If the QIE is denied for all or part of the market value of any item for which the QIE had been claimed, the assessor shall notify the taxpayer electing the QIE and shall identify the basis for the denial. (3-20-04)

**15. Public Records and Exemption of Certain QIE Information from Disclosure.** Public records are presumed to be open to the public. Records containing certain information pertaining to private businesses (such as trade secrets and other proprietary information) may be exempt from public disclosure (See Section 9-340D, Idaho Code) and may be protected from disclosure by the Idaho Trade Secrets Act, Chapter 8, Title 48, Idaho Code, and other laws. A taxpayer who submits information to the State Tax Commission or to a county assessor or Board of Equalization in accordance with this rule may designate all or part of the information as confidential. The designation must be made in writing and clearly identify the particular information deemed confidential. In addition, the front page of the submission must prominently state that the document contains information designated as confidential. The State Tax Commission, the county assessor and Board of Equalization shall treat the designated information as confidential, exempt from disclosure under Section 9-340D, Idaho Code and as subject to the Idaho Trade Secrets Act (see Chapter 8, Title 48, Idaho Code). Nothing in this paragraph limits exchanges of information between or among the State Tax Commission and county officials otherwise authorized by law. (3-20-04)

**16. 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 know 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. (4-6-05)

**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 date by which the personal property declaration or operator's statement is due in the next calendar year. If no personal property declaration or operator's statement is required, the notification must be filed by the following March 15. 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: (4-6-05)

- 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.

<b>Table for Reduction of Property Tax Benefit Subject to Recapture</b>	
<b>Time Held/Time Qualifying</b>	<b>Recapture Percentage</b>
Less than or equal to one (1) year	100%
More than one (1) year but less than or equal to two (2) years	80%
More than two (2) years but less than or equal to three (3) years	60%
More than three (3) years but less than or equal to four (4) years	40%
More than four (4) years but less than or equal to 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. (4-6-05)

**06. County Average Property Tax Levy -- Locally Assessed Property Located in One 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.** 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. (4-6-05)

**b. Average Property Tax Levy.** 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. (4-6-05)

**c. 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 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 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(12), 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, 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)

**05. 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)

**06. Determination Date and Eligibility.** The eligibility of each city for revenue sharing monies pursuant to Section 63-3638(9)(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(9)(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(9)(c) and 63-3638(9)(d), Idaho Code, and the distributions to cities and counties required pursuant to Section 63-3638(9)(a) and 63-3638(9)(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(9)(c) or 63-3638(9)(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(9)(a) or 63-3638(9)(b), Idaho Code.** Shares to be distributed pursuant to Section 63-3638(9)(a) or 63-3638(9)(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(9)(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).**

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