

## **IDAPA 35 – IDAHO STATE TAX COMMISSION**

### **Tax Policy – Taxpayer Resources Unit**

#### **35.01.03 – Property Tax Administrative Rules**

##### **Who does this rule apply to?**

*The general public.*

##### **What is the purpose of this rule?**

*Property tax rules clarify administrative aspects of property tax law.*

##### **What is the legal authority for the agency to promulgate this rule?**

*This rule implements the following statute passed by the Idaho Legislature:*

Revenue and Taxation -

Department of Revenue and Taxation:

- [Section 63-105, Idaho Code](#) – Powers and Duties - General

##### **Who do I contact for more information on this rule?**

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### 35.01.03 – PROPERTY TAX ADMINISTRATIVE RULES

#### 000. LEGAL AUTHORITY.

In accordance with Section 63-105 and 63-105A, Idaho Code, the Tax Commission has promulgated rules implementing the provisions of the Idaho Statutes relating to the property tax laws and related statutes, Chapters 1 through 17 and Chapters 28, 30, 35, 36, and 45, Title 63, Idaho Code. Rules relating to the market value of recreational vehicles are authorized by Section 49-446, Idaho Code. (7-1-24)

#### 001. – 002. (RESERVED)

#### 003. INCORPORATION BY REFERENCE.

**01. Documents Incorporated by Reference.** The following documents are incorporated by reference into these rules: (7-1-24)

**a.** “Standard on Ratio Studies” published in 2013, “Standard on Digital Cadastral Maps and Parcel Identifiers” published in 2015, “Standard on Mass Appraisal of Real Property” published in 2017, “Standard on Verification and Adjustment of Sales” published in 2020, all published by the International Association of Assessing Officers. These documents can be electronically accessed at [http://www.iaao.org/wcm/Resources/Publications\\_access/Technical\\_Standards/wcm/Resources\\_Content/Pubs/Technical\\_Standards.aspx?hkey=9c330567-135b-4adc-a772-00008232ab90](http://www.iaao.org/wcm/Resources/Publications_access/Technical_Standards/wcm/Resources_Content/Pubs/Technical_Standards.aspx?hkey=9c330567-135b-4adc-a772-00008232ab90) which was last accessed and verified on April 10, 2023. (7-1-24)

**b.** “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. (7-1-24)

**c.** “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. (7-1-24)

**d.** “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. (7-1-24)

**e.** “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. (7-1-24)

**f.** “Manual of Surveying Instructions” published by the Federal Bureau of Land Management and the Public Land Survey System Foundation in 2009. (7-1-24)

#### 004. -- 019. (RESERVED)

#### 020. VALUE OF RECREATIONAL VEHICLES FOR ANNUAL REGISTRATION AND TAXATION OF UNREGISTERED RECREATIONAL VEHICLES.

Section 49-446, Idaho Code

**01. Value of Recreational Vehicle For Registration Fees.** The County assessors will administer and collect the recreational vehicle (RV) registration fee based on the market value calculated from the following depreciation schedule. For all other types of recreational vehicles, the assessor will use any available standard industry indices of retail value to determine the market value. If no such indices are available, the assessor will determine market value from sale price or by using appraisal procedures as defined in Rule 217 of these rules. See Depreciation Schedule for RVs at <https://tax.idaho.gov>. (7-1-24)

**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 will exclude any chassis value. See Motor Home/Van Type Valuation Factor at <https://tax.idaho.gov>. (7-1-24)

**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 on or after January 1, 2015, is fifty percent (50%) of the sales price. (7-1-24)

**04. Assessment Notice Mailed or Assessment Canceled.** If the required annual registration fee is not

paid by August 31, the assessor will mail an assessment notice to the owner of the recreational vehicle. If the registration fee is paid before the fourth Monday of November, the assessor will cancel the assessment. (7-1-24)

**021. -- 113. (RESERVED)**

**114. POWERS AND DUTIES - PROPERTY TAX - VALUE INFORMATION.**

Sections 63-105A and 63-509, Idaho Code

Each county assessor will report to the Tax Commission in the same manner and at the same time as the abstract under Section 63-509, Idaho Code, the number of properties, the aggregate total market value, and the exempted value of the properties granted the homestead exemption under Section 63-602G, Idaho Code, for the current year's property roll. The report will group properties in twenty-five thousand dollars (\$25,000) increments and end with the group of properties exceeding the value of more than two million dollars (\$2,000,000). (7-1-24)

**115. POWERS AND DUTIES - PROPERTY TAX - VALUE INFORMATION.**

Sections 63-105A and 63-509, Idaho Code

**01. Requirement to Submit Abstracts.** Abstracts are submitted for the county, the cities, or the portion of each city located in the county, the Boise School District, and any taxing district or unit of government with a restriction providing that such district does not levy property taxes on all otherwise taxable property as described in Rule 808 of these rules. (7-1-24)

**02. Values by Secondary Category.** For each of the abstracts required in Subsection 115.01 of this rule, each assessor will report to the county auditor the market value and exempted value of all property by secondary categories, described in Rules 510, 511, and 512 of these rules. (7-1-24)

**03. Cross Reference.** See Rules 509, 510, 511, 512, and 809 of these rules. (7-1-24)

**116. -- 119. (RESERVED)**

**120. INVESTIGATION OF WRITTEN COMPLAINTS.**

Section 63-105A, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Complaint means a signed, written statement submitted to the Tax Commission requesting that this agency investigate any actions by county officials relating to property tax assessment or administration, provided such actions are not related to personnel matter or matters relating to the expenditure of funds. (7-1-24)

**b.** Complainant means any individual making a complaint. (7-1-24)

**c.** Investigation means observation and close examination of a county official's application of property tax assessment or administration law and Tax Commission rules. The investigation may require field inspections of property, analysis of public records or the interviewing of witnesses. Investigations are limited to specific issues identified in the complaint. (7-1-24)

**d.** County official means the elected or appointed official whose actions are the subject of the complaint. (7-1-24)

**02. Investigation Procedure.** The following procedures apply to an investigation of a complaint. (7-1-24)

**a.** The Tax Commission will examine the complaint and decide if a formal investigation is necessary. (7-1-24)

**b.** Within thirty (30) days of receipt of a complaint, the Tax Commission will notify the complainant of the decision regarding initiation of an investigation. If an investigation is initiated, the affected county official(s) will also be notified within this time frame. (7-1-24)

c. The investigator and legal counsel will prepare a preliminary report containing findings, recommendations, and may include information from the official(s). (7-1-24)

d. The complainant and the official(s) will receive a copy of the preliminary report. The Tax Commission investigators will attend any meetings held to discuss the preliminary report with the affected county official(s) and the complainant. (7-1-24)

e. The complainant and the county official(s) are afforded a specified period for review, comment, and to correct any errors of fact. (7-1-24)

f. The investigator and legal counsel will prepare a final report following the review by the complainant and public official(s), highlighting any changes from the preliminary report. (7-1-24)

**03. County Officials' Response to Final Report.** After the final report is completed, the county official(s) will outline how they will implement the investigator's recommendations and provide a written explanation of why any recommendation has been rejected. (7-1-24)

**04. Conclusion of Investigation.** The investigator's final report and the county officials' written response to the report will conclude the investigation. (7-1-24)

**05. Special Rules for Investigation of Complaints About Property Tax Budgets or Levies.** When complaints are made about property tax budgets or levies of taxing districts, the results of any investigation will also be reported to the appropriate taxing district, the county prosecuting attorney, and affected county officials. The Tax Commission's investigatory authority is limited to determining whether a levy rate or property tax budget increase exceeds any statutory maximum, or whether a levy is unauthorized. Any such investigation must be conducted in accordance with the time constraints found in Section 63-809, Idaho Code. (7-1-24)

**121. -- 124. (RESERVED)**

**125. PROGRAM OF EDUCATION.**  
Section 63-105A(17), Idaho Code

**01. Administration.** The program of education is administered by the Tax Commission's education director. (7-1-24)

**02. Appraisal School and Other Courses.** An appraisal school will be held at least once each year. The school will offer courses for training the Tax Commission's employees, county commissioners, and assessment personnel. The education director will develop the curriculum for the annual appraisal school. Other courses may be developed and offered as approved by the education director. (7-1-24)

**03. Record Keeping and Reporting of Attendance, Grades, and Credit Hours.** The education director will maintain student attendance records, records of education hours earned, status of certification, and grades. (7-1-24)

a. The education director and course instructors will monitor attendance and hours of education to be awarded to each student attending the Tax Commission administered classes. A certificate of completion showing the number of education hours to be awarded will be issued by the education director for the Tax Commission administered classes. The examination committee must approve any classes not administered by the Tax Commission prior to the awarding of education hours. In order to receive credit for classes not administered by the Tax Commission, the student will provide a certificate of completion showing the number of education hours completed, a course description, and the dates attended. (7-1-24)

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



number of hours of education completed during the previous year and current calendar year. (7-1-24)

c. If a test is given for Tax Commission developed courses, the education director will notify the appropriate county assessor or applicable supervisor of the grade achieved on the test. (7-1-24)

**04. Examination Committee -- Establishment and Procedures.** The examination committee is composed of three (3) assessors, one (1) member of the Idaho Association of Assessment Personnel, and the education director. The education director will appoint the members of the committee. The committee will operate by majority rule. (7-1-24)

a. The education director will chair the committee. (7-1-24)

b. An applicant may appeal any rulings, matters involving examination structure, grading, or grievances with the committee to a review board. No board member may be an assessor of the applicant's county or a member of the examination committee. The review board will consist of the following four (4) persons: (7-1-24)

i. The president of the Idaho Association of County Assessors; (7-1-24)

ii. A person appointed by the president of the Idaho Association of County Assessors; (7-1-24)

iii. A person appointed by the examination committee; and (7-1-24)

iv. A person appointed by the education director. (7-1-24)

c. The committee will decide which courses meet the requirements for obtaining and maintaining certification and the hours of appraisal education awarded for each course. (7-1-24)

**05. Cross Reference.** See Rules 126 and Rule 128 of these rules for certification programs. (7-1-24)

**126. PROPERTY TAX APPRAISER CERTIFICATION PROGRAM.**  
Section 63-105A, Idaho Code

**01. Application for Certification.** (7-1-24)

a. After the applicant has completed the requirements of Subsection 126.02 of this rule, the applicant will submit the completed application form to the education director. The application will list the following: (7-1-24)

i. The name and address of the applicant; (7-1-24)

ii. The applicant's employer; and (7-1-24)

iii. The courses completed. (7-1-24)

b. The application must be signed and dated by the applicant and by the county assessor certifying the completion of the minimum experience requirement. (7-1-24)

**02. Certification Requirements.** An applicant for certification must pass at least two (2) appraisal courses: the Tax Commission's Principles of Property Valuation or the International Association of Assessing Officers' (IAAO) Course 101; and IAAO Course No. 102 or IAAO Course 201 or IAAO Course 300, or equivalent courses approved by the examination committee, 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. (7-1-24)

a. Upon approval of the examination committee, an applicant may take one (1) required course and challenge the second required course by passing a test. The education director will set the time and place for the test. (7-1-24)

b. With the exceptions of the county assessor, the members of the county board of equalization, and the Tax Commissioners, all persons making decisions regarding final values for assessment purposes are certified property tax appraisers. (7-1-24)

**03. Maintaining Property Tax Appraisal Certification.** (7-1-24)

a. To maintain certification each appraiser must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each appraiser will have completed thirty-two (32) hours of continuing education during the previous two (2) years. (7-1-24)

b. When any certified property tax appraiser fails to meet the continuing education requirements, the examination committee will place this person on six (6) month probation. When any certified property tax appraiser fails to meet the continuing education requirements within this probationary period, the person will 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. (7-1-24)

c. For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant for recertification must satisfactorily complete a written examination approved by the examination committee. The examination committee will decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the examination committee will not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification and a new certification number will be issued. (7-1-24)

**04. Cross Reference.** See Section 63-201. (1)(a), Idaho Code, and Rule 125 of these rules. (7-1-24)

**127. (RESERVED)**

**128. CADASTRAL CERTIFICATION PROGRAM.**  
Section 63-105A, Idaho Code

**01. Application for Certification.** (7-1-24)

a. After the applicant has completed the requirements provided in Subsection 128.02 of this rule, the applicant will submit the completed application form to the education director. The application will list the following: (7-1-24)

- i. The name and address of the applicant; (7-1-24)
- ii. The applicant's employer; and (7-1-24)
- iii. The courses completed. (7-1-24)

b. The application must be signed and dated by the applicant and by the county assessor certifying the completion of the minimum experience requirement. (7-1-24)

**02. Certification Requirements.** An applicant for certification must have passed the Tax Commission's Basic Mapping Course and the International Association of Assessing Officers' (IAAO) Course 600 or IAAO Course 601, or equivalent courses, and must have a minimum of twelve (12) months experience working as a cadastral specialist in Idaho or equivalent cadastral experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (7-1-24)

a. Upon approval of the examination committee, an applicant may take one (1) required course and challenge the second required course by passing a test. The education director will set the time and place for the test. (7-1-24)

**03. Maintaining Cadastral Specialist Certification.** (7-1-24)

**a.** To maintain certification, each cadastral specialist must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each cadastral specialist will have completed thirty-two (32) hours of continuing education during the previous two (2) years. (7-1-24)

**b.** When any certified cadastral specialist fails to meet the continuing education requirements, the education committee will place this person on six (6) month probation. When any certified cadastral specialist fails to meet the continuing education requirements within this probationary period, the person will 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. (7-1-24)

**c.** For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant for recertification must satisfactorily complete a written examination approved by the examination committee. The examination committee will decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the examination committee will not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification and a new certification number will be issued. (7-1-24)

**04. Cross Reference.** See Section 63-201 (1)(a), Idaho Code, and Rule 125 of these rules. (7-1-24)

**129. (RESERVED)**

**130. DESCRIPTION OF PRIMARY CATEGORIES USED TO TEST FOR EQUALIZATION.**

Sections 63-109 and 63-315, Idaho Code

Primary categories listed herein are for the purpose of testing values in each county and the Boise School District for equalization by the Tax Commission under Section 63-109, Idaho Code. (7-1-24)

**01. Definitions.** The following definitions apply for the purposes of testing for equalization under Section 63-109, Idaho Code, and reporting under Section 63-509, Idaho Code. (7-1-24)

**a.** Primary categories are used to study the following combinations of secondary categories: (7-1-24)

i. Vacant Residential Land: secondary categories 12, 15, 18 and 20; (7-1-24)

ii. Improved Residential Property: secondary categories 10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, and 50; (7-1-24)

iii. Vacant Commercial or Industrial Land: secondary categories 11, 13, 14, 16, 17, 21, and 22; (7-1-24)

iv. Improved Commercial or Industrial Property: secondary categories 11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, and 51; (7-1-24)

v. Manufactured Housing: secondary categories 47 and 65; and (7-1-24)

vi. Agricultural Land: secondary categories 1 – 5. (7-1-24)

**b.** Secondary category means the categories established and described in Rules 510, 511, and 512 of these rules. (7-1-24)

**c.** See Conversion Table at <https://tax.idaho.gov>. (7-1-24)

**02. Cross Reference.** See Rules 509, 510, 511, and 512 of these rules. (7-1-24)

**131. USE OF RATIO STUDY OR OTHER METHOD TO TEST FOR EQUALIZATION IN COUNTIES.**  
Section 63-109, Idaho Code

**01. Equalization Ratio Study - Primary Categories Other than Agricultural Land.** Each year the Tax Commission will conduct a ratio study to assist in the equalization of assessments of property within and among the primary categories, other than agricultural land, established in Rule 130 of these rules. The ratio study is conducted in accordance with the "Standard on Ratio Studies" and the "Standard on Verification and Adjustment of Sales" both referenced in Rule 003 of these rules. (7-1-24)

**a.** The annual ratio study will test assessments as of January 1 of each year. Assessments are tested using sales occurring 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 tested. Alternate time frames may be used when sales must be added to improve representativeness, or when an alternate study, as described in Subsection 09 of this rule, is to be used. Each sale price is adjusted for time and compared to market value for assessment purposes for the year for which assessments are to be tested. To improve representativeness, the Tax Commission may use sales from extended time periods, may add or delete sales, and may add appraisals when data is lacking. Equalization ratio studies must consist of at least five (5) sales and/or appraisals. Sales should be considered as potentially valid if a financial institution is the seller, provided that criteria found in the Standard on Verification and Adjustment of Sales are met. (7-1-24)

**b.** The study will be completed annually in March and notice provided to county official in accordance with Section 63-109, Idaho Code. For non-agricultural categories, the appropriate ratio study statistical measure of level is the median. For agricultural land categories, level of assessment is to be determined as described in Paragraph 131.02.b. of this rule. (7-1-24)

**02. Equalization Study – Agricultural Land.** Each year the Tax Commission will conduct a study to assist in the equalization of assessments of agricultural land. Any such study will analyze agricultural land values throughout each significant secondary agricultural land category using valuation methods found in Section 63-602K, Idaho Code, and Rule 617 of these rules. A secondary agricultural land category having at least ten percent (10%) of the acreage and at least five percent (5%) of the value of the primary agricultural land category is considered significant. (7-1-24)

**a.** County officials will receive notice of the results and compliance in accordance with Section 63-109, Idaho Code. (7-1-24)

**b.** Significant secondary agricultural land categories are subject to preliminary and follow-up studies of assessment level and are studied based on the valuation methodology described in Rule 617 of these rules. The preliminary study is a comparison to the prior year's assessed values. The follow-up studies will test the current year's assessed values and are required when preliminary studies indicate a level of assessment less than ninety percent (90%) or greater than one hundred ten percent (110%) of market value for assessment purposes. Categories meeting these criteria, and those categories not considered significant in a county, are in compliance. Level means the ratio of the median per acre assessed value and the median per acre value for the secondary agricultural land category determined by the Tax Commission using the valuation methodology found in Rule 617 of these rules. (7-1-24)

**c.** Secondary agricultural land categories may also be subject to follow-up studies if the Tax Commission has received information indicating that county boards of equalization have changed values in such a way as to produce likely non-compliance. (7-1-24)

**03. Timing and Notification.** Notice of improper assessment of any category is to occur when any category tested for equalization purposes is found out of compliance as described in this Rule. Following the first Monday in April statutory deadline for notice, additional notice will be provided as follows: (7-1-24)

**a.** By the second Monday in May, the Tax Commission will notify county assessors and commissioners of results of any additional ratio studies requested by county assessors. These studies will be based on current year assessments. (7-1-24)

b. By the fourth Monday in July, the Tax Commission will notify county assessors and commissioners of the results and compliance status based on follow-up studies as provided in Subsections 05 and 06 of this Rule. (7-1-24)

c. See Timing and Notification Table at <https://tax.idaho.gov>. (7-1-24)

**04. Tested for Equalization.** Except as provided in Subsection 131.05 of this rule, categories, other than agricultural land to be tested for equalization purposes, are the primary categories described in Subsection 130.01 of these rules. (7-1-24)

**05. Follow-Up Ratio Study.** If the annual ratio study indicates that assessments in any primary category are out of compliance with the standards of this rule, a follow-up study is required. In addition, if the Tax Commission is informed that a county board of equalization has implemented changes to assessments, likely resulting in a category failing compliance with the standards for the current year's assessments, a follow-up study is also required. A follow-up ratio study tests the assessments for January 1 of the year following the timeframe used in the preliminary agricultural study or the annual ratio study. The follow-up study uses property sales during the calendar year immediately preceding that date, unless use of an alternate time frame for sales will provide a more representative study. (7-1-24)

**06. Notice of Follow-Up Ratio Study.** The Tax Commission will notify the county commissioners, the county board of equalization, and the county assessor of the results of any follow-up study. The notification will include a description of assessment changes if such changes initiated the follow-up study. The notice will specify the compliance status of each category and will state whether and why the Tax Commission considers adjusting non-compliant categories based on the annual or follow-up ratio studies at the State Board of Equalization meeting. (7-1-24)

**07. Use of Ratio Study Results.** If the results of any ratio study show, with reasonable statistical certainty as defined in Subsection 131.11 of this rule, that the assessments are not equalized, the Tax Commission may, at its meeting pursuant to Section 63-108, Idaho Code, order the county auditor to adjust the value of property in the non-compliant category or categories or any portion of such category. Any adjustment factor recommended to the Tax Commission will be calculated by dividing the median level of assessment in the category or categories into one hundred percent (100%). Except as provided in Subsections 131.02 or 131.08 of this rule, adjustment will not be considered for any secondary category that does not have at least one (1) observation. (7-1-24)

**08. Exception from Requirement for at Least One (1) Observation for Use of Secondary Category in Adjusted Value Determination.** If the ratio study results warrant an adjustment to the assessed values of the primary residential category, secondary category 10 will receive a similar adjustment if at least one (1) property observation occurs in either category 12 or 15. Such adjustment is also warranted to the assessed values in secondary category 31 if at least one (1) observation occurs in secondary category 34 or 37. (7-1-24)

**09. Use of Alternate Ratio Study.** When the follow-up ratio study required by Subsection 131.05 of this rule does not measure the true assessment level, the Tax Commission may consider adjustments based on the most recent ratio study or other information relevant to equalization. (7-1-24)

**10. Submission of Additional Information.** Any party may request that the Tax Commission consider any information or studies relevant to equalization. Such a request will include a description of the information to be presented and conclusions drawn from the information. (7-1-24)

**11. Reasonable Statistical Certainty.** For the purposes of equalization of primary categories other than agricultural categories, "reasonable statistical certainty" that any primary category is not equalized is found if: (7-1-24)

a. The median ratio 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 median fails to include ninety percent (90%) or one hundred ten percent (110%); or (7-1-24)

b. An eighty percent (80%) two-tailed confidence interval around the median fails to include ninety

percent (90%) or one hundred ten percent (110%) and this failure has continued for the current and most recent two year's ratio studies on the category(ies). (7-1-24)

**12. Cross References.** See Rules 130, 510, 511, 512, and 617. (7-1-24)

**132. -- 216. (RESERVED)**

**217. RULES PERTAINING TO MARKET VALUE DUTY OF COUNTY ASSESSORS.**  
Section 63-208 Idaho Code

**01. Market Value.** (7-1-24)

**a.** The assessor will value the entire fee simple interest of property. (7-1-24)

**b.** Personal property is valued at retail level. (7-1-24)

**02. Appraisal Approaches.** Three (3) approaches to value are considered for all property and are the sales comparison approach, the cost approach and the income approach. (7-1-24)

**03. Appraisal Procedures.** Assessors will use guidelines and publications of nationally recognized appraisal and valuation associations, institutes, and societies including those referenced in Rule 003 of these rules, to determine market value for assessment purposes. (7-1-24)

**04. Determining Value.** The income approach to value, used in appraisal procedures, methods, and techniques, to determine market value for assessment purposes of income-producing properties, must use market rent, not contract rent. (7-1-24)

**218. ASSESSOR'S PLAT BOOK.**  
Sections 31-2709, 50-1304, 55-1603, 55-1901, 55-1911, 63-209, 63-210, 63-212, 63-219, 63-307, Idaho Code

**01. Plat Maps.** The assessor will prepare plat maps for all land. (7-1-24)

**a.** Plat maps may be drafted and maintained either in paper or digital format. (7-1-24)

**b.** Plat maps of townships, sections, aliquot parts, subdivisions, and parcel boundaries completed after July 1, 2013, are updated and maintained in accordance with the "Manual of Surveying Instructions" referenced in Rule 003 of these rules. (7-1-24)

**c.** Parcel numbers and all other desired information are maintained in digital or paper formats. Annotative information is added as necessary and, if plotted by computer, is of appropriate font style and size to be easily readable. The minimum letter height is one point two five (1.25) millimeters. (7-1-24)

**02. Section Outlines.** Are mapped according to: (7-1-24)

**a.** Technical descriptions of Bureau of Land Management, formerly the General Land Office (GLO), surveys, Section 31-2709, Idaho Code; (7-1-24)

**b.** Descriptions on recorded surveys, Sections 55-1901 through 55-1911, Idaho Code; (7-1-24)

**c.** Recorded corner perpetuation records, Sections 55-1603 through 55-1612, Idaho Code; (7-1-24)

**d.** Recorded subdivision plats and assessor's plats, Sections 50-1301 through 50-1330, 63-209, and 63-210(2), Idaho Code; (7-1-24)

**e.** Deeds or contracts with metes and bounds descriptions, Section 31-2709, Idaho Code; (7-1-24)

**f.** Highway, railroad, and other engineering quality route surveys; (7-1-24)

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new owner's name is assigned to the same parcel number on the companion sheet. A parcel number that exists at the time a property is split or combined may be terminated and new child numbers assigned. (7-1-24)

**04. Property Split by County Line, Section Line, or Tax Code Area Boundary.** Properties contiguous under common ownership but split by county line or tax code area boundary will require separate parcel numbers. Properties contiguous under common ownership but split by section or township line(s) and entirely located within the same county and tax code area will not require separate parcel numbers and the lowest section number is included in the parcel number as explained in Paragraph 219.05.c. of this rule. (7-1-24)

**05. Rural Land Not Subdivided.** Assign parcel numbers to rural land that is not subdivided as follows: (7-1-24)

**a.** Positions 1, 2, and 3 are the township descriptor minus the "T." (7-1-24)

**b.** Positions 4, 5, and 6 are the range descriptor minus the "R." (7-1-24)

**c.** Positions 7 and 8 are the section number. For properties contiguous under common ownership and split by section line(s) so that the parcel is located in multiple sections, the lowest section number is used. If the section number is less than ten (10), the section number is in position 8, preceded by a zero ("0") in position 7. (7-1-24)

**d.** Positions 9, 10, 11, and 12 are the quarter section numbers. To assign the quarter section number, begin numbering in the northeast quarter (NE1/4) of the northeast quarter (NE1/4) and proceed counterclockwise. Starting in the NE1/4 of the section the numbers used range from zero to two thousand three hundred ninety-nine (0000 to 2399). Continuing counterclockwise, beginning in the NE1/4 of the northwest quarter (NW1/4), the numbers continue from two thousand four hundred to four thousand seven hundred ninety-nine (2400 to 4799), then, 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). (7-1-24)

**06. Urban Land not Subdivided.** Assign parcel numbers to urban land that is not subdivided as follows: (7-1-24)

**a.** Position 1 is the city letter. Each city will have a unique letter. (7-1-24)

**b.** Positions 2, 3, 4, 5, and 6 are the number zero ("0"). (7-1-24)

**c.** Positions 7 and 8 are the section number. Number these positions as directed in Paragraph 219.05.c. of this rule. (7-1-24)

**d.** Positions 9, 10, 11, and 12 are the quarter section number. Number these positions as directed in Paragraph 219.05.d. of this rule. (7-1-24)

**e.** When a metes and bounds parcel inside city limits is being numbered, positions 9, 10, 11, and 12 locate the parcel to the nearest quarter section. (7-1-24)

**f.** If a government lot is within a section, or an extended government lot is an extension of a section, the quarter section numbering is assigned as rural land not subdivided. For a government lot within a quarter section, the assigned number is a number within the sequence of numbers for the quarter section. For an extended section, the assigned number is within the sequence from the extended quarter section. (7-1-24)

**07. Subdivided Rural Land.** Assign parcel numbers to subdivided rural land as follows: (7-1-24)

**a.** Position 1 is the number zero ("0"). (7-1-24)

**b.** Positions 2, 3, 4, and 5 are the subdivision number. The subdivision number will not contain



alphabetic characters. Each subdivision, whether the original townsite or new subdivision, is assigned a four (4) digit number. (7-1-24)

**c.** Positions 6, 7, and 8 are the block number. (7-1-24)

**d.** Positions 9, 10, and 11 indicate 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. (7-1-24)

**e.** Position 12 is the number zero ("0") if the lot is as originally platted. If a lot has been split once or combined once, then this becomes the letter "A." If split a second time, the letter becomes a "B," and so on. These splits or combinations are listed on the companion sheet. (7-1-24)

**08. Subdivided Urban Land.** Assign parcel numbers to subdivided urban land as follows: (7-1-24)

**a.** Position 1 is the city letter. Each city will have a unique letter. (7-1-24)

**b.** Positions 2, 3, 4, and 5 are the subdivision number. The subdivision number will not contain alphabetic characters. Each subdivision, whether the original townsite or a new subdivision, is assigned a four (4) digit number. (7-1-24)

**c.** Positions 6, 7, and 8 are the block number. (7-1-24)

**d.** Positions 9, 10, and 11 indicate 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. (7-1-24)

**e.** Position 12 is the number zero ("0") if the lot is as originally platted. If a lot has been split once or combined once, then this becomes the letter "A." If split a second time, the letter becomes a "B," and so on. These splits or combinations are listed on the companion sheet. (7-1-24)

**f.** When one (1) whole lot and part of another adjoining lot are under common ownership, one (1) parcel number may be assigned. That parcel number is written using the whole lot's number and position 12 is a letter. (7-1-24)

**09. Patented Mines and Patented Mining Claims.** Assign parcel numbers to patented mines and mining claims as follows: (7-1-24)

**a.** Positions 1 and 2 are the number nine ("9"). (7-1-24)

**b.** Positions 3 through 8 denote the township and range, as in the land not subdivided format. (7-1-24)

**c.** Positions 9 through 12 are a county assigned sequential account number for individual mines. (7-1-24)

**10. Condominiums.** Assign parcel numbers to condominiums as follows: (7-1-24)

**a.** Condominiums in a city will have a letter in position 1 of the parcel number. The letter is unique for each city. For condominiums not in any city, position 1 is the number zero ("0"). (7-1-24)

**b.** Positions 2, 3, 4, and 5 indicate the condominium number and is four (4) digits. To differentiate between condominiums and subdivisions, numbers 0001 through 8999 are to be used for subdivisions, and numbers 9000 through 9999 for condominiums. Fill positions preceding the number with zeros to occupy all four (4) positions ("0000"). (7-1-24)

**c.** Positions 6, 7, and 8 are 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. (7-1-24)

**d.** Positions 9, 10, and 11 are 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. (7-1-24)

**e.** Position 12 is the number zero (“0”) if the parcel has not been modified since originally platted. If it has been split once or combined once, then this character becomes an “A.” If split a second time, the character becomes a “B,” and so on. These splits or combinations are listed on the companion sheet. (7-1-24)

**220. RULES PERTAINING TO ASSESSMENT OF INTERNAL REVENUE CODE (IRC) SECTION 42 LOW-INCOME PROPERTIES.**

Section 63- 205A, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Amount of Housing Tax Credits. The Housing Tax Credits divided by the number of years of the term of the Tax Credit Regulatory Agreement. (7-1-24)

**b.** Asset Management Fee. An annual fee paid to the limited partner for property management oversight, tax credit compliance monitoring, and related services. (7-1-24)

**c.** Audit Fee. The fees and costs that may be charged by accountants for preparation and review of financial statements on behalf of the owner or investor. (7-1-24)

**d.** Compliance Fee. The fees and costs, if any, that may be charged by the Idaho Housing Financing Association (IHFA), or its agent, for review and inspection of the owner’s records, or the physical inspection of the project, as are required by the Regulatory Agreement or federal law. (7-1-24)

**e.** Existing Section 42 Project. A Section 42 low-income project for which Housing Tax Credits were entirely distributed before January 1, 2009. (7-1-24)

**f.** Federal Project Based Assistance means: (7-1-24)

**i.** Rental assistance of any kind provided by the Department of Housing and Urban Development or other agencies of the United States federal government which allow for rental assistance payments to the owner on behalf of the project and not on behalf of any individual tenant; or (7-1-24)

**ii.** Apartment projects that have federal financing at below market terms at the time when the financing was put in place, which financing is transferable without change in terms and conditions to subsequent transferees; or (7-1-24)

**iii.** Apartment projects that receive financing from the federal Hope VI programs administered under 42 USC section 1437v. (7-1-24)

**g.** Financial Statements. Profit and loss statements, or equivalent reports, that include a detailed schedule showing income and expense line items, the project’s rent roll showing the rent charged for each unit, and a copy of the IHFA’s Annual Occupancy Report that is submitted annually by each project’s owner or agent to the IHFA. (7-1-24)

**h.** General Partner Fee. The portion of cash flow that is paid to the general partner to compensate the general partner for managing the partnership’s operating assets and coordinating the preparation of the required IHFA’s, federal, state, and local tax and other required filings and financial reports. (7-1-24)

**i.** Housing Tax Credits. The final total federal income tax credits as shown on the first year’s form 8609 and allocated by the IHFA to the project either in an original allocation or a new allocation and reported to the Tax Commission by the IHFA. (7-1-24)

**j.** Tax Credit Regulatory Agreement. The original agreement, or the extended agreement, between the section 42 project owner and the IHFA. (7-1-24)

**02. Financial Statements to be Provided by the Owners.** The Tax Commission will forward to the assessor all financial statements received from the owners of section 42 properties and the information received from IHFA by April 15 as described in Section 63-205A, Idaho Code. (7-1-24)

**03. Cross Reference.** See *Brandon Bay, Ltd. Partnership v. Payette County*, 142 Idaho 681, 132 P.3d 438 (2006). (7-1-24)

**221. -- 224. (RESERVED)**

**225. DOCUMENTATION FOR NEWLY ORGANIZED OR ALTERED TAXING DISTRICTS OR REVENUE ALLOCATION AREAS UNDER THE JURISDICTION OF URBAN RENEWAL AGENCIES.**  
Sections 31-1411, 50-2907, 50-2908, 63-215, 63-807, 63-1202, 63-3029B, 63-3638, Idaho Code

**01. Definitions.** The following definitions apply for cities, taxing districts, or revenue allocation areas under the jurisdiction of urban renewal agencies being formed or altering boundaries. (7-1-24)

**a.** Alter or any derivatives of the word as used in Section 63-215, Idaho Code, means annex, de-annex, or consolidate or derivatives of these words. (7-1-24)

**b.** Contiguous means being in actual contact or touching along a boundary or at a point and is synonymous with abutting on. (7-1-24)

**c.** De-annex means to delete or remove a portion but not all of a boundary for a taxing district or revenue allocation area by completing all legal requirements to establish a new boundary for the taxing district or revenue allocation area. (7-1-24)

**d.** Disincorporate means completing all legal requirements to end the existence of a city. (7-1-24)

**e.** 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 revenue allocation area. (7-1-24)

**f.** 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: (7-1-24)

**i.** Section, township, range, and meridian; (7-1-24)

**ii.** An initial point, being a government surveyed corner, such as a section corner, quarter corner, or mineral survey corner; (7-1-24)

**iii.** A true point of beginning, defined by bearings and distances from the initial point, that begins a new taxing district, revenue allocation area, or any alteration thereto; and (7-1-24)

**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 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: (7-1-24)

**(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 (7-1-24)

**(2)** References to cardinal directions, government survey distances, and section or aliquot part corners; or (7-1-24)

**(3)** References to recorded subdivision or town site plats, with copies of such plats; or (7-1-24)

- (4) Legislatively established boundaries as defined by reference to Idaho Code sections; and (7-1-24)
  - v. The legal description to annex to or deannex from an existing taxing district or revenue allocation area shall plainly and clearly define the boundary lines of the deannexed or annexed area and include a reference to existing boundaries where contiguous. (7-1-24)
  - g. 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: (7-1-24)
    - i. Section, township, range, and meridian identifications; (7-1-24)
    - ii. North arrow, bar scale, and title block; (7-1-24)
    - iii. District name and ordinance number or order date; (7-1-24)
    - iv. Bearing and distance annotation between boundary points or a legend or table identifying the bearing and distance between each set of boundary points; (7-1-24)
    - v. Clearly defined boundary lines of the newly formed city, taxing district, or revenue allocation area or of the alteration to an existing one together with reference to the existing boundary where contiguous; and (7-1-24)
    - vi. Variations from the requirements of Paragraph 225.01.g. of this rule for what must be included on the map may be approved by the Tax Commission if the map is sufficiently certain and accurate to ensure that the property is assigned to the proper tax code area. (7-1-24)
  - h. A countywide taxing district is a taxing district having the same boundaries as one (1) or more counties. (7-1-24)

**02. Documentation to Be Filed for Newly Created or Altered Taxing Districts or Revenue Allocation Area.** The following documentation shall be filed with the county assessor, county recorder, and the Tax Commission no later than thirty (30) days following the effective date of any action creating or altering a taxing district or revenue allocation area boundary, but no later than January 10 of the following year when any action creating or altering said boundary occurs after December 10. (7-1-24)

- a. A legal description which plainly and clearly defines the boundary of a newly formed taxing district or revenue allocation area or the boundary of an alteration to an existing one. (7-1-24)
- b. A copy of a map prepared in a draftsman-like manner, or a record of survey as defined in Section 55-1902, Idaho Code, which matches the legal description. (7-1-24)
- c. A copy of the ordinance or order effecting the formation or alteration. (7-1-24)
- d. For fire districts annexing territory within an existing fire district and/or city, a copy of the written approval from that existing fire district and/or city. (7-1-24)
- e. In cases where newly created taxing district boundaries are countywide a copy of the ordinance or order effecting the formation which clearly states that the newly formed district is to be countywide shall fulfill the requirements of documents to be filed in Paragraphs 225.02.a. through 225.02.c. of this rule. (7-1-24)

**03. Documentation to Be Filed for Disincorporated Cities, Dissolved Taxing Districts, or Terminated Revenue Allocation Areas.** (7-1-24)

- a. No later than thirty (30) days following the effective date of the final action disincorporating a city or dissolving a taxing district or revenue allocation area, but no later than January 10 of the following year if 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 Tax Commission. (7-1-24)

**b.** Upon receipt of the ordinance or order from a disincorporating city or dissolving taxing district, or in the case of a revenue allocation area, upon notification of revenues sufficient to cover expenses as provided in Section 50-2903(5), Idaho Code, the Tax Commission shall prepare and send a list of the affected tax code area number(s) to the city, taxing district, or urban renewal agency and to the appropriate assessor(s) and recorder(s) within thirty (30) days except for any ordinance, order, or notification received after January 1 when the list shall be sent by the fourth Friday of January. (7-1-24)

**c.** After fourteen (14) days from the date of the mailing of the list of the affected tax code area(s), the Tax Commission shall process the disincorporation, dissolution, or termination 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). (7-1-24)

**d.** For revenue allocation areas formed prior to July 1, 2011, within thirty (30) days of one (1) year prior to the termination date found in the formation ordinance or the date the revenue allocation area has been in existence for twenty-three (23) years, the Tax Commission will notify the urban renewal agency of the date the revenue allocation area is considered terminated. Such notice shall include a statement indicating that the revenue allocation area may remain in existence if necessary to pay off existing bonded indebtedness, provided that, within thirty (30) days of receipt of this notice, the urban renewal agency notifies the Tax Commission of such bonded indebtedness. (7-1-24)

**e.** For the revenue allocation area formed beginning July 1, 2011, the notification procedures in Paragraph 225.03.d. of this rule shall be initiated within thirty (30) days of one (1) year prior to the termination date found in the formation ordinance or the date the revenue allocation area has been in existence for twenty (20) years. (7-1-24)

**04. Digital Map Information.** Digital map information in a format usable by the 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. (7-1-24)

**05. Deadline for Completion.** December 31 of the current year shall be the deadline for completing any action that creates, alters, or dissolves any taxing district or terminates a revenue allocation area or creates, alters, or disincorporates any city. (7-1-24)

**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 revenue allocation area shall be considered formed or altered by the Tax Commission if it: (7-1-24)

**a.** Fails to provide the correct documentation plainly and clearly designating the boundaries of a newly formed city, taxing district, or revenue allocation area or of an alteration to an existing one; or (7-1-24)

**b.** Fails to provide the correct documentation in sufficient time for the Tax Commission to comply with Rule 404 of these rules; or (7-1-24)

**c.** Has boundaries which overlap with like taxing districts or revenue allocation areas. (7-1-24)

**d.** Is a revenue allocation area that has had one (1) previous annexation on or after July 1, 2011, and is requesting to annex additional area. (7-1-24)

**07. Notification.** Notification required pursuant to Section 63-215, Idaho Code, is sent to affected taxing districts, urban renewal agencies, and to any auditor(s) and assessor(s) of the involved county(ies). (7-1-24)

**08. One Uniform System.** The Tax Commission will prepare one (1) uniform system of tax code area numbers and maps which shall be used by each county. (7-1-24)

**09. Tax Code Areas.** The Tax Commission shall create a separate, unique number for each tax code area. If any area annexed to an existing revenue allocation area includes a taxing district with any fund which is not to be used to generate funds to be distributed to an urban renewal agency, the boundaries of the area added to the existing revenue allocation area shall constitute a separate tax code area. (7-1-24)

**10. Furnished By The Tax Commission.** (7-1-24)

**a.** Annually, the Tax Commission will post the following documents on the Tax Commission's website: (7-1-24)

i. Updated tax code area maps; (7-1-24)

ii. Updated taxing district maps; (7-1-24)

iii. Updated revenue allocation area maps; and (7-1-24)

iv. Documentation of changes related to the above maps. (7-1-24)

**b.** Upon specific request, the Tax Commission will furnish without charge, one (1) hardcopy set of the above documents to each appropriate assessor, recorder, treasurer, and entity with operating property assessed by the Tax Commission. There shall be a charge for all other hardcopy maps. (7-1-24)

**226. -- 229. (RESERVED)**

**230. EXTENSIONS OF STATUTORY DEADLINES FOR DISASTER RELIEF.**

Section 63-220, Idaho Code

**01. Application by County Officials.** A county official will apply for an extension in writing to the Tax Commission before the statutory deadline, and the application will include the following: (7-1-24)

**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; (7-1-24)

**b.** Identification of any statutory deadline germane to the requested extension; (7-1-24)

**c.** The date by which the official making the application expects to accomplish the action specified in the extension application; and (7-1-24)

**d.** A request that the Tax Commission approve the delay sought. (7-1-24)

**02. Procedure.** Within five (5) working days of receipt of the request, the Tax Commission will respond in writing to the official requesting the delay. The Tax Commission will approve any request for an extension that complies with this rule. (7-1-24)

**231. -- 303. (RESERVED)**

**304. MANUFACTURED HOME DESIGNATED AS REAL PROPERTY.**

Sections 63-304, 63-305, Idaho Code

**01. Statement of Intent to Declare (SID).** (7-1-24)

**a.** For new manufactured homes, the assessor will verify that sales or use tax has been collected or will collect such tax. Any sales or use tax collected by the assessor is remitted to the Tax Commission. (7-1-24)

**b.** The assessor will forward a copy of the SID form and the title or Manufacturer's Statement of Origin (MSO) to the Idaho Transportation Department. The Idaho Transportation Department will cancel the title.

(7-1-24)

**02. Reversal of Declaration of Manufactured Home as Real Property.** The assessor will transmit to the Idaho Transportation Department a copy of the completed Reversal of Declaration of Manufactured Home as Real Property form, title report with appropriate signatures of consent, and the application for title to the manufactured home. (7-1-24)

**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. (7-1-24)

**04. Status of Manufactured Housing Previously Declared Real.** All manufactured housing upon which a "non-revocable option to declare the mobile home as real property" or SID was correctly completed and properly recorded and filed is 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. (7-1-24)

**305. -- 311. (RESERVED)**

**312. PARTIAL YEAR ASSESSMENT OF REAL AND PERSONAL PROPERTY.**  
Sections 63-311, 63-602Y, Idaho Code

**01. Change of Status.** The real or personal property that has a change of status as described in Section 63-602Y, Idaho Code, includes exempt governmental property. (7-1-24)

**02. Cross Reference.** Partial year assessments. If the assessor is notified of taxable personal property entering the county after the lien date, the assessor may place the property on the subsequent or missed property roll. Consequently, if the assessor is notified that previously reported taxable personal property is no longer subject to property tax prior to the end of the calendar year, the assessor will adjust the subsequent or missed property roll accordingly. See Idaho Supreme Court decision in Xerox Corporation v. Ada County Assessor, 101 Idaho 138, 609 P.2d 1129 (1980). (7-1-24)

**313. (RESERVED)**

**314. COUNTY VALUATION PROGRAM TO BE CARRIED ON BY ASSESSOR.**  
Sections 63-314, 63-316, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Continuing program of valuation means the program by which each assessor completes the assessment of all taxable properties each year. (7-1-24)

**b.** The field inspection will 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. (7-1-24)

**c.** 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. (7-1-24)

**d.** As used in Section 63-314, Idaho Code, prediction of market value means an estimate of market value. (7-1-24)

**e.** Category to be Assessed at Current Market Value. The level of assessment of each category is considered 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. (7-1-24)

**02. Plan for Continuing Program of Valuation.** The plan for continuing program of valuation will include: (7-1-24)

**a.** 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. (7-1-24)

**b.** A market data bank includes a collection, verification and analysis of sales, income and expense data, building cost information, and application of this information to estimate market value. To mail assessment notices by the first Monday in June as required by Section 63-308, Idaho Code, assessors should include income and expense data submitted by property owners by the first Monday in April. Income and expense data for low-income housing properties receiving tax credits under Section 42 of the Internal Revenue Code includes actual rents, the monetary benefit of income tax credits, and expenses. (7-1-24)

**c.** Maps prepared in accordance with Section 63-209, Idaho Code, which identify characteristics of each geographic area. (7-1-24)

**d.** A property record for each parcel, complete with the assigned secondary category and property characteristics necessary for an estimate of the current market value. Such characteristics may include data elements as described in the International Association of Assessing Officers (IAAO) Standard on Mass Appraisal of Real Property and the IAAO Standard on Digital Cadastral Maps and Parcel Identifiers. Common elements identified in these standards include: (7-1-24)

i. Date of most current physical review; (7-1-24)

ii. Significant improvements, buildings and structures; (7-1-24)

iii. Photographs of significant improvements; (7-1-24)

iv. Sketches and/or blue prints of significant improvements; (7-1-24)

v. Location data, such as market area, neighborhood, site amenities and external nuisances; (7-1-24)

vi. Year built, effective age and/or condition of significant improvements and (7-1-24)

vii. Land size or diagram of all taxable parcels within the county. (7-1-24)

**e.** The plan must be submitted to the Tax Commission on or before the first Monday of February in 2017, and every fifth year thereafter. (7-1-24)

**f.** As provided in Section 63-314, Idaho Code, a county may request an extension to the current five (5) year county valuation plan. (7-1-24)

i. 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 will 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 are 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. (7-1-24)

ii. A county is notified of the 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. (7-1-24)



iii. The Tax Commission's approval of any extension will specify timing and nature of progress reports. (7-1-24)

iv. The Tax Commission can void an extension unilaterally. (7-1-24)

**03. Field Inspections.** The methods of observation of the physical attributes of property as described in the International Association of Assessing Officers (IAAO) "Standard on Mass Appraisal of Real Property" referenced in Rule 003 of these rules should be followed to the extent that resources are available. This includes the use of aerial photographs and other digital imaging technology tools, which may be used to supplement, but not replace physical inspections. (7-1-24)

**04. Testing for Current Market Value.** Assessed values are tested annually by the 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." (7-1-24)

**315. USE OF RATIO STUDY TO EQUALIZE BOISE SCHOOL DISTRICT.**  
Sections 63-315, 33-802(6), 50-2903, Idaho Code

**01. Procedures for Boise School District Ratio Studies.** The Boise School District ratio study is conducted in accordance with the "Standard on Ratio Studies" referenced in Rule 003 of these rules. (7-1-24)

**a.** Information on property sales, which meet the requirements of arm's length market value sales, is assembled into samples representing designations defined in Subsection 315.02 of this rule in the Boise School District. Except when sales or appraisals must be added or deleted to improve representativeness, sales used are those occurring within the Boise School District between October 1 of the year preceding the year for which adjusted market value is to be computed and September 30 of the next year. Each sale price is adjusted for time and compared to market value for assessment purposes for the year for which adjusted market value is to be computed. The Tax Commission may use sales from extended time periods and may add appraisals when data is lacking. (7-1-24)

**b.** The market value for assessment purposes of the sale or appraised property is divided by the adjusted sale price or appraised value to determine the ratio. (7-1-24)

**c.** A statistical analysis is conducted for the sales and appraisals in each property designation described in Subsection 315.02 of this rule in the Boise School District and appropriate measures of central tendency, uniformity, reliability, and normality computed. (7-1-24)

**d.** If fewer than five (5) sales and appraisals are available, no adjustment to the net taxable value of the designation is made. (7-1-24)

**e.** If it is determined with reasonable statistical certainty that the property designation is not at market value for assessment purposes, an adjusted market value is computed for the Boise School District by dividing the net 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 is 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. (7-1-24)

**f.** Within the Boise School District, adjusted market value for each secondary category of real, personal and operating property is summed to produce the adjusted market value for the Boise School District. The Boise School District net taxable value is divided by this adjusted market value to produce the overall ratio of assessment in the Boise School District. (7-1-24)

**g.** Urban renewal increment values are not included in the net taxable value for the Boise School District. Upon receipt of an urban renewal agency's resolution recommending the adoption of an ordinance for termination of a revenue allocation area by December 31 of a given year, the increment value in the immediate prior year is included in the net taxable value for the Boise School District. If the resolution is received prior to the first Monday in April, the net taxable value for the immediate prior year is adjusted by adding the increment value. If any ratio study-based adjustments are warranted, they apply to the actual value including the increment value. If the

resolution is received on or after the first Monday in April, but by September 1, a corrected certification of actual and adjusted values is provided as soon as practical. (7-1-24)

**h.** “Reasonable statistical certainty,” that the property designation in question is not at market value for assessment purposes 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. (7-1-24)

**i.** Secondary categories are assigned to designations as follows: (7-1-24)

**i.** Secondary categories 10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, 65, or 50 are residential; and (7-1-24)

**ii.** Secondary categories 11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, or 51 are commercial. (7-1-24)

**j.** For all secondary categories, described in Rule 510, 511, or 512 of these rules but not contained in the list in Paragraph 315.01.i. of this rule, adjusted market value will equal taxable value. (7-1-24)

**k.** “Appraisal” or “appraised value” refers to any Tax Commission provided property appraisal. (7-1-24)

**02. Use of Property Designations.** In computing the ratio for the Boise School District, the Tax Commission will designate property as residential or commercial and will assign sales and appraisals to these designations as shown in Paragraph 315.01.i. of this rule. For the Boise School District, adjusted market value is computed by dividing the appropriate ratio ascertained for each of these designations into the sum of the net taxable values for each secondary category assigned to a designation. Except as provided in Subsection 315.05 of this rule, for the net taxable value in any secondary category to be included in said sum, at least one (1) observation (sale or appraisal) from that secondary category must be present in the ratio study. If the ratio for any given designation in the Boise School District indicates that the market value for assessment purposes cannot be determined with reasonable statistical certainty to differ from statutorily required market value, the net taxable value shown on the Boise School District abstract(s) required pursuant to Subsection 315.04 of this rule for each of the secondary categories included in that designation is the adjusted market value for said designation. (7-1-24)

**03. Assessor to Identify Location.** Each county assessor will identify which sales submitted for the ratio study are located within the Boise School District. (7-1-24)

**04. Abstracts of Value for the Boise School District.** Each applicable county auditor will provide to the Tax Commission abstracts of the net taxable value of all property within the portion of the Boise School District in that county. These abstracts are submitted in the same manner and at the same time as provided for county abstracts of value. (7-1-24)

**05. Exception from Requirement for at Least One Observation for Use of Secondary Category in Adjusted Value Determination.** When there is an adjustment to be made to the net taxable values in the residential designation, such adjustment applies to any net taxable value in secondary category 10, provided there is at least one (1) observation (sale) of property identified in either secondary category 12 or 15. Such adjustment will also be applied to any net taxable value in secondary category 31, provided there is at least one (1) observation (sale) of property identified in either secondary category 34 or 37. (7-1-24)

**06. Certification of Values.** The Tax Commission certifies values under Section 63-315, Idaho Code, by publication on the Tax Commission’s web site or in an alternate format on request. (7-1-24)

**07. Cross References.** See rules 130, 510, 511, and 512 of these rules. (7-1-24)

**316. COMPLIANCE OF CONTINUING VALUATION PROGRAM.**  
Sections 63-314, 63-316, Idaho Code

**01. Definitions.** (7-1-24)

**a.** 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. (7-1-24)

**b.** 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. (7-1-24)

**c.** Progress reports mean any informational or statistical report compiled and distributed by the Tax Commission regarding the physical appraisal progress of a county. (7-1-24)

**d.** 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. (7-1-24)

**e.** Remediation plan means, a written statement of the actions that the county plans to bring its continuing program of valuation into compliance with Section 63-314, Idaho Code. (7-1-24)

**02. Monitoring Procedure.** The Tax Commission will monitor compliance with the continuing program of valuation in each county no less than annually and prepare and distribute progress reports to each county assessor in the following manner: (7-1-24)

**a.** The Tax Commission will compile a progress report each July 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 and a summary report of the most recently completed ratio study showing the status of appraisal and indexing to achieve market value. The Tax State 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 and notify the board of county commissioners that this report was provided to the county assessor. (7-1-24)

**b.** Upon receipt of a written request from the county assessor, the 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 Tax Commission will not use this report to determine compliance with Section 63-314, Idaho Code, but will notify the board of county commissioners that this report was provided. (7-1-24)

**03. Remediation Plans.** If a county does not meet the requirements of subsection (1) of 63-314, Idaho Code, according to the July progress report, the assessor and board of county commissioners will submit to the Tax Commission a remediation plan explaining how the county will achieve compliance on or before September 15. The Tax Commission will approve the plan on or before October 1 and 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 Tax Commission will monitor progress toward successful completion of any remediation plan at intervals scheduled with the county assessor. (7-1-24)

**04. Tax Commission To Ensure Corrective Action.** (7-1-24)

**a.** During the first four (4) years of any appraisal cycle, if any July progress report shows that a county assessor did not meet the requirements of a remediation plan the Tax Commission will ensure corrective action is taken and may take exclusive and complete control of the continuing program of valuation pursuant to Section 63-316, Idaho Code. (7-1-24)

**b.** If, at the end of any appraisal cycle a county has not achieved adequate appraisal of all parcels, the Tax Commission may ensure corrective action is taken, and may take exclusive and complete control of the

continuing program of valuation pursuant to Section 63-316, Idaho Code. If 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 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. (7-1-24)

**05. Compliance Procedure Examples.** (7-1-24)

**a.** See Compliance Procedure Examples at <https://tax.idaho.gov>. (7-1-24)

**b.** See Informational Progress Report Example at <https://tax.idaho.gov>. (7-1-24)

**317. OCCUPANCY TAX ON NEWLY CONSTRUCTED IMPROVEMENTS ON REAL PROPERTY.**  
Section 63-317, Idaho Code

**01. Prorated Market Value.** The market value for occupancy tax purposes shall be the full market value on January 1 and shall be prorated at least monthly from the occupancy date to the end of the year. (7-1-24)

**02. 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. (7-1-24)

**03. Example.** See example for prorated market value exceeding maximum amount of the homestead exemption for improvements subject to the occupancy tax at <https://tax.idaho.gov>. (7-1-24)

**04. Market Value.** The market value for occupancy tax purposes is entered on an occupancy tax valuation roll. Occupancy tax valuation is not included in the assessed value of any taxing district, but occupancy tax is included in the certified budget. (7-1-24)

**05. Allocation to Urban Renewal Agencies.** Occupancy tax revenue shall be distributed to urban renewal agencies in the same manner as property taxes, except as provided in Paragraphs 317.06.a. and 06.b. of this rule. (7-1-24)

**a.** The portion of the occupancy tax raised for funds specified in Section 50-2908, Idaho Code, and Rule 804 of these rules must be distributed to the taxing districts levying property taxes for those funds and, therefore, must not be distributed to the urban renewal agency. (7-1-24)

**b.** For parcels within a newly formed revenue allocation area or within an area newly annexed to an existing revenue allocation area, occupancy tax for the tax year during which the formation or annexation took effect is not distributed to the urban renewal agency. (7-1-24)

**318. -- 403. (RESERVED)**

**404. OPERATOR'S STATEMENT -- CONTENTS.**  
Sections 63-401, 63-404, Idaho Code

**01. Filing Date for Operator's Statement.** All taxpayers required to file an operator's statement must file the statement with the Tax Commission by April 30 each year. The information in the statement 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 Tax Commission may grant an extension of the filing date until May 31. (7-1-24)

**02. Tax Code Area Maps.** By March 1 of each year, the Tax Commission will furnish to all entities having operating property within the state of Idaho, except private railcar fleets, a web link to a list of all changes in tax code area boundary lines. If the 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 extension in the filing requirement, equal to the delay, for the portion of the operator's statement that includes mileage specific information reported by tax code area as required in Subsection 404.03.a. of

this rule. All other operator statement information will still be required by April 30. The reporting entity will 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 will report, under Subsection 404.03.a. of this rule based on these identified tax code areas. The Tax Commission will provide the tax code areas maps to the reporting entity as provided for in Rule 225 of these rules.

(7-1-24)

**03. Reporting of Mileage.**

(7-1-24)

**a.** 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.

(7-1-24)

**b.** Railroad track mileage is 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., are reported as Secondary Track Miles.

(7-1-24)

**c.** Electric power companies will 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 includable 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 are reported by single linear wire mile.

(7-1-24)

**d.** Telephone companies will report on a single linear wire mile basis, and include any ground wires.

(7-1-24)

**e.** Natural gas and water distribution companies will report pipeline and gathering line miles on a three (3) inch comparison basis. For example, a company with five (5) miles of six (6) inch pipe will report ten (10) pipeline miles: five (5) times six (6) divided by three (3) equals ten (10) miles.

(7-1-24)

**f.** Transmission pipeline companies will report pipeline miles on a one-inch (1") comparison basis.

(7-1-24)

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

(7-1-24)

**05. Record of Property Ownership.** The following procedures apply for maintaining records of operating property ownership.

(7-1-24)

**a.** A record of each property owned, leased, or otherwise operated by each railroad, private railcar fleet or public utility is maintained by the Tax Commission, the appropriate railroad, private railcar fleet or public utility, and the appropriate county assessor's office. Each record is maintained on a form identified as STC Form R. The Tax Commission will send a copy of each STC Form R to the appropriate company and the appropriate county assessor's office.

(7-1-24)

**b.** On the STC Form R, the Tax Commission will identify which property is operating property and which property is non-operating property.

(7-1-24)

**c.** Each railroad company will file the original railroad right-of-way maps with the Tax Commission. Each railroad will file an STC Form R, only, for property that is acquired, leased, or transferred between operating and non-operating status, or sold during the prior year.

(7-1-24)

**06. Cross Reference.** See Sections 63-602L and 63-405, Idaho Code, and Rules 405 and 615 of these

rules. (7-1-24)

**405. ASSESSMENT OF OPERATING PROPERTY.**

Section 63-405, Idaho Code

**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 is referred to as the system value. For interstate property, allocation factors are used to determine what part of the system value is in Idaho. (7-1-24)

**02. Identify the Unit.** The unit includes all property used or useful to the operation of the system, property owned, used or leased by the business and the leased fee and leasehold interests. All title and interest in unit property is assessed to the owner, lessee or operating company. (7-1-24)

**03. Appraisal Approaches.** The three (3) approaches to value may be considered for all property. (7-1-24)

**04. Appraisal Procedures.** Market value is determined through procedures, methods, and techniques accepted by nationally recognized appraisal and valuation organizations. For operating property, the direct capitalization techniques or derivatives thereof will not be used in estimating value. (7-1-24)

**05. The Cost Approach.** The appraiser may consider replacement, reproduction, original or historical cost. (7-1-24)

**a.** Contributions in aid of construction are valued at zero in the cost approach. (7-1-24)

**b.** Construction work in progress may be considered in the cost approach. (7-1-24)

**c.** Obsolescence. The appraiser will attempt to measure obsolescence, if any exists. If obsolescence is found to exist, it may be considered in the cost approach. (7-1-24)

**06. The Income Approach.** 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 will consider yield capitalization in processing the income approach. (7-1-24)

**07. The Market Approach.** In the market approach, the appraiser will consider the sales comparison approach or the stock and debt approach. (7-1-24)

**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 will disclose the weight given to the indicators. (7-1-24)

**09. Allocation.** Use readily available data from existing records to calculate the factors that are multiplied by the correlated system value to allocate that value to Idaho. (7-1-24)

**10. Situs Property Apportionment.** For situs property, as described in Subsection 404.04 of these rules, apportionment is based on physical location, meaning the market value will not be apportioned based on mileage but only to the tax code area(s) within which said property is situs or physically located. (7-1-24)

**11. Valuation of Rate-Regulated Electric Utility Property.** The methods set forth in this Rule will apply to the valuation of operating property of rate-regulated electric utility companies except to the extent any provision is inconsistent with the valuation criteria set forth in Section 63-205B, Idaho Code, in which case, the criteria in Section 63-205B, Idaho Code, will control. (7-1-24)

**12. Cross Reference.** See Sections 63-404 and 63-602L, Idaho Code, and Rules 404 and 615 of these rules. (7-1-24)

**406. (RESERVED)**

**407. HEARING TO REVIEW OPERATING PROPERTY APPRAISALS.**  
Section 63-407, Idaho Code

**01. Procedure Governed.** This rule will govern all practice and procedure before the Tax Commission sitting as a State Board of Equalization in hearings under Section 63-407, Idaho Code. Hearings are not contested cases under the Idaho Administrative Procedures Act. Hearings are open meetings under the Idaho open meetings law and all written materials are subject to Idaho public records law. The taxpayer may request that the Board of Equalization go into executive session to discuss confidential materials. (7-1-24)

**02. Liberal Construction.** These rules will be liberally construed to secure just, speedy and economical determination of all issues presented to the Tax Commission. For good cause the Tax Commission may permit deviation from these rules and the taxpayer may request a stipulated finding that would result in an appealable decision in lieu of a hearing before the State Board of Equalization. (7-1-24)

**03. Communication.** All notices and petitions required to be filed with the 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 Tax Commission. (7-1-24)

**04. Service by Tax Commission.** All notices and orders required to be served by the Tax Commission may be served by mail. Service will be complete when a true copy of the document, properly addressed and stamped, is deposited in the United States mail. (7-1-24)

**05. Notice to County Assessors.** When the calendar of hearings under Section 63-407, Idaho Code, is final, the Tax Commission will send a copy of this calendar to the assessor of each county. (7-1-24)

**06. Parties.** The following are parties to a hearing of the Tax Commission meeting as State Board of Equalization. (7-1-24)

**a. Petitioner.** A person petitioning for a hearing will be called the petitioner. (7-1-24)

**b. Staff.** The 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 Tax Commission. (7-1-24)

**c. Legal advisor to the Tax Commission.** When sitting as a State Board of Equalization, the Tax Commission may obtain legal advice from a Deputy Attorney General who is not representing the Tax Commission staff. (7-1-24)

**07. Appearances and Practice.** The following apply for appearances and practice in a hearing. (7-1-24)

**a. Rights of parties.** At any hearing, both parties may appear, introduce evidence, ask questions through the presiding officer, make arguments, and generally participate in the conduct of the proceeding. (7-1-24)

**b. Taking of appearances.** The presiding officer conducting the hearing will require appearances to be stated and will see that both parties present are identified on the record. (7-1-24)

**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. (7-1-24)

**08. Pre-Hearing Conferences.** (7-1-24)

**a.** The Tax Commission may, upon notice to both parties, hold a pre-hearing conference for the following purposes: (7-1-24)

- i. Formulating or simplifying the issues; (7-1-24)
- ii. Obtaining admissions of fact and of documents which will avoid unnecessary proof; (7-1-24)
- iii. Arranging for the exchange of proposed exhibits or prepared expert testimony; (7-1-24)
- iv. Limiting the number of witnesses; (7-1-24)
- v. Setting the hearing procedure, and including allocation of an amount of time for the hearing; and (7-1-24)
- vi. Reviewing other matters to expedite the orderly conduct and disposition of the proceedings. (7-1-24)
- vii. Allowing any continuance. (7-1-24)

**b.** Action taken. Any action taken at the conference and any agreement made by the parties concerned may be recorded and the Tax Commission may issue a pre-hearing order which will control the course of subsequent proceedings unless modified. (7-1-24)

**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. (7-1-24)

**09. Hearings.** The following apply to the hearings. (7-1-24)

**a.** Request for hearing. A request for a hearing will be in writing and filed with the Tax Commission on or before July 22 of the current year. The request will state the factual and legal basis on which the request is based. (7-1-24)

i. Tax Commission staff will provide preliminary appraisals to operating property owners by June 8 of the current year unless the parties agree to a later date; (7-1-24)

**b.** Notice of hearing. The Tax Commission will notify both parties and all counties of the place, date and time of the hearing. (7-1-24)

**c.** Submission of documents and other evidence. The appealing party may submit all relevant briefs and documents for the Commissioners to consider no later than seven (7) days before the hearing date. Tax Commission staff will submit their proposed findings of fact and conclusions of law, response brief, written materials, exhibits, and other documents no later than five (5) days before the hearing date. The appealing party may then submit any other relevant documents no later than three (3) days before the hearing date. Additional information may be presented by either party at the time of their oral presentations upon agreement between the Tax Commissioners and the appealing party. Agreement must not be unreasonably withheld by either party. Such additional information is limited to subject matter and evidence provided at least seven (7) days prior to the hearing. Parties will submit one (1) electronic copy of all materials; physical copies of the materials are not required to be submitted. (7-1-24)

**d.** Presiding officer. The Chairman of the Tax Commission will appoint an individual who is not a member of the 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 Tax Commission or the designee thereof. A Tax Commissioner will not vote on any matters where he has oversight. (7-1-24)

**e.** The proceeding. In a non-adversarial proceeding witnesses will present evidence and arguments directly to the Tax Commissioners. The presentation may include written materials including a transcript of the



witnesses' oral statements. Copies of written materials (including copies of visual presentations) will be provided to each Tax Commissioner, the Tax Commission's Assistant to the State Tax Commission/Board, and the Staff. At the conclusion of a witness' testimony, Tax Commissioners may pose questions. The party with the burden of proof on the matter to be considered will present first and may make a closing presentation. This closing presentation should be limited to the subject matter and evidence presented during the proceeding. (7-1-24)

**f.** Testimony under oath. All testimony to questions of fact to be considered by the Tax Commission in hearings, except matters noticed officially or entered by stipulation, will be under oath. Before testimony is presented each person will swear, or affirm, that the testimony he is about to give will be the truth. Attorneys may present oral and written legal argument on behalf of clients as part of the presentation by the party they represent. (7-1-24)

**g.** Rules of evidence. No informality in any proceeding or in the manner of taking testimony will invalidate any order or decision made by the Tax Commission. Unless otherwise provided in these rules the Idaho Rules of Evidence will be generally followed but may be modified at the discretion of the 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 Tax Commission. The 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 will briefly state the grounds of objection at the time such evidence is offered. (7-1-24)

**h.** Recessing hearing for conference. In any proceeding the presiding officer may, 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 will state on the record the results of the conference. (7-1-24)

**i.** Transcript. An official electronically recorded transcript of the hearing may be taken at the discretion of the Tax Commission when requested by a party. A petitioner desiring the taking of stenographic notes by a qualified court reporter may notify the Tax Commission in writing and will 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 Tax Commission or presiding officer as the official transcript of the hearing, the petitioner will furnish the Tax Commission a transcript free of charge. (7-1-24)

**j.** Transcript copies. A request for a copy of a transcript of proceedings at any hearing must be in writing or on the record. Upon completion of the transcript, the Tax Commission will notify the person requesting a copy of the fee for producing the transcript. Upon receipt of the fee, the Tax Commission will send a copy of the transcript. (7-1-24)

**408. RE-EXAMINATION OF VALUE -- COMPLAINT BY ASSESSOR.**  
Section 63-408, Idaho Code

**01. Information to be Provided by the Tax Commission.** After initial values are established and sent to the respective taxpayers, the Tax Commission will 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. (7-1-24)

**02. Complaint.** On or before July 1, an assessor may file a written complaint requesting the Tax Commission examine the value of operating property. The complaint must be in writing and contain clear and concise questions regarding the valuation and allocation in question. The Tax Commission will send a copy of the complaint promptly to the taxpayer. (7-1-24)

**03. Meeting to Examine Valuation and Allocation.** Upon receipt of a complaint, the Tax Commission will schedule a meeting between the staff appraiser(s) who performed the valuation and the assessor. Notice of this meeting is sent to the taxpayer in question. At this meeting, the staff appraiser(s) will answer the assessor's questions to the best of his knowledge. The taxpayer or representative may participate in this meeting. (7-1-24)

**409. -- 410. (RESERVED)**

**411. PRIVATE CAR REPORTING BY RAILROAD COMPANIES.**

Section 63-411, Idaho Code

The president or other officer of each railroad company whose railroad tracks run through, in, or into Idaho will, by April 15 of each year file a report with the Tax Commission that includes the following: (7-1-24)

**01. Name of Reporting Railroad Company.** Report the name of the railroad company making the report. (7-1-24)

**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. (7-1-24)

**03. Private Railcar Fleet's Address.** Report the business address of each reported private railcar fleet. (7-1-24)

**04. Car Type.** Report the type of cars by identifying symbol. (7-1-24)

**05. Marks.** Report the car marks. (7-1-24)

**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. (7-1-24)

**412. (RESERVED)**

**413. SPECIAL PROVISIONS FOR PRIVATE RAILCAR FLEETS.**

Section 63-411, Idaho Code

**01. Definitions.** (7-1-24)

**a.** 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. (7-1-24)

**b.** The Idaho market 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. (7-1-24)

**c.** 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. (7-1-24)

**d.** The system value is the value of the entire private railcar fleet regardless of the location of its various components. (7-1-24)

**02. Railcar Valuation, Allocation and Apportionment.** The 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 market value as set forth below. The Idaho market value will be apportioned to the appropriate counties in Idaho pursuant to Section 63-411, Idaho Code. (7-1-24)

**03. Allocation.** System value is allocated using the "miles to miles" method of allocation. (7-1-24)

**04. "Miles to Miles" Method of Allocation.** The 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 market value. (7-1-24)

**414. (RESERVED)**

**415. APPORTIONMENT OF RAILCAR FLEET'S ASSESSED VALUES WITHIN THE STATE.**

Section 63-411, Idaho Code

**01. Private Railcar Fleet Apportionment.** Railroad track miles will 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 will 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. (7-1-24)

**02. Determination of Average Tax Rate -- Private Railcar Fleets Under Five Hundred Thousand Dollars Assessed Value.** For private railcar fleets having an assessed value of less than five hundred thousand dollars (\$500,000), the average tax rate is computed each year by dividing the current taxes for all private railcar fleets with assessed value of five hundred thousand dollars (\$500,000) or more by the current Idaho value of all such fleets. By November 15 of each year, each county treasurer must provide the Tax Commission with the amount of taxes due from all private railcar fleets in the county. (7-1-24)

**416. (RESERVED)**

**417. PENALTY FOR FAILURE TO MAKE STATEMENT.**

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 Tax Commission will add a penalty. The penalty is fifty percent (50%) of the assessed value, determined by the Tax Commission, as provided by Section 63-411, Idaho Code. When an emergency exists, the company may petition the 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 Tax Commission by April 30 of each year. (7-1-24)

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

**509. ABSTRACTS OF VALUE.**

Sections 63-105A, 63-509, 50-2903, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Primary category means the categories established and described by Subsections 130.01. (7-1-24)

**b.** Secondary Category. Secondary category means the categories established and described by Rules 510, 511, and 512 of these rules. (7-1-24)

**c.** Secondary Category 81. To list exempt land, improvements, or personal property use category 81. (7-1-24)

**d.** Abstract. A document summarizing net taxable value and market value for assessment purposes (full market value) by secondary category of property. Abstracts are submitted as required in Rule 115 of these rules. (7-1-24)

**02. Additional Information to be Included.** The abstract must also report and subtract the value of exemptions required to be reported under Section 63-509, Idaho Code, increment value as defined in Section 50-2903, Idaho Code, and the value of any exemption provided under Sections 63-602W(4), 63-602GG, 63-602HH, 63-602II, 63-602NN, 63-4502, 63-606A, and 63-3029B, Idaho Code. (7-1-24)

**03. Verification of Abstracts.** The abstract of the property rolls prepared by the county auditor will be considered duly verified provided that the auditor signs a document indicating: (7-1-24)

**a.** That the required summary information is based on the most current available information received from the assessor following the conclusion of the county board of equalization. (7-1-24)

**b.** That the assessor certifies to the auditor that all changes, corrections, additions, and exemptions entered onto the rolls as a result of county board of equalization action have been duly entered. (7-1-24)

**04. Nature of Verification Document.** The abstract verification document is certified by the assessor to the auditor and includes the signatures of the county assessor and auditor or duly appointed representatives. (7-1-24)

**05. Submittal of Corrections to Erroneous Abstracts or Related Documents.** When completing the procedures set forth in Section 63-810, Idaho Code, corrections to the net taxable values submitted on the abstracts or related documents are to be submitted with corrected levies. (7-1-24)

**06. Cross Reference.** See Rules 115, 130, 510, 511, and 512 of these rules and Sections 63-810 and 50-2903, Idaho Code. (7-1-24)

**510. SECONDARY CATEGORIES FOR LAND - LISTING AND REPORTING.**

Section 63-509, Idaho Code

County assessors will use the following secondary categories to list land values on valuation assessment notices under Sections 63-301 and 63-308, Idaho Code, and to report land values to the Tax Commission on the abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. (7-1-24)

**01. Secondary Category 1 - Irrigated Agricultural Land.** Irrigated land meeting the definition of “land actively devoted to agriculture” under Section 63-604, Idaho Code, or the requirements for “wildlife habitat” or “conservation agreement” under Section 63-605, Idaho Code, capable of and normally producing harvestable crops. (7-1-24)

**02. Secondary Category 2 - Irrigated Grazing Land.** Land as defined in Secondary Category 1, but primarily used for grazing livestock. (7-1-24)

**03. Secondary Category 3 - Non-Irrigated Agricultural Land.** Land as defined in Secondary Category 1, but non-irrigated and capable of and normally producing harvestable crops. (7-1-24)

**04. Secondary Category 4 - Meadow Land.** Land as defined in Secondary Category 1, but is not irrigated, except through subsurface water table control, known as sub-irrigation, and is used for grazing livestock or producing grass hay. (7-1-24)

**05. Secondary Category 5 - Dry Grazing Land.** Land as defined in Secondary Category 1, but non-irrigated, is not normally capable of supporting crops and is used primarily for grazing livestock. (7-1-24)

**06. Secondary Category 6 - Productivity Forestland.** Land designated by the owner for assessment, appraisal, and taxation under Section 63-1703(a), Idaho Code. This land must be assessed as forest land under the productivity option. Also included is all land assessed under Section 63-1704, Idaho Code. (7-1-24)

**07. Secondary Category 7 - Bare Forestland.** All land designated by the owner for assessment, appraisal, and taxation under Section 63-1703(b), Idaho Code. This land must be assessed as bare land with the yield tax option. (7-1-24)

**08. Secondary Category 9 - Patented Mineral Land.** All land used solely for mines and mining claims. See Section 63-2801, Idaho Code. (7-1-24)

**09. Secondary Category 10 - Homesite Land.** Rural non-subdivided land being utilized for homesites with secondary categories 1 through 9. (7-1-24)

**10. Secondary Category 11 - Recreational Land.** Rural land used in conjunction with recreation but not individual homesites. (7-1-24)

**11. Secondary Category 12 - Rural Residential Tracts.** Rural residential land not in a properly recorded subdivision. (7-1-24)

**12. Secondary Category 13 - Rural Commercial Tracts.** Rural commercial land not in a properly recorded subdivision. (7-1-24)

**13. Secondary Category 14 - Rural Industrial Tracts.** Rural industrial land not in a properly recorded subdivision. (7-1-24)

**14. Secondary Category 15 - Rural Residential Subdivisions.** Rural residential land in a properly recorded subdivision. (7-1-24)

**15. Secondary Category 16 - Rural Commercial Subdivisions.** Rural commercial land in a properly recorded subdivision. (7-1-24)

**16. Secondary Category 17 - Rural Industrial Subdivisions.** Rural industrial land in a properly recorded subdivision. (7-1-24)

**17. Secondary Category 18 - Other Land.** (7-1-24)

**18. Secondary Category 19 - Waste.** Public Rights-of-Way including roads, ditches, and canals. Record total acres of land ownership. No assessed value should be assigned. (7-1-24)

**19. Secondary Category 20 - Residential Lots or Acreages.** Land used for residential purposes and inside city limits. Also use this category for urban homesites when the remaining acreage qualifies as actively devoted to agriculture under Section 63-604, Idaho Code, or has been designated forestland under Chapter 17, Title 63, Idaho Code. (7-1-24)

**20. Secondary Category 21 - Commercial Lots or Acreages.** Land used for commercial purposes and inside city limits. (7-1-24)

**21. Secondary Category 22 - Industrial Lots or Acreages.** Land used for industrial purposes and inside city limits. (7-1-24)

**22. Secondary Category 25 - Common Area Vacant Land.** Common area vacant land not included in individual property assessments. (7-1-24)

**23. Cross Reference.** See Rules 130, 511 and 512 of these rules. (7-1-24)

**511. SECONDARY CATEGORIES FOR IMPROVEMENTS - LISTING AND REPORTING.**

Sections 63-301, 63-308, 63-509, Idaho Code

County assessors will use the following secondary categories to list improved property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. (7-1-24)

**01. Secondary Category 25 - Common Area Land and Improvements.** Common area land and improvements on that land not included in individual property assessments. (7-1-24)

**02. Secondary Category 26 - Residential Condominiums.** Land and improvements included in individual assessments of condominiums or townhouses and used for residential purposes. (7-1-24)

**03. Secondary Category 27 - Commercial or Industrial Condominiums.** Land and improvements included in individual assessments of condominiums and used for commercial or industrial purposes. (7-1-24)

**04. Secondary Category 30 - Improvements.** Improvements, other than residential, located on secondary category 20. (7-1-24)

**05. Secondary Category 31 - Improvements.** Improvements used for residential purposes and located on secondary category 10. (7-1-24)

**06. Secondary Category 32 - Improvements.** Improvements, other than residential, located on secondary categories 1 through 12 and 15. (7-1-24)

- 07. Secondary Category 33 - Improvements.** Improvements used in conjunction with recreation but not associated with homesites and located on secondary category 11. (7-1-24)
- 08. Secondary Category 34 - Improvements.** Improvements used for residential purposes and located on secondary category 12. (7-1-24)
- 09. Secondary Category 35 - Improvements.** Improvements used for commercial purposes and located on secondary category 13. (7-1-24)
- 10. Secondary Category 36 - Improvements.** Improvements used for industrial purposes and located on secondary category 14. (7-1-24)
- 11. Secondary Category 37 - Improvements.** Improvements used for residential purposes and located on secondary category 15. (7-1-24)
- 12. Secondary Category 38 - Improvements.** Improvements used for commercial purposes and located on secondary category 16. (7-1-24)
- 13. Secondary Category 39 - Improvements.** Improvements used for industrial purposes and located on secondary category 17. (7-1-24)
- 14. Secondary Category 40 - Improvements.** Improvements located on secondary category 18. (7-1-24)
- 15. Secondary Category 41 - Improvements.** Improvements used for residential purposes and located on secondary category 20. (7-1-24)
- 16. Secondary Category 42 - Improvements.** Improvements used for commercial purposes and located on secondary category 21. (7-1-24)
- 17. Secondary Category 43 - Improvements.** Improvements used for industrial purposes and located on secondary category 22. (7-1-24)
- 18. Secondary Category 45 - Utility System.** Locally assessed land improvements and other property used as utility systems. (7-1-24)
- 19. Secondary Category 46 - Manufactured Housing.** Structures transportable in one (1) or more sections, built on a permanent chassis and located on land under the same ownership but assessed separately from the land. Include any manufactured home meeting these conditions, on which a statement of intent to declare as real property has been filed but becomes effective the following year. (7-1-24)
- 20. Secondary Category 47 - Improvements to Manufactured Housing.** Additions not typically moved with manufactured housing. (7-1-24)
- 21. Secondary Category 48 - Manufactured Housing.** Manufactured housing permanently affixed to land under the same ownership as the manufactured home or permanently affixed to leased land and on which a statement of intent to declare as real property has been filed and has become effective. (7-1-24)
- 22. Secondary Category 50 - Residential Improvements on Leased Land.** Improvements used for residential purposes and located on leased land, including railroad rights-of-way under separate ownership, exempt land, or any other land under different ownership than the improvements. (7-1-24)
- 23. Secondary Category 51 - Commercial or Industrial Improvements on Leased Land.** Improvements used for commercial or industrial purposes and located on leased land, including railroad rights-of-way under separate ownership, exempt land, or any other land under different ownership than the improvements. (7-1-24)

**24. Secondary Category 65 - Manufactured Housing.** Manufactured housing not designated real property and located on exempt, rented or leased land under separate ownership. Include any manufactured home located on exempt, rented or leased land on which a statement of intent to declare as real property has been filed but becomes effective the following year. (7-1-24)

**25. Secondary Category 69 - Recreational Vehicles.** Unlicensed recreational vehicles. (7-1-24)

**26. Cross Reference.** See Rule 510 and 512 of these rules. (7-1-24)

**512. SECONDARY CATEGORIES, OTHER THAN LAND OR IMPROVEMENTS - LISTING AND REPORTING.**

Sections 63-509, 63-2802, Idaho Code

County assessors will use the following secondary categories to list property values on assessment notices under Sections 63-301 and 63-308, Idaho Code, and the abstracts under Section 63-509, Idaho Code, and Rule 509 of these rules. (7-1-24)

**01. Secondary Category 56 - Construction Machinery, Tools, and Equipment.** (7-1-24)

**02. Secondary Category 59 - Furniture - Commercial Uses.** (7-1-24)

**03. Secondary Category 63 - Logging Machinery, Tools, and Equipment.** (7-1-24)

**04. Secondary Category 64 - Mining Machinery, Tools, and Equipment.** (7-1-24)

**05. Secondary Category 66 - Net Profits of Mines.** See Section 63-2802, Idaho Code, and Rule 982 of these rules. (7-1-24)

**06. Secondary Category 67 - Operating Property.** Property assessed by the Tax Commission. (7-1-24)

**07. Secondary Category 68 - Other Miscellaneous Machinery, Tools, and Equipment.** (7-1-24)

**08. Secondary Category 71 - Signs and Signboards.** (7-1-24)

**09. Secondary Category 72 - Tanks, Cylinders, Vessels.** (7-1-24)

**10. Secondary Category 81 - Exempt Property.** Category 81 is for county use to keep an inventory of exempt property, including land, improvements, and personal property. (7-1-24)

**11. Cross Reference.** See Rules 510, Rule 511, or 130 of these rules. (7-1-24)

**513. -- 599. (RESERVED)**

**600. PROPERTY EXEMPT FROM TAXATION.**

Section 63-602, Idaho Code

**01. Burden of Proof.** The burden of proof of entitlement to the exemption is on the person claiming exemption for the property. (7-1-24)

**02. Notice of Decision.** (7-1-24)

**a.** For property subject to local assessment with exemptions requiring annual application, the taxpayer must be notified of the decision of the county commissioners to grant or deny the exemption by May 15 unless a different date is prescribed in the law providing the exemption. (7-1-24)

**b.** For property subject to assessment by the Tax Commission, application for any exemption is

included with the operator's statement submitted pursuant to Section 404, of these rules. (7-1-24)

**03. Confidentiality.** Information disclosed as part of an application for an exemption is confidential to the extent provided by Section 74-107, Idaho Code, or elsewhere in law. Information disclosed to the county commissioners as part of the application process for an exemption is deemed submitted to the assessor and entitled to any confidentiality conferred on information disclosed initially to the assessor. (7-1-24)

**601. -- 602. (RESERVED)**

**603. PROPERTY EXEMPT FROM TAXATION – RELIGIOUS CORPORATIONS OR SOCIETIES.**  
Section 63-602B, Idaho Code

**01. Valuing the Taxable Part of Qualifying Property.** Under Section 63-602B(2), Idaho Code, a county will determine the value of the part of the property used or leased for business or commercial purposes by considering the particular facts of each case, examining the amount of time, during the calendar year, the property is used for business or commercial purposes, the percentage of the property used for business or commercial purposes, or a combination thereof. The county may require reporting by the religious corporation or society of any use of the property for business or commercial usage in such form, and by such date, as the county establishes. (7-1-24)

**02. Comparable Valuation Methodology to Partially Exempt Property Under Section 63-602C, Idaho Code.** To value the taxable part of any otherwise qualifying property exempt under Section 63-602B, Idaho Code, each county should use comparable methods to those it uses to value the taxable part of qualifying exempt property under Section 63-602C, Idaho Code. (7-1-24)

**604. (RESERVED)**

**605. PROPERTY EXEMPT FROM TAXATION - PROPERTY USED FOR SCHOOL OR EDUCATIONAL PURPOSES.**  
Section 63-602E, Idaho Code

**01. Eligibility of Leased Property.** Leased property used exclusively for non-profit school or educational purposes, including charter school purposes, is eligible for the exemption provided in Section 63-602E, Idaho Code, if it meets the following criteria: (7-1-24)

**a.** Leased real property must be exclusively used for the educational purposes identified in Subsection 605.01 of this rule. Such leased real property may be part of a multi-use property, but only the portions of the property used for educational purposes are eligible for the exemption. (7-1-24)

**b.** Leased personal property must be exclusively used for the educational purposes identified in Subsection 605.01 of this rule. Property exclusively used in this manner is: (7-1-24)

- i.** Used exclusively at a non-profit school or charter school facility; or (7-1-24)
- ii.** Used in such a way as to effectively eliminate the possibility of use for other than educational purposes. (7-1-24)

**02. Application for Exemption for Leased Personal Property.** Only the owner of leased personal property can apply for this exemption. Proof of compliance with the requirements of Paragraph 605.01.b. of this rule is required and may be provided by the lessee. (7-1-24)

**606. -- 607. (RESERVED)**

**608. PROPERTY EXEMPT FROM TAXATION - HOMESTEAD - CONTINUED ELIGIBILITY AFTER DEATH OF CLAIMANT.**  
Section 63-602G, Idaho Code

**01. Ownership Interest.** To continue to qualify in the year following the death of the qualifying



claimant, the homestead must continue to be part of the claimant's estate, without change in record owner. If the ownership interest upon which the exemption had been granted was a life estate, the continuation provided in Section 63-602G(8), Idaho Code, does not apply. (7-1-24)

**02. Occupancy.** The continuation of this exemption is not affected by occupancy status of the property during the year following the claimant's death. (7-1-24)

**609. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD.**  
Sections 63-602G, 63-701, 63-703, and 63-3077, Idaho Code

**01. Homestead Exemption.** Granted in 63-602G, Idaho Code. (7-1-24)

**02. Partial Ownership.** Any partial ownership is ownership for determining qualification for the homestead exemption. The amount of the exemption is equal to the percentage of ownership. If a person has five percent (5%) or greater ownership interest in a limited partnership, limited liability company or a shareholder of a corporation, there is no partial ownership adjustment to the homestead exemption. See homestead calculation examples at <https://tax.idaho.gov>. (7-1-24)

**03. Part Year Ownership.** For qualifying taxpayers who claimed the homestead exemption on an eligible property, the homestead that qualified on January 1 of the current tax year will continue to receive the exemption, provided however, the assessor may remove that property's exemption if the taxpayer owns a different homestead and requests that the exemption be transferred to the second homestead. (7-1-24)

**04. Determination of Residency.** The Tax Commission may release pertinent information from any Idaho income tax return to the county assessor and the county board of equalization for the sole purpose of providing one (1) indicator of eligibility for the homestead exemption. According to Section 63-3077(4), Idaho Code, this information is confidential and is not subject to public disclosure. (7-1-24)

**05. Notification of Erroneous Claims.** When it is determined that an exemption granted under this Section to a taxpayer who has also received property tax relief under Chapter 7, Idaho Code, should not have been granted, the county assessor will notify the Tax Commission of the determination. (7-1-24)

**610. PROPERTY EXEMPT FROM TAXATION -- RESIDENTIAL IMPROVEMENTS -- SPECIAL SITUATIONS.**  
Sections 63-602G, 63-701(2), Idaho Code

**01. Scope.** This rule addresses issues relating to the homestead exemption as it applies to certain unusual factual situations. It states general principles applicable to unusual cases. The principles established may apply to the resolution of situations not addressed in the rule. (7-1-24)

**02. Definitions.** The following definitions apply to this rule: (7-1-24)

**a.** As used in this rule, dual residency couple means a married couple, each of whom has established a different dwelling place as their primary dwelling place as defined in Section 63-602G, Idaho Code, and Subsection 609.03 of these rules. (7-1-24)

**b.** Multidwelling or Multipurpose Building means a building which is the primary dwelling place of the owner and which has a portion used for any purpose other than the primary dwelling place of the owner. (7-1-24)

**c.** Related Land means land, not to exceed one (1) acre, that is reasonably necessary for the use of the dwelling as a home. (7-1-24)

**03. Dual Residency Couples -- General Principles.** (7-1-24)

**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 homestead exemption. The test to be applied is the general test set out in Subsection 609.03

of these rules.

(7-1-24)

**b.** If a residential improvement is community property, either spouse can file an application for the homestead exemption regarding community property on their own authority. The signature of the other spouse is not required on the application. See Section 32-912, Idaho Code. (7-1-24)

**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 homestead 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 homestead exemption. For purposes of the exemption, a community property interest is treated the same as a full ownership interest. (7-1-24)

**d.** An owner may apply only once for the homestead 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. (7-1-24)

**04. Both Residences are Community Property.**

(7-1-24)

**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 homestead exemption for the residence in which he or she resides. (7-1-24)

**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 homestead exemption applies to the full value of the first residential improvement to qualify without any proportional reduction. The other residential improvement does not qualify. (7-1-24)

**05. One Residence Is Community Property, the Other Is Separate Property.**

(7-1-24)

**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 homestead exemption for the residence in which he or she resides. (7-1-24)

**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 homestead exemption applies to the full value of the first residential improvement to qualify without any proportional reduction. The other residential improvement does not qualify. (7-1-24)

**06. Both Residences are Separate Property.**

(7-1-24)

**a.** Each member of a dual residency couple maintains their primary dwelling in a different residential improvement, each of which is owned by the spouse residing in it as their separate property. Each applies for the homestead exemption for the residence in which he or she resides. (7-1-24)

**b.** Both residential improvements qualify for the full homestead exemption. Neither application is a second application by the same owner. Each spouse is the sole owner of the residential improvement, so the proportional reduction provisions for partial ownership do not apply. (7-1-24)

**07. Apportionment of Homestead Exemption by Dual Residency Couples.** Both spouses of a dual residency couple may elect to equally apportion the homestead 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 is entitled to one-half (1/2) of the exemption applicable to that property alone. The total exempted value of both properties will not exceed the amount of exemption available to the individual residential improvement with the greatest market value if no election were made. (7-1-24)

**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 married couple and to an adult child of theirs, the married couple hold a community property interest in the improvement and the child is a tenant-in-common provided ownership interests are not specified in the deed. The parents collectively hold a one-half (1/2) partial interest and the child holds a one-half (1/2) partial interest in the property. Ownership interests specified in the deed supersede this guidance. Qualification of the property for the homestead exemption is as follows: (7-1-24)

**a.** If the residential improvement is the primary dwelling of the married couple but not the child, the homestead exemption applies to one-half (1/2) of the value of the improvement. (7-1-24)

**b.** If the residential improvement is the primary dwelling of the child, but not either spouse, the homestead exemption applies to one-half (1/2) of the value of the improvement. (7-1-24)

**c.** If the residential improvement is the primary dwelling of the married couple and child, the homestead exemption applies to the full value of the improvement. (7-1-24)

**d.** If the residential improvement is the primary dwelling of one (1) spouse but of neither the other spouse nor the child, the homestead exemption applies to one-half (1/2) of the value of the improvement unless the residential improvement of the other spouse has previously qualified for the homestead exemption under the dual residency couple rules set out in Subsections 610.02 through 610.07. The one-half (1/2) qualification results from the statutory provision that a community property interest is not considered a partial interest of either spouse. See Paragraph 610.03.c. of this rule. (7-1-24)

**e.** If the residential improvement is the primary dwelling of one (1) spouse and the child, the homestead exemption applies to the full value of the improvement unless the residential improvement of the other spouse has previously qualified for the homestead exemption under the dual residency couple rules set out in Subsections 610.02 through 610.07. (7-1-24)

**09. Determining the Qualifying Portion of a Multidwelling or Multipurpose Building and the Related Land.** The portion of a Multidwelling or Multipurpose Building and Related Land used for the primary dwelling place of the owner qualifies for the homestead exemption. When determining the value of the qualifying portion, the assessor will include the Related Land value. (7-1-24)

**611. VALUE OF RESIDENTIAL PROPERTY IN CERTAIN ZONED AREAS.**  
Sections 63-602H, Idaho Code

**01. Residential Property.** Residential property that may qualify for the special valuation exemption provided in Section 63-602H, Idaho Code, may include land and residential improvements. Such property may be owner or non-owner occupied, but must have been in continuous residential use from the time zoning was changed to other than residential. If use of any portion of the property changes to other than residential, the property loses this exemption. (7-1-24)

**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. (7-1-24)

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

**01. Definitions.** (7-1-24)

**a.** Motor vehicle means any vehicle as defined in Section 49-123(2), Idaho Code, and any recreational vehicle as defined in Section 49-119(6,) Idaho Code, and any personal property permanently affixed to any of those vehicles. (7-1-24)

**b.** Exempt Motor Vehicles. Except as provided in Subsection 612.03 of this rule, any motor vehicle, as defined in Subsection 612.01 of this rule, registered for any part of the previous year under Chapter 4, Title 49, Idaho Code, is exempt from property taxation under Sections 49-401 and 63-602J, Idaho Code. (7-1-24)

**c.** Taxable Vehicles. The following registered or permitted vehicles are taxable and not eligible for the exemption under Sections 49-401 and 63-602J, Idaho Code: (7-1-24)

i. Any vehicle issued a permit in lieu of registration under Section 49-432, Idaho Code; and (7-1-24)

ii. Any manufactured home registered under Section 49-422, Idaho Code. (7-1-24)

**02. Exempt Permanently Affixed Personal Property.** Except as provided in Subsection 612.05 of this rule, any personal property permanently affixed to any motor vehicle registered as described in Subsection 612.02 of this rule is part of that vehicle. Hence, that permanently affixed personal property is exempt from property taxation under Section 63-602J, Idaho Code. (7-1-24)

**03. Taxable Personal Property.** The following personal property, not otherwise exempt under Chapter 6, Title 63, Idaho Code, is taxable and not eligible for the exemption under Section 63-602J, Idaho Code. (7-1-24)

**a.** Any personal property on, but not permanently affixed to, any motor vehicle registered as described in Subsection 612.02 of this rule. (7-1-24)

**b.** Any personal property on or affixed, permanently or otherwise, to any vehicle issued a permit in lieu of registration under Section 49-432, Idaho Code. (7-1-24)

**c.** Any personal property on or affixed, permanently or otherwise, to any utility trailer registered under Section 49-402A, Idaho Code. (7-1-24)

**04. Recreational Vehicles.** The owner of a recreational vehicle, as defined in Section 49-119(6), Idaho Code, must pay a recreational vehicle annual license fee as authorized by Section 49-445, Idaho Code, and as computed in accordance with Rule 020 of these rules in order to be exempt under Section 63-602J, Idaho Code. (7-1-24)

**a.** Recreational vehicles that qualify for licensing and registration and have paid the required registration fee by August 31 each year are eligible for the exemption provided in Section 63-602J, Idaho Code. The owners of recreational vehicles that do not qualify or have not paid the fee must be sent a valuation assessment notice for the recreational vehicle after the August 31 deadline. The assessment of the recreational vehicle is subject to cancellation as provided in Rule 020, provided any applicable registration fee is paid before the fourth Monday of November. (7-1-24)

**b.** The provisions of Paragraph 612.06.a. of this rule apply to a park model recreational vehicle unless it is determined by the assessor to: (7-1-24)

i. Be permanently attached to a foundation; or (7-1-24)

ii. Have an attached building addition; or (7-1-24)

iii. Have been substantially modified and no longer meet the definition of a park model recreational vehicle. (7-1-24)

**05. Taxable Real Property Associated with Vehicles.** Associated property, other than the vehicle itself, is taxable unless another exemption applies. Such property may be eligible for the exemption provided in

Section 63-602G, Idaho Code, regardless of whether the vehicle is exempt as provided in Section 63-602J, Idaho Code. (7-1-24)

**613. -- 614. (RESERVED)**

**615. PROPERTY EXEMPT FROM TAXATION - CERTAIN INTANGIBLE PERSONAL PROPERTY.**  
Section 63-602L, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Contracts and contract rights are enforceable agreements, which establish mutual rights and responsibilities, and rights created under such agreements. Contracts and contract rights do not include tax credits received by low-income housing properties under Section 42 of the Internal Revenue Code. (7-1-24)

**b.** Copyrights 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. (7-1-24)

**c.** Custom computer programs means those programs defined in Section 63-3616, Idaho Code. (7-1-24)

**d.** Customer lists are proprietary lists containing information about a business enterprise's customers. (7-1-24)

**e.** Franchises are special privileges. (7-1-24)

**f.** 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. (7-1-24)

**g.** Licenses are permissions to do acts, which are not allowed without such permissions. (7-1-24)

**h.** 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. (7-1-24)

**i.** 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. (7-1-24)

**j.** 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 non-exempt assets. (7-1-24)

**k.** Patents are grants from the government conveying and securing the exclusive right to make, use and sell inventions. (7-1-24)

**l.** 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. (7-1-24)

**m.** Trademarks are marks of authenticity, through which products of particular manufacturers or vendible commodities of particular merchants may be distinguished from those of others. (7-1-24)

**n.** 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. (7-1-24)

**02. Tangible Property Value Not Affected by Intangible Personal Property Value.** The values of the exempt intangible personal properties will 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 will 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. (7-1-24)

**03. Operating Property Election, Reporting and Methods.** The following apply to operating property for the identification of valuation methods to be used by the Tax Commission, election of Method A, Method B, or Method C by the property owners, reporting by owners and valuation using Method C. (7-1-24)

**a.** Identification of valuation methods. When the Tax Commission mails the blank Operators' Statements to the property owners, the Tax Commission will identify proposed changes in valuation methods compared to those relied on in the prior year. (7-1-24)

**b.** Election default. In the event of default of the taxpayer to make an election, the Tax Commission will use the method proposed in the notice accompanying the Operator's Statement. (7-1-24)

**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. (7-1-24)

**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. (7-1-24)

**e.** Reporting. The Tax Commission will 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 included in the value. (7-1-24)

**f.** Valuation using Method C. When the owner elects Method C, the Tax Commission will give primary consideration to the cost less depreciation model, without regulatory adjustment, in valuing tangible personal property and non-exempt intangible personal property. Only if this model fails to produce market value of the tangible personal property and nonexempt intangible personal property, will the Tax Commission consider other appropriate valuation models. (7-1-24)

**04. Personal Property Reporting for Locally Assessed Property.** The exemption for custom software, contracts and contract rights is claimed by including such property on the owner's personal property declaration form. (7-1-24)

**616. (RESERVED)**

**617. AGRICULTURAL LAND VALUATION DEFINITIONS AND GUIDELINES.**

Section 63-205C, Idaho Code

**01. Definitions.** (7-1-24)

**a.** The actual use value of agricultural land will be the landlord's share of net income per acre, capitalized by the annual rate required by Section 63-205C, Idaho Code, plus a component for the local tax rate. The Actual Use Value will be considered market value for assessment purposes. (7-1-24)

**b.** Economic rent is the average gross income per acre received by a landlord from either a cash rent or crop share rental agreement. Only the rent solely attributable to the agricultural land is included in economic rent. (7-1-24)

**c.** Net Income (Rent) is determined by deducting the landlord's share of all typical current expenses from economic rent per acre. (7-1-24)

- d. Agricultural Area is an identifiable geographical area of similar agricultural land. (7-1-24)
- 02. Determination of Average Crop Rental Rates.** (7-1-24)
- a. Determine the average per acre gross income from individual crop cash rents, whole farm cash rents, or crop share typical to the Agricultural Area over the immediate past five (5) growing seasons as reported by local farmers. (7-1-24)
- b. If data from local farmers is insufficient, data typical to the Agricultural Area from third party providers, such as the United States Department of Agriculture (USDA), University of Idaho Crop Enterprise Budgets, or similar sources, may be used. (7-1-24)
- c. The choice to use cash rent or crop share analysis in determining the taxable value of agricultural land should be predicated on the quantity and quality of data available when developing a supportable value conclusion. (7-1-24)
- 03. Determination of Farm Credit Services Capitalization Rate.** (7-1-24)
- a. The Tax Commission will gather the interest rate data from the Spokane office of the Farm Credit Services, average the rate over the immediate past five (5) years and distribute the rate annually to assessors by the second Monday in September. (7-1-24)
- b. The local tax rate component is the rate most applicable to the Agricultural Area. (7-1-24)
- c. The local tax rate will be added to the Farm Credit Services capitalization rate to develop the overall capitalization rate. (7-1-24)
- 04. Calculation of Net Income from a Cash Rent Analysis.** (7-1-25)
- a. Crops Grown. Determine the crops typically grown in the area. (7-1-24)
- b. Economic Rent. Determine the average per acre gross income from individual crop rents or whole farm cash rents typical to the Agricultural Area over the immediate past five (5) years. (7-1-24)
- c. Landlord's Expenses. Determine the landlord's share of all typical expenses paid in the immediately preceding growing season. (7-1-24)
- d. Landlord's Net Income. Subtract the landlord's share of all typical expenses from the average gross income per acre for the immediately preceding year to determine net income. (7-1-24)
- 05. Calculation of Net Income from a Crop Share Analysis.** (7-1-25)
- a. Crops Grown. Determine the crops typically grown in the Agricultural Area. (7-1-24)
- b. Average Crop Production. Determine the most recent five (5) year average production for typical crops grown in the Agricultural Area. (7-1-24)
- c. Average Commodity Prices. The Tax Commission will publish five (5) year average crop prices by surveying publicly available data from various sources, including the annual crop summary published by the USDA National Agricultural Statistics Service (NASS). Average crop prices determined in this manner by the Tax Commission should be considered guidelines when determining net income, subject to modification based on local market data. (7-1-24)
- d. Gross Income. Multiply average crop production per acre by the average commodity price to determine gross income per acre. (7-1-24)

**e.** Landlord's Share of Gross Income. Determine the landlord's share of gross income per acre from a crop rotation typical to the Agricultural Area. (7-1-24)

**f.** Landlord's Expenses. Determine the landlord's share of all typical expenses paid in the immediately preceding growing season. (7-1-24)

**g.** Net Income. Subtract the landlord's share of all typical expenses from the landlord's share of gross income to determine net income. (7-1-24)

**06. Calculation of Grazing and Meadow Land Net Income.** (7-1-25)

**a.** Animal Unit Month (AUM) is the amount of feed the land produces to sustain a one thousand (1,000) pound cow-calf pair, or other animal equivalent for one month. (7-1-25)

**b.** Determine the number of AUMs by multiplying the number of cow-calf pairs, or animal unit equivalent, grazing a land parcel by the number of months grazed. (7-1-25)

**c.** Multiply the number AUMs by the five (5) year average of locally reported or third party provided rents per AUM to arrive at the total AUM income. (7-1-25)

**d.** Divide the total AUM income by the number of acres grazed to calculate the gross income per acre. (7-1-25)

**e.** Subtract landlord's typical expenses from the immediately preceding year to determine net income per acre. (7-1-24)

**07. Cross Reference.** See Rules 645 and Rule 131 of these rules. (7-1-24)

**618. COMPUTATION OF THE IDAHO IRRIGATION EXEMPTION.**  
Section 63-602N, Idaho Code

**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 will be known as the production and delivery ratio. (7-1-24)

**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. (7-1-24)

**03. Irrigation Use Ratio.** This ratio is computed by comparing Idaho irrigation revenue to the total Idaho revenue from unitary operations. The resulting ratio will be known as the irrigation use ratio. (7-1-24)

**04. Idaho Irrigation Exemption.** This is computed by multiplying the Idaho production and delivery value by the irrigation use ratio. (7-1-24)

**619. PROPERTY EXEMPT FROM TAXATION -- FACILITIES FOR WATER OR AIR POLLUTION CONTROL.**  
Section 63-602P, Idaho Code

**01. Exempt Property.** Only portions of installations, facilities, machinery, or equipment devoted exclusively to elimination, control, or prevention of water or air pollution are exempt. (7-1-24)

**02. Calculation of Partial Exemption.** The exemption does not include the percentage of the value for any portion of the facility 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 is 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. (7-1-24)



**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. (7-1-24)

**04. Filing Procedure.** Application for exemption is made annually in the following manner: (7-1-24)

**a.** The property owner obtains the application form issued by the Tax Commission from the county assessor or the Tax Commission. (7-1-24)

**b.** The property owner completes the application reporting 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, the date of original acquisition, dollar amount of the original cost, and the percentage of the component devoted exclusively to pollution control. The application must be signed by the owner or duly authorized agent. Lack of required information may be grounds for denial. (7-1-24)

**c.** The completed application must be filed with the county commissioners by April 15 for locally assessed property or with the Tax Commission by April 30 for centrally assessed property. (7-1-24)

**05. Inspection.** The county or Tax Commission representative may inspect the property or audit the owner's records to identify components for which the exemption is applied. Those components listed on the application must be identifiable as capital assets of the property. (7-1-24)

**06. Exemption Reported on Abstracts.** For locally assessed property, exempt value is reported on the property abstracts. (7-1-24)

**07. Exemption for Portion of Water Corporation Property.** A portion of water corporation property may be exempt from taxation. (7-1-24)

**a.** On or before April 30, each year, the Tax Commission will receive a notice from the Idaho Public Utilities Commission listing the value of the investment percentage of the total plant of each water company devoted exclusively to the elimination, control, or prevention of water pollution or air pollution. (7-1-24)

**b.** In estimating the market value of the company for assessment purposes, the 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. (7-1-24)

**c.** The 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. (7-1-24)

**d.** Any person or party wishing to contest the percentage of exemption reported to the Tax Commission by the Public Utilities Commission may submit a written request for a public hearing to the Tax Commission by August 1 of the current tax year. The request for a hearing will state the petitioner's grounds for contesting the percentage reported by the Public Utilities Commission. On or before the second Monday of August the Tax Commission will notify the petitioner of the hearing time and place. (7-1-24)

**620. EXEMPTION FOR NEVER OCCUPIED RESIDENTIAL IMPROVEMENTS.**  
Section 63-602W, Idaho Code

**01. Qualifying Residential Improvements.** Residential improvements to any land parcel that have never been occupied for residential purposes may qualify for the exemption pursuant to Section 63-602W, Idaho Code. Qualifying improvements include: (7-1-24)

**a.** Single family residences, residential townhouses, and residential condominiums; and (7-1-24)

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

(7-1-24)

**02. Non-Qualifying Improvements.** Never previously occupied residential improvements that do not qualify for this exemption: (7-1-24)

**a.** Ancillary structures (see Paragraph 620.01.b.) that are not located on the parcel on which the improvement is located, identified in Subsection 620.01.a. of this rule, pursuant to Section 63-602W, Idaho Code. (7-1-24)

**b.** Remodeling of previously occupied residential improvements. (7-1-24)

**c.** Improvements included in land value, such as septic tanks, wells, improvements designed to provide utility services or access, and other similar improvements. (7-1-24)

**621. -- 624. (RESERVED)**

**625. HOMESTEAD EXEMPTION ON OCCUPANCY TAX ROLL.**  
Sections 63-317, 63-602G, Idaho Code

**01. Eligibility for Multiple Exemptions.** Obtaining the exemption in Section 63-602G, Idaho Code, does 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 if ownership and occupancy of the property occurs at different times during the year and application is made on the owner's primary residence. (7-1-24)

**02. Separate Applications.** The application for this exemption may substitute for the application required by Section 63-602G, Idaho Code. (7-1-24)

**626. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.**  
Sections 63-105(A), 63-201, 63-302, 63-308, 63-602Y, 63-602KK, Idaho Code

**01. Locally Assessed Property - Application Required.** (7-1-24)

**a.** The filing of one (1) or more of the lists of taxable personal property as required by Section 63-302 or Section 63-602Y, Idaho Code, constitutes application if the total market value of the property to be listed is greater than two hundred fifty thousand dollars (\$250,000). (7-1-24)

**b.** Taxpayers establishing initial eligibility for the exemption provided in Section 63-602KK(2), Idaho Code, may, in lieu of a list, file only an application attesting to ownership of otherwise taxable personal property having a cost of two hundred fifty thousand dollars (\$250,000) or less. The application must be filed no later than April 15th of the first year for which the exemption is claimed. (7-1-24)

**02. Locally Assessed Property - Taxpayers' Election of Property Location.** (7-1-24)

**a.** Multiple Locations Within A County. In cases where the taxpayer has personal property located in multiple places within the county, the taxpayer may elect the location of the property to which the exemption will apply by filing the "Idaho Personal Property Exemption Location Application Form" available from the Tax Commission for this purpose. To make the election for property required to otherwise be listed as provided in Section 63-302, Idaho Code, the form must be filed with the county assessor by April 15. For taxpayers with personal property required to be listed as provided in Section 63-602Y, Idaho Code, any application specifying the location of the property to which the exemption provided for in Section 63-602KK(2) will apply, must be filed by the first Monday in November. Should the taxpayer not make an election as to where to apply the exemption, the county will have discretion regarding the property to which the exemption will apply. However, to the extent possible and assuming the assessor is not aware of any changes in eligibility, the exemption first applies to the same property as in the immediate prior year. (7-1-24)

**b.** Multiple locations in different counties. If the taxpayer owns qualifying personal property in more than one county, the limit is two hundred fifty thousand dollars (\$250,000) in market value per county. (7-1-24)

**03. Centrally Assessed Property - Application Required. (7-1-24)**

**a.** Except for private railcar fleets, the taxpayer may file a list of personal property located in Idaho with the operator's statement filed pursuant to Rule 404 of these rules. The filing of such a list will constitute the filing of an application for this exemption. Except as provided in Subsections 626.03.b. and 03.c. of this rule, for such personal property to be considered for the exemption, the operator's statement must include: (7-1-24)

i. A description of the personal property located in Idaho; (7-1-24)

ii. Cost and depreciated cost of the personal property located in Idaho. (7-1-24)

**b.** For private railcar fleets subject to assessment by the Tax Commission, the Idaho taxable value is reduced by subtracting the lesser of the Idaho taxable value before the exemption or the product of two hundred fifty thousand dollars (\$250,000) times the number of counties in Idaho in which the fleet operates. Provided that the remaining taxable value is five hundred thousand dollars (\$500,000) or more, this value is to be apportioned to each taxing district and urban renewal revenue allocation area in accordance with procedures described in Rule 415 of these rules. (7-1-24)

**c.** After subtraction of the personal property exemption calculated as provided in Subsection 626.03.b. of this rule, for private railcar fleets subject to assessment by the Tax Commission, and having an Idaho taxable market value of less than five hundred thousand dollars (\$500,000), neither the final amount of the exemption nor the taxable value of the fleet is subject to apportionment, and the remaining taxable value is taxed as provided in Rule 415 of these rules. (7-1-24)

**d.** When operating property companies have locally assessed property, any exemption pursuant to Section 63-602KK(2), Idaho Code must be applied to the locally assessed property first. In this case, the county assessor must notify the Tax Commission of the value of the exemption granted. If such an exemption is entered on the property roll, such notification must be made by the third Monday in July. The Tax Commission will then reduce the amount of the exemption otherwise to be granted to the centrally assessed operating property of the company by the exemption value reported by the assessor. The Tax Commission will notify the company of the reduction in exemption by the fourth Monday in July. (7-1-24)

**04. Valuation Assessment Notice.** The valuation assessment notice required by Section 63-308, Idaho Code, must show the taxable market value before granting the exemption provided in Section 63-602KK(2), Idaho Code, the exempt market value pursuant to the exemption provided in Section 63-602KK(2), Idaho Code, and the net taxable market value of the personal property. If the net taxable market value is zero (0), no valuation assessment notice is required. (7-1-24)

**05. Limitation on Eligibility for the Exemption. (7-1-24)**

**a.** Except for taxpayers claiming and receiving the exemption provided for in Section 63-4502, Idaho Code, taxpayers receiving the personal property exemption provided in Section 63-602KK, Idaho Code, may be eligible for other applicable exemptions. (7-1-24)

**b.** Personal property exempt in accordance with statutes other than Section 63-602KK, Idaho Code, will not be included in determining when the two hundred fifty thousand dollars (\$250,000) limit provided in Section 63-602KK(2) is reached. (7-1-24)

**c.** Taxpayers with requirements to annually apply for, or list personal property for which other statutorily provided personal property exemptions are sought, must continue to comply with the requirements of these statutes. (7-1-24)

**d.** Improvements, as defined or described in Sections 63-201 and 63-309, Idaho Code, will not be eligible for the exemption provided in Section 63-602KK. Improvements include mobile and manufactured homes and float homes, regardless of whether such property is considered personal property. Leasehold real properties and other leasehold improvements that are structures or buildings are improvements, and therefore ineligible for the

exemption. Structures, such as cell towers, are improvements and are not eligible for the exemption. (7-1-24)

**06. Special Rules for the Exemption Provided in Section 63-602KK(1), Idaho Code.** (7-1-24)

**a.** Newly acquired items of personal property, exempt as provided in Section 63-602KK(1), Idaho Code, require no application or inclusion on any list otherwise required pursuant to Sections 63-302 or 63-602Y, Idaho Code. (7-1-24)

**b.** The exemption provided in Section 63-602KK(1), Idaho Code, is in addition to the exemption provided in Section 63-602KK(2), Idaho Code. (7-1-24)

**07. Limitation on Replacement Money.** (7-1-24)

**a.** There may be changes and reductions as follow: (7-1-24)

**i.** If a taxing district dissolves, the state will make no payment of the amount previously certified for that district, and when a revenue allocation area terminates and the urban renewal agency is no longer receiving any allocation of property tax revenues, the state will discontinue payment of amounts previously certified for that revenue allocation area, beginning with the next scheduled distribution. (7-1-24)

**ii.** If taxing districts or revenue allocation areas are consolidated, the amounts of replacement money attributed to each original district or revenue allocation area are summed and, in the future, distributed to the consolidated district. (7-1-24)

**iii.** For replacement money based on the exemption provided by Section 63-602KK, Idaho Code, in 2013, no urban renewal agency will receive replacement money based on exempt personal property within any revenue allocation area established on or after January 1, 2013, or within any area added to an existing revenue allocation area on or after January 1, 2013. (7-1-24)

**iv.** For replacement money based on the exemption provided by Section 63-602KK, Idaho Code, in 2022, no urban renewal agency will receive replacement money based on exempt personal property within any revenue allocation area established on or after January 1, 2022, or within any area added to an existing revenue allocation area on or after January 1, 2022. (7-1-24)

**v.** Any payment made to the Idaho Department of Education, as provided in Subsection 626.08 of this rule is discontinued if the state authorized plant facilities levy is not certified in any year. Certification in subsequent years will not cause any resumption of this payment. (7-1-24)

**08. Special Provision For Replacement Money For State Authorized Plant Facilities Levy.** The amount of replacement money calculated based on any 2013 or 2022 state authorized plant facilities levy is remitted directly to the Idaho Department of Education. (7-1-24)

**09. Special Provision For Exempt Personal Property Within Urban Renewal Revenue Allocation Areas (RAAs).** When personal property subject to the exemption in Section 63-602KK(2), Idaho Code, is within an RAA, there is no adjustment to the base value of the RAA unless the remaining taxable market value of the parcel is less than the most current base value of the parcel. In that case, the base value is reduced in accordance with procedures found in Rule 804 of these rules. (7-1-24)

**10. No Reporting of Exempt Value.** Taxing district values submitted to the Tax Commission as required in Section 63-510, Idaho Code, will not include or indicate value exempt pursuant to Section 63-602KK(2), Idaho Code. (7-1-24)

**11. Cross Reference.** See Rule 627 of these rules. Taxpayer means the claimant of the exemption pursuant to Section 63-602KK(2), Idaho Code, and must be a person, as that term is defined in Section 63-201, Idaho Code. (7-1-24)

**627. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY – OWNERSHIP CLARIFICATION.**

Section 63-602KK(2), Idaho Code

**01. Idaho Code Section 63-602KK(2) Provides Persons With One Exemption in Each Idaho County in Which They Meet the Ownership Rules.** (7-1-24)

**a.** Person means a trust or estate, a partnership, an association, a limited liability company or a corporation as described in Section 63-3005, Idaho Code. (7-1-24)

**b.** Although persons are limited to receiving one (1) exemption per county, a person owning more than one (1) business within one (1) county may be entitled to more than one (1) exemption within the county. (7-1-24)

**02. Common Enterprise and IRC Section 267 Restriction.** For purposes of the Idaho Code Section 63-602KK(2) exemption, a person includes two (2) or more individuals or organizations using the property in a common enterprise, and the individuals or organizations are within a relationship described in Section 267 of the Internal Revenue Code. When related parties have separate property in the same county, the exemption can only be claimed by one (1) person when both 627.02.a. and b. are met. (7-1-24)

**a.** Entities or individuals organized to manage a common scheme of business, are considered to be in a common enterprise. (7-1-24)

**b.** A common enterprise having a relationship as defined by IRC Section 267 would be considered one (1) person for purposes of this exemption. (7-1-24)

**c.** Ownership alone does not determine whether entities are one (1) person for purposes of this exemption. Two (2) businesses can have identical ownership, and each receive the exemption, if they do not operate as a common enterprise. In addition, entities in a common enterprise can receive separate exemptions, if their ownership relationship is not identified in Section 267 of the Internal Revenue Code. (7-1-24)

**d.** For examples and illustrations see <https://tax.idaho.gov>. (7-1-24)

**628. PARTIAL EXEMPTION FOR REMEDIATED LAND.**

Sections 63-602BB, 39-7203, 39-7204, 39-7207, Idaho Code

**01. Definitions.** (7-1-24)

**a.** The application for partial exemption is the form, provided by the Tax Commission, available from the Tax Commission or the county assessor and used to apply for the exemption provided by Section 63-602BB, Idaho Code. (7-1-24)

**b.** 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” will 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. (7-1-24)

**c.** 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.” (7-1-24)

**d.** 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. (7-1-24)

**e.** The remediated land is the “site” on which the remediation, as defined in Section 39-7203(7), Idaho Code, has been completed. (7-1-24)

**f.** 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). (7-1-24)

**g.** A site is a parcel of real estate for which an application has been submitted under Section 39-7204, Idaho Code. The site is that parcel identified on the application as described in IDAPA 58.01.18, "Idaho Land Remediation Rules," including the assessor's parcel numbers(s) and on the voluntary remediation work plan as described in IDAPA 58.01.18, Section 022. (7-1-24)

**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. (7-1-24)

**a.** Obtain and complete the application for partial exemption. (7-1-24)

**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. (7-1-24)

**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. (7-1-24)

**629. PROPERTY EXEMPT FROM TAXATION -- QUALIFIED EQUIPMENT UTILIZING POST CONSUMER OR POST INDUSTRIAL WASTE.**

Section 63-602CC, Idaho Code

**01. Application.** The exemption will be allowed only if the owner files the form prescribed by the 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." The petition must be signed by the owner or duly authorized agent. (7-1-24)

**02. Declaration.** The declaration will contain an itemized listing of all machinery or equipment. 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 completed declarations must be filed with the county assessor by March 15th of each year. (7-1-24)

**03. Inspection.** The county or 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. (7-1-24)

**630. TAX EXEMPTION FOR NEW CAPITAL INVESTMENTS.**

Section 63-4502, Idaho Code

**01. Notification of New Capital Investment – Locally Assessed Property.** (7-1-24)

**a.** Prior to receiving the benefit of the tax exemption, the taxpayer will notify the county in which the project site is located that the taxpayer expects to meet the criteria of the New Capital Investments Tax exemption. Notification is accomplished by submitting a written declaration or notification with the board of county commissioners containing the following information: (7-1-24)

i. The name and address of the taxpayer; (7-1-24)

ii. A description of the new capital investment project; (7-1-24)

iii. The assessor's parcel number(s) identifying the location of the project site; (7-1-24)

iv. The date that the qualifying period began; (7-1-24)

v. A statement that the taxpayer will make a qualified new capital investment of at least one billion dollars (\$1,000,000,000) within the qualifying period. (7-1-24)

b. The notification required hereunder may be submitted by the taxpayer to the board of county commissioners at any time after the qualifying period begins. However, if the notification is submitted after April 15 in a given year, a taxpayer may receive the benefit of the exemption only for tax years following the year in which the notification is filed. Submittal of the notification required hereunder will constitute application for the exemption in compliance with Section 63-602, Idaho Code. Until the taxpayer meets all the requirements for the New Capital Investments Tax exemption, for each year after the first year in which the exemption is granted, the notice must identify the name and address of the taxpayer and the location of the project site, but does not need to provide additional information as required in Paragraph 630.01.a. of this rule. (7-1-24)

**02. Notification of New Capital Investment – Centrally Assessed Operating Property.** For taxpayers applying for the exemption for operating property subject to assessment by the Tax Commission, the taxpayer will provide notice to the Tax Commission no later than April 30 of the first year the exemption is sought, as part of the operator's statement required pursuant to Section 63-404, Idaho Code, and Rule 404 of these rules, that the taxpayer expects to meet the criteria of the New Capital Investments Tax exemption. (7-1-24)

a. To be eligible for the exemption, information to be provided on the operator's statement must include: (7-1-24)

i. A description of the new capital investment project; (7-1-24)

ii. The location of the project site, including county and tax code area(s); (7-1-24)

iii. The date that the qualifying period began; (7-1-24)

iv. A statement that the taxpayer will make a qualified new capital investment of at least one billion dollars (\$1,000,000,000) within the qualifying period. (7-1-24)

b. The notification required hereunder may be submitted by the taxpayer to the Tax Commission at any time after the qualifying period begins. However, if the notification is submitted after April 30 in a given year, a taxpayer may receive the benefit of the exemption only for tax years following the year in which the notification is filed. Submittal of the operator's statement including notification information required hereunder will constitute application for the exemption in compliance with Section 63-602, Idaho Code. Until the taxpayer meets all the requirements for the New Capital Investments Tax exemption, for each year after the first year in which the exemption is granted, the notice must identify the location of the project site, but does not need to provide additional information as required in Paragraph 630.02.a. of this rule. (7-1-24)

**03. Notification of New Capital Investment – Taxpayers Applying on Behalf of both Locally and Centrally Assessed Property.** A taxpayer may apply for this exemption on behalf of both locally and centrally assessed property located in the same county. (7-1-24)

a. The taxpayer must comply with notice requirements in Subsection 630.01 of this rule for locally assessed property, and for centrally assessed property, the April 30 filing deadline found in Paragraph 630.02.b. (7-1-24)

b. Once the taxpayer notifies the Tax Commission as provided in Subsection 630.02 of this rule, the Tax Commission will notify the county commissioners and county assessor by the second Monday in May of the taxpayer's new capital investment project property to be locally assessed and of the taxpayer's filing an application for the exemption. By the later of the fourth Monday in July or the conclusion of the county board of equalization, as provided in Section 63-501, Idaho Code, the county clerk must provide to the Tax Commission a statement of the equalized assessed value of the taxpayer's locally assessed property. (7-1-24)

c. The exemption is granted by the Tax Commission, which will notify the county commissioners and taxpayer by the first Monday in September of the amount of the exemption and the remaining taxable value of the

centrally assessed operating property of the taxpayer. This remaining value is to be calculated so that the sum of the centrally and locally assessed property of the taxpayer in the county in which the exemption is being granted does not exceed four hundred million dollars (\$400,000,000). (7-1-24)

**d.** The exemption will apply to the combined total value of the locally and centrally assessed property of the taxpayer within the county in which the project site is located. For continuation of the exemption for both locally and centrally assessed property, Subsections 630.07 and 630.08 of this rule will apply, and, upon satisfaction of the requirements therein, the Tax Commission will notify the county of the continuing exemption. (7-1-24)

**04. Property of the Taxpayer.** Property of a taxpayer includes all real, personal, or operating property that is owned by or leased to the taxpayer under an agreement that makes the taxpayer responsible for the payment of any property taxes on the property. (7-1-24)

**05. New Construction.** Property taxable under Section 63-4502, Idaho Code, and that qualifies for listing on the new construction roll as described by Section 63-301(A)3, Idaho Code, may be listed on the new construction roll. (7-1-24)

**06. Failure to Make the Qualifying New Capital Investment.** (7-1-24)

**a.** If the taxpayer fails to make the qualifying new capital investment during the qualifying period, the property will lose the exemption granted by this section at the conclusion of the qualifying period. (7-1-24)

**b.** In the event that, at any time during the qualifying period, the taxpayer receiving the exemption for locally assessed property no longer intends to fulfill the qualified new capital investment requirements, the taxpayer must notify the county commissioners who will notify the county assessor. Upon receipt of such notification, the property previously granted the exemption is taxable for the remainder of the year in which the notification is provided, pursuant to Section 63-602Y, Idaho Code. Failure of the taxpayer to provide such notice does not prevent the county assessor from discovering the taxpayer's intent through alternate procedures and then notifying the county commissioners that the requirements for the exemption are no longer met. In such an instance, the taxpayer must be notified and may appeal loss of the exemption to the county board of equalization as provided in Section 63-501A, Idaho Code. (7-1-24)

**c.** In the event that, at any time during the qualifying period, the taxpayer receiving the exemption for operating property no longer intends to fulfill the qualified new capital investment requirements, the taxpayer must notify the Tax Commission. Upon receipt of such notification, the property previously granted the exemption is taxable. If the notification is received before the Tax Commission has completed the assessment of the operating property for a given year, the exemption will not be granted for that year. If the notification is received after the assessment is completed, the exemption is rescinded beginning the following tax year. If the taxpayer owns centrally and locally assessed property, the Tax Commission will also notify the county commissioners and assessor of the rescinding of the exemption. (7-1-24)

**07. Continuation of Tax Exemption Following the End of the Qualifying Period – Locally Assessed Property.** (7-1-24)

**a.** At any time during the qualifying period, but not later than ninety (90) days after the conclusion of the qualifying period, the taxpayer must provide notice to the county commissioners with sufficient evidence to prove that the required qualifying new capital investment has been made. (7-1-24)

**b.** Once the taxpayer has successfully met all the requirements pursuant to Section 63-4502, Idaho Code, and provided notice to the county commissioners pursuant to Paragraph 630.07.a. of this rule, the county commissioners will notify the county assessor and taxpayer of the taxpayer's continuing qualification for the exemption for all years thereafter. The county assessor will retain this notice. (7-1-24)

**c.** After the year in which the taxpayer has been notified of continuing qualification as provided in Paragraph 630.07.b. of this rule, the taxpayer must continue to notify the county annually to identify the property to be exempted pursuant to Subsection 630.07. Failure to make such notification will not invalidate the exemption; the county assessor must then apply the exemption against the assessed value of the taxpayer's highest value parcel



within the county. (7-1-24)

**08. Continuation of Tax Exemption Following the End of the Qualifying Period – Centrally Assessed Operating Property.** (7-1-24)

**a.** At any time during the qualifying period after the requirements for this exemption have been met, but not later than ninety (90) days after the conclusion of the qualifying period, the taxpayer must provide notice to the Tax Commission with sufficient evidence to prove that the required qualifying new capital investment has been made. (7-1-24)

**b.** Once the taxpayer has successfully met all the requirements pursuant to Section 63-4502, Idaho Code, and provided notice to the Tax Commission pursuant to Paragraph 630.08.a. of this rule, the Tax Commission will notify the taxpayer that the exemption will continue to be granted in perpetuity, and will notify the taxpayer annually prior to the due date for the operator's statement that they must identify the property qualifying for the exemption in these statements. Failure to provide either notification will not invalidate the exemption; the Tax Commission must then apply the exemption against the assessed value of the taxpayer's operating property within the county. Centrally assessed taxable property otherwise permitted to be included on the new construction roll is reported to the county assessor for inclusion on the next available new construction roll. (7-1-24)

**09. Cross Reference.** See Sections 63-802 and 63-301A, Idaho Code, and Rule 802 of these rules. (7-1-24)

**631. TAX EXEMPTION FOR INVESTMENT IN NEW OR EXISTING PLANT AND BUILDING FACILITIES UPON COUNTY COMMISSIONERS' APPROVAL.**  
Sections 63-201, 63-602NN, Idaho Code

**01. The Investment in Plant.** To qualify for this exemption a taxpayer must invest at least the minimum required investment as established by county ordinance in new or existing plant or building facilities excluding the investment in land. (7-1-24)

**a.** Ordinance to establish the minimum required investment. The county commissioners must pass an ordinance to establish any minimum required investment amount of not less than five hundred thousand dollars (\$500,000). Once passed, any minimum so established will remain in place until superseded by another ordinance. (7-1-24)

**b.** Frequency of ordinances to establish minimum required investment. Any ordinance establishing a minimum required investment must remain in effect during the tax year in which it is first in effect. After that tax year, the county commissioners may provide a different required investment amount by passing a new ordinance. However, any agreement entered into under minimum investment criteria established by prior ordinance is effective for the duration of the exemption time period granted. (7-1-24)

**02. The Exemption.** The board of county commissioners may agree to exempt all or a portion of the value of non-retail commercial and industrial real property improvements and associated personal property that would otherwise be in excess of the base value for property designated as the defined project for a period of up to five (5) years. Real property improvements owned or leased, and personal property owned, by the taxpayer applying for the exemption may be granted the exemption. (7-1-24)

**a.** The base value is the taxable value, as defined in Section 63-201(29), Idaho Code, and listed on the property roll, subsequent property roll, or missed property roll, of the property associated with the plant investment for the tax year immediately preceding the first year in which the exemption is to be granted. This includes the taxable value of existing buildings and personal property but not the taxable value of land. (7-1-24)

**b.** Site improvements, which may add value to land, but are not otherwise categorized as improvements for property tax purposes, are not eligible for this exemption. (7-1-24)

**c.** Non-retail portions of any mixed-use building or structure otherwise used for commercial or industrial purposes may qualify. (7-1-24)

**d.** Except as provided in Paragraph 631.02.f. with respect to occupancy tax, the taxpayer must make application by April 15 of the first year for which the exemption is sought. Such application must be made with the county commissioners who have complete discretion to accept or deny the application. (7-1-24)

**e.** The amount of exemption as provided by the contractual agreement of the county commissioners and the taxpayer may be any amount related to the taxable value added due to the investment above the base value. (7-1-24)

**f.** As provided in Section 63-602Z, Idaho Code, the exemption may apply to property subject to occupancy tax. Granting of the exemption from occupancy tax will not reduce the period during which the property tax exemption provided in Section 63-602NN, Idaho Code, may be granted. The April 15 application deadline is not applicable to exemption from occupancy tax, which may be granted any time during the year. (7-1-24)

**632. PROPERTY EXEMPT FROM TAXATION - OIL OR GAS RELATED WELLS.**  
Section 63-602OO, Idaho Code

**01. Definitions of Oil or Gas Well.** (7-1-24)

**a.** Wells drilled for the production of oil, gas or hydrocarbon condensate may include the well, casing, and other structures permanently affixed inside the well, and the land inside the perimeter of the well. (7-1-24)

**b.** The well will include the part where the gas producing stratum has been successfully cased off from any oil. (7-1-24)

**02. Ineligible Land and Equipment.** (7-1-24)

**a.** Wellheads and gathering lines or any line extending above ground level will not qualify. Equipment used for the extraction, storage, or transportation of oil, gas, or hydrocarbon condensate will not qualify. (7-1-24)

**b.** Land, other than that used for the well as defined in Subsection 632.01 of these rules, will not qualify. If the presence of the well increases the market value of nearby land, the assessed value of such land will reflect the increase, unless the land qualifies independently for any other property tax exemption. (7-1-24)

**633. -- 644. (RESERVED)**

**645. LAND ACTIVELY DEVOTED TO AGRICULTURE DEFINED.**  
Section 63-604, Idaho Code

**01. Definitions.** The following definitions apply when agricultural land is assessed using the methods found in Section 63-205C, Idaho Code. (7-1-24)

**a.** 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. (7-1-24)

**b.** The associated site improvements include developed access, grading, sanitary facilities, water systems, and utilities. (7-1-24)

**c.** Nursery stock is defined in Section 22-2302, Idaho Code. (7-1-24)

**d.** 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. (7-1-24)

**02. Homesite Assessment.** The homesite, residential improvement and other improvements, located

on the homesite, will be assessed at market value each year. (7-1-24)

**a.** Accepted Assessment Procedures. Market value will 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 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. (7-1-24)

**b.** 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. (7-1-24)

**c.** Homesite Independent of Remaining Land. The value and classification of the homesite will be independent of the classification and valuation of the remaining land. (7-1-24)

**03. Valuing Land, Excluding the Homesite.** The assessor will value land, excluding the homesite, on the following basis: (7-1-24)

**a.** Land Used for Personal Use or Pleasure. Any land, regardless of size, utilized for the grazing of animals kept primarily for personal use or pleasure and not a portion of a for profit enterprise, will be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule. (7-1-24)

**b.** Land in a Subdivision. Land in a subdivision with restrictions prohibiting agricultural use will be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule. Land meeting the use qualifications identified in Section 63-604, Idaho Code, and in a subdivision without restrictions prohibiting agricultural use will 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. (7-1-24)

**c.** Land, Five (5) Contiguous Acres or Less. Land of five (5) contiguous acres or less will be presumed non-agricultural, will be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule. 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 will be appraised using the appraisal methods found in Section 63-205C, Idaho Code. For holdings of five (5) contiguous acres or less gross income is measured by production of crops, nursery stock, grazing, or gross income from sale of livestock. Income will 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 April 15, each year. (7-1-24)

**d.** Land, More Than Five (5) Contiguous Acres. Land of more than five (5) contiguous acres under one (1) ownership, producing agricultural field crops, nursery stock, or grazing, or in a cropland retirement or rotation program, as part of a for profit enterprise, will qualify to be assessed using the methods found in Section 63-205C Idaho Code. Land not annually meeting any of these requirements fails to qualify as land actively devoted to agriculture and will be valued at market value using appraisal procedures identified in Paragraph 645.02.a. of this rule. (7-1-24)

**04. Cross Reference.** See Rule 617 of these rules. (7-1-24)

**646. -- 699. (RESERVED)**

**700. DEFINITIONS FOR PROPERTY TAX REDUCTION BENEFIT.**  
Section 63-701, Idaho Code

**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. (7-1-24)

**02. Claimant's Income.** All income defined in Section 63-701(5), Idaho Code, that is received by either spouse is included in household income even if one spouse lives in a medical care facility or otherwise lives outside the home except as provided in Rule 709 of these rules. For the purposes of excluding from claimant's income any return of principal paid by the recipient of an annuity, follow these guidelines. (7-1-24)

**a.** An annuity means a contract sold by an insurance company to the claimant or claimant's spouse and designed to provide payments to the holder at specified equally spaced intervals or as a lump sum payment with the following conditions: (7-1-24)

- i.** The annuity must not be part of any pension plan available to an employee; (7-1-24)
- ii.** No tax preference is given to the money spent to purchase the annuity; (7-1-24)
- iii.** The buyer must have purchased the annuity voluntary and not as a condition of employment or participation in an employer provided pension system; and (7-1-24)
- iv.** Earnings from investments in the annuity must be tax-deferred prior to withdrawal. (7-1-24)

**b.** Annuities do not include KEOGH plans, Individual Retirement Accounts (IRAs), employer provided pensions, and similar financial instruments. Life insurance premiums will not be treated as the principal of an annuity. (7-1-24)

**c.** The recipient of the annuity payment(s) must provide proof that the income is the principal paid by the recipient. Such proof includes copies of the holder's annuity contract and any other documentation clearly indicating the conditions listed in Subparagraphs 700.02.a.i. through 700.02.a.iv. of this Rule are met. IRS form 1099 does not provide sufficient proof. (7-1-24)

**03. Fatherless/Motherless Child.** Means a child judicially determined to be abandoned, as defined by Sections 16-1602 or 16-2005, Idaho Code, by the child's parent or a child whose parent has had his parental rights terminated pursuant to court order or is deceased. (7-1-24)

**04. Proportional Reduction of Value.** Is required for partial ownership of otherwise eligible property. (7-1-24)

**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. (7-1-24)

**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 the improvement times the claimant's percent of ownership and subtracting the claimant's homestead exemption. (7-1-24)

**c.** See examples of proportional reduction of value of property tax reduction claimants at <https://tax.idaho.gov>. (7-1-24)

**05. Physician.** Is defined in Section 54-1803(3), Idaho Code. (7-1-24)

**06. Widow/Widower.** A person who has not remarried after the death of their spouse or whose subsequent marriage has been annulled. (7-1-24)

**07. Cross Reference.** See Chapter 79, Title 67, Idaho Code, for requirements relating to lawful presence in the United States. See IDAPA 35.02.01, "Tax Commission Administration and Enforcement Rules," Subsection 702.02.c. for information concerning authorization to release applicant information to a state or federal elected official. (7-1-24)

**701. (RESERVED)**

**702. VETERAN'S BENEFIT – CONTINUED ELIGIBILITY AFTER DEATH OF CLAIMANT.**

Sections 63-701, 63-705A, Idaho Code

**01. Surviving Spouse.** The surviving spouse may not transfer the veteran's benefit to a different homestead. (7-1-24)

**02. Application By Surviving Spouse.** The surviving spouse may file an application on behalf of the deceased spouse if the deceased spouse qualified or would have qualified as a claimant on January 1 or before April 15 of the year in which the claim is filed. (7-1-24)

**703. -- 708. (RESERVED)**

**709. PROPERTY TAX REDUCTION BENEFIT PROGRAM – SPECIAL SITUATIONS.**

Section 63-701, Idaho Code

**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. (7-1-24)

**02. General Principles.** Benefits under the property tax reduction program are only available to owners of property that have first qualified for the homestead exemption under Section 63-602G, Idaho Code. See Rule 610 of these rules. (7-1-24)

**03. Dual Residency Couples.** The definition in Rule 610.02 of these rules applies to this rule. (7-1-24)

**a.** Case 1 -- Both residences are community property. Property tax reduction is available in regard only to the residential improvement qualifying for the homestead exemption. See Rule 610.04 of these rules. (7-1-24)

**b.** Case 2 -- 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 homestead exemption. See Rule 610.05 of these rules. (7-1-24)

**c.** Case 1 -- Both residences are separate property. Property tax reduction is available in regard to both residential improvements. See Rule 610.06 of these rules. (7-1-24)

**d.** Household income. In the three (3) cases 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. (7-1-24)

**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 Tax Commission with a copy of the election required under that rule, each spouse is 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 is 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 will not exceed the amount of benefit available to the individual spouse with the least household income if no election were made. (7-1-24)

**05. Multiple Ownerships Including Community Interests as Partial Owners.** Example: A deed conveys title to real property to a married couple and to an adult child of theirs. The married couple holds a community property interest in the improvement and the child is a tenant-in-common, provided ownership interests are not specified in the deed. The parents collectively hold a one-half (1/2) partial interest and the child holds a one-half (1/2) partial interest in the property. Ownership interests specific in the deed supersede this guidance. For

clarification of the calculation of the net taxable value, see Rule 700.04.b. of these rules. Qualification for the property tax reduction is as follows: (7-1-24)

**a.** If the residential improvement is the primary dwelling of the married couple but not of the child, the claimant qualifies for full benefits applied on one-half (1/2) of the value of the property less the homestead exemption. Household income is the total of the community and separate income of the spouses. (7-1-24)

**b.** If the residential improvement is the primary dwelling of the qualifying child, but neither spouse, the claimant qualifies for full benefits applied on one-half (1/2) of the value of the property less the homestead exemption. Household income is the total of the child's income. (7-1-24)

**c.** If the residential improvement is the primary dwelling of the married couple and a qualifying child, the claimant qualifies for the full benefits applied on full value of the property less the homestead exemption. Household income is the total of the community and separate income of the spouses and the income of the child. (7-1-24)

**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 one-half (1/2) of the value of the property less the homestead exemption unless the residential improvement of the other spouse has qualified for the homestead exemption. Household income is the total income of both spouses. (7-1-24)

**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 homestead exemption unless the residential improvement of the other spouse has previously qualified for the homestead exemption. Household income is the total income of both spouses plus the income of the child. (7-1-24)

**710. -- 716. (RESERVED)**

**717. PROCEDURE AFTER CLAIM APPROVAL.**

Sections 63-115, 63-317, 63-707, Idaho Code

**01. Formatting Requirements.** The property tax reduction roll and supplemental occupancy tax reduction roll is formatted as required by Section 63-707, Idaho Code. (7-1-24)

**02. Preliminary Property Tax Reduction Roll.** Except as provided in Subsections 717.06 and 717.07 of this rule, the roll, certified by the assessor to the county auditor and the Tax Commission by June 1st of each year, is termed the preliminary property tax reduction roll. List the property tax reduction and occupancy tax reduction claimants on the preliminary property tax reduction and occupancy tax reduction rolls in alphabetical order unless the Tax Commission grants permission for claimants to be listed in an alternate order. Submit each original claim form to the Tax Commission in the same order as shown on the preliminary property tax reduction roll. (7-1-24)

**03. Final Property Tax Reduction Roll.** Except as provided in Subsections 717.06 and 717.08 of this rule, the completed property tax reduction roll, certified by each county clerk to the Tax Commission by the fourth (4th) Monday in October, is termed the final property tax reduction roll. The final property tax reduction roll will list property tax reduction and occupancy tax reduction claimants who applied by September 1, in the same order as shown on the preliminary property tax reduction roll. The Tax Commission will notify the county auditor of any erroneous claims by the second Monday of October pursuant to Section 63-707(6), Idaho Code. The county clerk will make any necessary corrections, adjustments and include erroneous claims disapproved by the Tax Commission on the final property tax reduction roll. (7-1-24)

**04. Certification of Electronic Property Tax Reduction Roll by County Assessor.** The county assessor will certify the property tax reduction roll to the county auditor and send a copy to the Tax Commission by June 1st of each year. In addition, each county assessor will send a copy of all claims listed on the roll to the Tax Commission. Claims are to be sent in a password protected electronic data file as prescribed by the Tax Commission. (7-1-24)

**05. Certification of Completed Property Tax Reduction Roll by County Auditor.** Except as

provided in Section 63-317, Idaho Code, and Subsections 717.06, 717.07, and 717.08 of this rule, no later than the fourth (4th) Monday in October, each county auditor will certify the final property tax reduction roll to the Tax Commission. The roll will contain the preliminary roll information plus information formatted as directed or approved by the Tax Commission. (7-1-24)

**06. Occupancy Tax Reduction Claims.** List claims submitted to the county assessor January 1 until the fourth Monday in January of the following year as prescribed in Subsections 717.07 and 717.08 of this rule. (7-1-24)

**07. Preliminary Supplemental Occupancy Tax Reduction Roll.** The county assessor will certify this roll to the county auditor and the Tax Commission by the first Monday in March of the following tax year. List claims submitted to the county assessor on the preliminary supplemental occupancy tax reduction roll in the manner outlined in Subsection 717.02 of this rule. Occupancy tax reduction claims are subject to the procedures outlined in Section 63-707, Idaho Code. (7-1-24)

**08. Final Supplemental Occupancy Tax Reduction Roll.** By the first Monday in April in the following year, the Tax Commission will notify the county auditor of all adjustments or corrections. By the fourth Monday in April of that year, the county auditor will certify the final supplemental occupancy tax reduction roll which will list occupancy claimants in the same order as shown on the preliminary supplemental occupancy tax reduction roll after the county auditor makes corrections. Claims included on the final supplemental occupancy tax reduction roll are to be formatted as outlined in Subsection 717.05 of this rule. (7-1-24)

**718. -- 799. (RESERVED)**

**800. BUDGET CERTIFICATION RELATING TO OPERATING PROPERTY ANNEXATION VALUE.**  
Section 63-802, Idaho Code

**01. "Appropriate County Auditor" Defined.** The county auditor of each county within which any taxing district with an annexation is located. (7-1-24)

**02. Annexation Values for Operating Properties.** Pursuant to Section 63-802, Idaho Code, the Tax Commission will certify the current year's net taxable values of operating properties within annexations made during the previous calendar year. This certification will list summarized values of said operating properties for each applicable taxing district and is part of the certification required pursuant to Section 63-410, Idaho Code. (7-1-24)

**03. County Auditor to Notify Taxing Districts.** As soon as possible after receipt of the list pursuant to Subsection 800.02, the appropriate county auditor will notify affected taxing districts. (7-1-24)

**801. LIMITATION ON BUDGET REQUESTS -- SPECIAL PLANT FACILITIES FUND LEVY PROVISIONS.**  
Sections 63-802, 33-804, 33-317A, 33-909, 33-2729, 33-2113, 33-804A, Idaho Code

**01. Limits on Plant Facilities Funds.** The following limits restrict plant facilities funds for any school, community college, or library district: (7-1-24)

**a.** 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 net taxable value of the taxing district as of the year prior to the first year in which a plant facilities fund levy is made; (7-1-24)

**b.** No district with an existing plant facilities fund may levy for an additional plant facilities fund until the existing plant facilities fund has expired. (7-1-24)

**02. Exceptions to Limits.** Limitations found in Subsection 01 of this rule do not apply to any state-authorized plant facilities levy, established under Section 33-909, Idaho Code, or the cooperative service agency (COSA) school plant facility levy established under Section 33-317A, Idaho Code. (7-1-24)

**03. Plant Facilities Fund Extensions or Increases.** Except for increases related to COSA school plant

facility levies, any applicable 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 plant facilities and bonded indebtedness is computed as follows: (7-1-24)

**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; (7-1-24)

**b.** Divide the sum computed in Subsection 801.03.a. by the district's net taxable value as of the year immediately preceding the year in which the increased or extended plant facilities fund is to be levied. (7-1-24)

**04. Cooperative Service Agency (COSA) School Plant Facility Fund Increases.** Any school district may hold an election to increase the amount to be levied pursuant to the requirements of Section 33-317A. The total levy for school plant facilities is computed by combining the amount of the proposed COSA plant facility levy with the most recent plant facilities levy. (7-1-24)

**05. Maximum Amount of Increased Plant Facilities Fund.** Except as provided in Subsection 801.04, when any district increases its plant facilities fund, the maximum amount will not in any year exceed the limit found in Paragraph 801.01.a. applied to the net taxable value of the year immediately preceding the first year the increased fund is to be levied. This limitation will not apply to COSA school plant facility levies, which, in any year, will not exceed four tenths of a percent (0.4%) multiplied by the net taxable value of the immediate prior year. (7-1-24)

**06. Special Reporting Requirements for State-Authorized Plant Facilities Levy.** When the state Department of Education certifies a state-authorized plant facilities levy to any county under Section 33-909, Idaho Code, the county clerk will forward a copy of such certification to the Tax Commission as an attachment to the L-2 Forms described in Rule 803 of these rules. (7-1-24)

**07. Special Reporting for COSA.** Any COSA plant facilities levy is reported on a separate line on the L-2 Form defined in Rule 803 of these rules. (7-1-24)

**802. BUDGET CERTIFICATION RELATING TO NEW CONSTRUCTION AND ANNEXATION.**  
Sections 63-802, 63-301A, 63-602W, 63-602NN, 63-602E, 50-2903, Idaho Code

**01. New Construction Roll Listing.** Listing means a summary report of the net taxable value of property listed on the new construction roll. This listing will include the net taxable value of qualifying new construction throughout each taxing district or unit, but will not include otherwise qualifying new construction, the value of which is included in the increment value of any revenue allocation area encompassed by the taxing district or unit. List taxing districts and units in the same order used for the certification of value required pursuant to Section 63-510(1), Idaho Code. (7-1-24)

**a.** Qualifying new construction which is valued by the Tax Commission is reported to the county assessor for each applicable taxing district by October 1 and listed on the immediate next new construction roll. (7-1-24)

**b.** When a taxing district or the assessor discovers new construction described by Section 63-301A(3)(g), Idaho Code, the property is included on the immediate next new construction roll at the value that would have been included had the new construction been listed when first eligible. (7-1-24)

**c.** For each taxing district or unit, the new construction roll is reduced as required in Section 63-301A(1)(e), Idaho Code, and Paragraph 802.01.e. of this rule. The value deducted can never exceed the original amount added to a new construction roll. (7-1-24)

**d.** The amount of net taxable value to be deducted under Section 63-301A(1)(e)(i), Idaho Code, is determined by the highest authority to which the assessment is ultimately appealed. Adjustments are not made until there has been a final decision on any appeal. (7-1-24)

**e.** Provided the addition occurred within the immediate preceding five (5) years, the amount of net



taxable value added to any new construction roll for property subsequently granted a provisional exemption under Section 63-1305C, Idaho Code, is deducted from the net taxable value on the immediate next new construction roll prepared following the granting of the provisional exemption. (7-1-24)

**02. Manufactured Housing.** Installation of new or used manufactured housing occurs when there is net taxable value of such properties that did not previously exist within the county. (7-1-24)

**03. Partial New Construction Values.** Except as provided in Subsection 802.05 of this rule, the net taxable value attributable directly to new construction is reported on the new construction roll in the tax year it is placed on the property roll. Except as provided in Subsection 802.05 of this rule, any increase in a non-residential parcel's net taxable value, due to new construction, is computed by subtracting the previous year's or years' partial net taxable value(s) from the current net taxable value. (7-1-24)

**04. Change in Status.** (7-1-24)

**a.** A previously exempt improvement which becomes taxable is not included on the new construction roll, unless the loss of the exemption occurs during the year in which the improvement was constructed or the improvement has lost the exemption provided in Sections 63-602W(3), 63-602E(3), or 63-602NN, Idaho Code. For any such property, the amount that may be included on the new construction roll is the value of the portion of the property subject to the exemption at the time the exemption was first granted. (7-1-24)

**i.** If the exemption is lost by the second Monday in July of the year in which the exempt amount was to be subtracted from the new construction roll, then there is no subtraction, nor will the formerly exempt amount be added unless it had been previously subtracted from a new construction roll. (7-1-24)

**ii.** If the exemption was granted to otherwise qualifying property for which no value had been added to any new construction roll, the value of the property at the time the exemption was first granted may be added to the new construction roll following loss of the exemption. (7-1-24)

**b.** An urban renewal agency terminating a revenue allocation area must provide the resolution and the ordinance to terminate to the Tax Commission as provided in Section 50-2903(5), Idaho Code. The immediate prior year's increment value of a terminating revenue allocation area not previously included on a new construction roll, is added to the appropriate year's new construction roll as provided in Section 63-301A(3)(f) and (i), Idaho Code, and as described in the link found in 802.06.d. Upon the effective date of any de-annexation of a portion of a revenue allocation area, the immediate prior year's increment value associated with the parcels in the de-annexed area, and not previously included is included in the appropriate year's new construction roll as described in the link in Paragraph 802.06.d. of this rule. When this information is received after the fourth Monday in July, this increment value is added to the following year's new construction roll. (7-1-24)

**c.** If the Tax Commission receives an attestation indicating that an urban renewal plan has been modified in such a way as to reset the base value in a revenue allocation area, as provided in Section 50-2903A, Idaho Code, the previously identified increment value is added to the base and may be added to the new construction roll as described in Section 63-301A(3)(j), Idaho Code. In such a case, at the termination of the revenue allocation area, only the new increment value following the reset of the base value is included on the new construction roll. (7-1-24)

**d.** See examples of how to add locally assessed property increment value to the new construction roll following de-annexation at <https://tax.idaho.gov>. (7-1-24)

**e.** See an example of how to add operating property increment value to the new construction roll following de-annexation at <https://tax.idaho.gov>. (7-1-24)

**f.** For taxing districts formed after December 31, 2006, or annexing or being annexed into a revenue allocation area after that date, the amount of increment value added to the new construction roll equals any positive difference between the increment value at the time of formation of the taxing district or annexation by or into the revenue allocation area and the increment value at the time of termination or de-annexation. (7-1-24)

**05. Limitation on Annexation and New Construction Roll Value.** For any taxing district annexing

property in a given year, the new construction roll for the following year excludes value that has been included in the annexation value. When an annexation includes any part of a revenue allocation area, only net taxable value that is part of the current base value of the taxing district is included in the annexation value reported for that taxing district for the year following the year of the annexation. (7-1-24)

**803. BUDGET CERTIFICATION -- DOLLAR CERTIFICATION FORM (L-2 FORM).**

Sections 63-602G(5), 63-802, 63-803, 63-3029B(4), 63-3502B, 50-2903A, 50-2913, 63-3638(11), and (13), 63-1305C, 33-802, 39-2812, 27-121, Idaho Code

**01. Definitions.** (7-1-24)

**a.** The Dollar Certification Form (L-2 Form) is the form used by taxing districts to certify their budgets to the county. This form is presumed to be a true and correct representation of the budget previously prepared and approved by a taxing district. The budget is presumed adopted according to appropriate statutory procedures. (7-1-24)

**b.** Prior year's net taxable value is the value used to calculate levies during the immediate prior year. This value is used for calculating the permanent increase permitted for cities, pursuant to Section 63-802(1)(g), Idaho Code. (7-1-24)

**c.** The annual budget includes any permanent override approved as a result of an election held pursuant to Sections 63-802(1)(g) or 63-802(1)(h), 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)(g) or 63-802(1)(h), Idaho Code, then the amount not used is eligible to be added to the forgone increase balance for the taxing district. (7-1-24)

**d.** Property tax funded budget means that portion of any taxing district's budget certified to the board of county commissioners and approved by the Tax Commission. (7-1-24)

**e.** Recovered/recaptured property tax and refund list means the report sent by the county auditor to the appropriate taxing district(s) by the first Monday in August and to the Tax Commission with the L-2 Forms, listing the amount of revenue distributed, or refunds charged, to each appropriate taxing district during the twelve (12) month period ending June 30 each year as provided in the following: (7-1-24)

- i. Section 63-602G(5), Idaho Code; (7-1-24)
- ii. Section 63-3029B(4), Idaho Code; (7-1-24)
- iii. Section 63-602KK(7), Idaho Code, for personal property exempted after 2013 for which no replacement money was paid; (7-1-24)
- iv. Section 63-3502B(2), Idaho Code, for distributions of gross earnings tax on solar farms; (7-1-24)
- v. Section 50-2903A(3), Idaho Code, for distributions of funds derived from revenue allocation areas in excess of the amount necessary to pay indebtedness; (7-1-24)
- vi. Section 50-2913(3)(c), Idaho Code, for distributions of funds derived from revenue allocation areas in excess of the amount received during the immediate prior tax year; (7-1-24)
- vii. Section 63-1305C(3), Idaho Code, for revoked provisional property tax exemptions; and (7-1-24)
- viii. Section 63-1305C(6), Idaho Code, for refunds related to provisional property tax exemptions. (7-1-24)

**f.** Taxing district/unit means any governmental entity with authority to levy property taxes as defined in Section 63-201, Idaho Code, and those governmental entities without authority to levy property taxes but on whose behalf such taxes are levied by an authorized entity such as the county. (7-1-24)

**g.** New taxing district means any taxing district for which no property tax revenue has previously been levied. (7-1-24)

**02. Budget Certification.** The budget is certified to each board of county commissioners representing each county in which the district is located by submitting the completed and signed L-2 Form. Budget requests for the property tax funded portions of the budget will not exceed the amount published in the notice of budget hearing. (7-1-24)

**03. Budget Certification Requested Documents.** The completed L-2 Form certified to the county is submitted to the Tax Commission for each taxing district with an amount to finance the property tax funded portion of its budget and a copy of the published budget. (7-1-24)

**a.** Forgone Increase Reservation. For any taxing district reserving additional forgone property taxes as provided in Section 63-802(1)(f), Idaho Code, the required resolution must be submitted to the Tax Commission and the board of county commissioners representing each county in which the district is located by the end of the calendar year during which the most recent L-2 Form was submitted. Consolidating districts may add previously existing forgone amounts by resolution. (7-1-24)

**b.** Forgone Increase Recovery. Any resolution to recover previously accrued forgone amounts is submitted to the board of county commissioners representing each county in which the district is located along with the L-2 Form. A copy of the resolution is submitted to the Tax Commission with the L-2 Form. (7-1-24)

**04. L-2 Form Contents.** Each taxing district will use the L-2 Form as prescribed the Tax Commission. (7-1-24)

**a.** Fund Name. Identify the department or fund requesting a budget for the current tax year. (7-1-24)

**b.** Total Approved Budget. List the dollar amount of the total budget for each department or fund identified. Include all money that a taxing district intends to spend, regardless of whether funds are to be raised from property tax. Funds without support from property tax levies may be combined and noted as non-levying funds. (7-1-24)

**c.** Cash Forward Balance. List any money retained or money brought forward from a prior year intended to fund the approved budget. (7-1-24)

**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. (7-1-24)

**e.** Property Tax Replacement. Report the following amounts received for the twelve (12) month period ending June 30 of the current tax year: (7-1-24)

**i.** The amount of money received under Section 63-3638(11), Idaho Code, as replacement revenue for the agricultural equipment exemption under Section 63-602EE, Idaho Code; (7-1-24)

**ii.** The amount of money received under Section 63-3638(13), Idaho Code, for the personal property exemption under 63-602KK(2), Idaho Code; (7-1-24)

**iii.** The amount of money reported on the "Recovered/Recaptured Property Tax and Refund List"; (7-1-24)

**f.** Report the amount of money to be levied from property tax. (7-1-24)

**g.** Other Information: (7-1-24)

**i.** The name of the taxing district or unit; (7-1-24)

- ii. The voter approved fund tracker showing date of voter approval, starting date, and, except for permanent increases, the effective period for any new or increased fund which is exempt from the budget limitations in Section 63-802, Idaho Code; (7-1-24)
- iii. The signature, date signed, printed name, mailing address, email address, and phone number of an authorized representative of the taxing district; and (7-1-24)
- iv. For a hospital district which has held a public hearing, a signature certifying such action; (7-1-24)
- v. For any taxing district including forgone increases in their budget, an attestation to having held the required public hearing; and (7-1-24)
- vi. Judgments to be levied pursuant to Section 63-1305, Idaho Code, including the amount and the court or Board of Tax Appeals order providing for the judgment. (7-1-24)
- h.** Attached Information. Other information submitted with the L-2 Form: (7-1-24)
  - i. For newly formed recreation or auditorium districts, a copy of the petition forming the district showing levy restrictions imposed by that petition; (7-1-24)
  - ii. For any new ballot measures a copy of the ballot and canvass of votes; (7-1-24)
  - iii. For fire districts levying against utility property or changing exemptions as provided in Section 31-1425, Idaho Code, a copy of any new agreements with utility companies providing for payment of property taxes by that utility company to that fire district and a copy of any new ordinances changing locally assessed property categories subject to taxation. (7-1-24)
  - iv. For cities being annexed by fire districts, the amount of property tax spent on fire protection services during the last year the city funded these services; (7-1-24)
  - v. For any city with city funded library operations and services at the time of consolidation with any library district, a certification reporting the dedicated portion of that city's property tax funded library 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; (7-1-24)
  - vi. 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, a copy of the certification from that city reporting the information provided for in Subparagraph 803.04.h.vi. of this rule; and (7-1-24)
  - vii. For any taxing district including forgone increases in their budget, a copy of the resolution describing the amount and specific purpose of the forgone amount. (7-1-24)

**05. Special Provisions for Property Tax Replacement and Refunds Pursuant to Section 63-1305C(6), Idaho Code.** Property tax replacement monies must be reported on the L-2 Form and separately identified on accompanying worksheets. Except as provided in Paragraph 803.05.e. of this rule, for all taxing districts, replacement these monies must be subtracted from or, in the case of refunds, not included in, the "balance to be levied". The reduced balance will be used to compute levies. The maximum amount permitted pursuant to Section 63-802(1), Idaho Code, will be based on the sum of these property tax replacement monies including recoveries received pursuant to Section 63-1305C(3), Idaho Code, but excluding monies received pursuant to Section 63-3502B(2), Idaho Code, and the amount actually levied. Each taxing district's proportionate share of refunds pursuant to Section 63-1305C(6), Idaho Code, as reported in Paragraph 803.01.e. of this rule, must be subtracted from the maximum amount permitted pursuant to Section 63-802(1), Idaho Code. (7-1-24)

**a.** The Tax Commission will, by the fourth Monday of July, notify each county clerk if the amount of property tax replacement money, pursuant to Sections 63-3638(11) and (13), Idaho Code, to be paid to a taxing district changes from the amount paid in the preceding year. By the first Monday of May, the Tax Commission will

notify each school district and each county clerk of any changes in the amount of property tax replacement money to be received by that school district pursuant to Sections 63-3638(11) and (13), Idaho Code. (7-1-24)

**b.** By the first Monday of August of each year, each county clerk will notify each appropriate taxing district or unit of the total amount of property tax replacement monies, and the type of replacement money, as described in Paragraph 803.04.e. of this rule. For charter school districts subject to the provisions of Paragraph 803.05.e. of this rule, the amount to be subtracted is reported. (7-1-24)

**c.** Except as provided in Paragraph 803.05.d. of this rule, the subtraction required in Subsection 803.05 of this rule may be from any fund(s) subject to the limitations of Section 63-802, Idaho Code. For school districts, these subtractions are first from funds subject to the limitations of Section 63-802, Idaho Code, then from other property tax funded budgets. (7-1-24)

**d.** For taxing districts receiving distributions of the gross earning tax on solar farms described in Section 63-3502B(2), Idaho Code, the amount of any such distribution received during the twelve (12) months ending June 30 of the current tax year is subtracted from the maximum amount of property tax revenue permitted pursuant to Section 63-802, Idaho Code. (7-1-24)

**e.** For charter school districts with a levy in 2013 and 2022 for maintenance and operations, as provided in Section 33-802(6), Idaho Code, there is no subtraction for a portion of the property tax replacement money received for property subject to the exemption in Section 63-602KK, Idaho Code. Said portion is the amount calculated by applying the 2013 and 2022 levy rates for the maintenance and operations levy, as authorized in the district's charter, to the 2013 and 2022 exempt value of personal property used to compute replacement money provided to the school district. (7-1-24)

**06. 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 is added to that library district's property tax funded budget in effect at the time of the election for consolidation. This total constitutes the district's property tax funded budget for the most recent year of the three (3) years preceding the current tax year. (7-1-24)

**07. Special Provisions for Cities with Existing Library Operations or Services Consolidating with Any Library District and Cities Annexed by Fire Districts.** 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 is subtracted from that city's maximum allowable property tax to be levied after the calculation of the annual budget increases described in Section 63-802, Idaho Code. For cities annexed by fire districts, the city will subtract the amount spent on fire protection services from its maximum allowable property tax to be levied after the calculation of the annual budget increases described in Section 63-802, Idaho Code. (7-1-24)

**08. Special Provisions for Interim Abatement Districts.** When an interim abatement district transitions into an abatement district under Section 39-2812, Idaho Code, the abatement district will not be considered a new taxing district for the purposes of Section 63-802, Idaho Code. For the abatement district, the annual budget subject to the limitations of Section 63-802, Idaho Code, is the most recent amount of property tax revenue approved for the interim abatement district. (7-1-24)

**09. Cross Reference for School Districts with Tuition Funds.** For exemption from limitations of Section 63-802, Idaho Code, for school district tuition funds, see Section 33-1408, Idaho Code. (7-1-24)

**804. TAX LEVY - CERTIFICATION - URBAN RENEWAL REVENUE ALLOCATION AREAS.** Sections 50-2908, 50-2033, 50-1903, 50-2903A, 50-2905A, 50-2913, 63-803, 63-811, 63-317A, 33-909, 67-1076, 63-802, 63-602Y, Idaho Code

**01. Definitions.** (7-1-24)

**a.** Revenue allocation area as referred to in Section 50-2908, Idaho Code, is the area defined in

Section 50-2903, Idaho Code, in which base and increment values are to be determined. A new urban renewal plan is required when an urban renewal agency establishes a new revenue allocation area. Revenue allocation areas are not taxing districts. (7-1-24)

**b.** The current base value does not include value found on the occupancy roll. Current base value includes the previous year's non-prorated value of current taxable property subject to assessment under Section 63-602Y, Idaho Code during the year the initial base value was established. (7-1-24)

**c.** The initial base value for each parcel is the sum of the net taxable value of each category of property in the parcel for the year the revenue allocation area is established. In the case of annexation to a revenue allocation area, initial base value of each annexed parcel shall be the value of that parcel as of January 1 of the year in which the annexation takes place. The initial base value includes any prorated value added for property subject to Section 63-602Y, Idaho Code. (7-1-24)

**d.** The increment value is the difference between the current net taxable value of each parcel of taxable property in the revenue allocation area and that parcel's current base value, provided such difference is a positive value. Newly constructed improvements with value listed on the occupancy roll within a newly formed revenue allocation area or within an area newly annexed to an existing revenue allocation area are added as increment value in the year following the year of formation or annexation. (7-1-24)

**02. Establishing and Adjusting Base and Increment Values. (7-1-24)**

**a.** Establishing initial base value. If a parcel's legal description has changed prior to computing initial base value, the value that best reflects the prior year's net taxable value of the parcel's current legal description constitutes the initial base year value for such parcel. The initial base value includes the net taxable value, as of the effective date of the ordinance adopting the urban renewal plan. Initial base value does not include value found on the occupancy roll. (7-1-24)

**b.** Adjustments to base value - general value changes. Adjustments to base values are 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 net taxable value of any parcel in the revenue allocation area is less than the most recent base value. 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 are 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 establish new base values from which future adjustments may be made. (7-1-24)

**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 is calculated as described in the following subsections: (7-1-24)

**i.** When a parcel has been split, the most recent base year value is transferred to the new parcels, so that the new total equals the most recent base year value. Proportions used to determine the amount of base value assigned to each of the new parcels are based on the value of the new parcels had they existed in the year preceding the year for which the value of the new parcels is first established; (7-1-24)

**ii.** When a parcel has been combined with another parcel, the most recent base year values are added together; and (7-1-24)

**iii.** When a parcel has been split and combined with another parcel in the same year, the value of the split is calculated as set forth in Subparagraph 804.02.c.i. and then the value of the combination calculated as set forth in Subparagraph 804.02.c.ii. (7-1-24)

**d.** Adjustments to base values when exempt parcels become taxable. Base values are adjusted as follows: (7-1-24)

i. When a parcel that was exempt at the time the revenue allocation area was established becomes taxable, the base value is adjusted upwards to reflect the estimated value of the formerly exempt parcel as it existed at the time the revenue allocation area was established; (7-1-24)

ii. Except as provided in Subparagraph 804.02.d.v. of this rule, when a partially exempt parcel within the revenue allocation area becomes fully taxable, the base value of the revenue allocation area is adjusted upwards by the difference between the value that would have been assessed had the parcel been fully taxable in the year the revenue allocation area was established and the net taxable value of the parcel included in the base value of the RAA revenue allocation area; (7-1-24)

iii. For partially exempt properties that do not lose an exemption, but for which the amount of the exemption changes, there is no adjustment to the base value, unless the current taxable value is less than the most recent base value for the property; (7-1-24)

iv. Except as provided in Subparagraph 804.02.d.v. of this rule, when a parcel that is taxable and included in the base value at the time the revenue allocation area is established subsequently becomes exempt, the base value is reduced by the most current value of the parcel included in the base value. If this parcel subsequently becomes taxable, the base value is adjusted upward by the same amount that was originally subtracted; and (7-1-24)

v. Assignment of expiring exemption value to base or increment in revenue allocation areas: (7-1-24)

(1) When a parcel is part of the base value of a new revenue allocation area and subsequently receives the exemption provided in Section 63-602NN, Idaho Code, the exempt value is added to increment value upon loss of the exemption; (7-1-24)

(2) If the parcel were annexed into a revenue allocation area while the plant investment was exempt under Section 63-602NN, Idaho Code, once the exemption expires, the value of the plant investment is added to the base assessment roll; and (7-1-24)

(3) If the plant's development was initiated or completed before the formation of the revenue allocation area, the value of the taxable improvement is added to the base assessment roll upon loss of the exemption. (7-1-24)

e. Base values are adjusted downward for real, personal, and operating property removed from the revenue allocation area. Property is considered removed under the following conditions: (7-1-24)

i. For real property, the entire improvement is removed from the revenue allocation area without replacement during the year the original improvement was removed. If said improvement is replaced during the year of removal, the reduction in base value is 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); (7-1-24)

ii. For personal property, all personal property associated with one (1) parcel is removed from the revenue allocation area or any of the personal property associated with a parcel becomes exempt; and (7-1-24)

iii. For operating property, any of the property under a given ownership is removed from the revenue allocation area. (7-1-24)

f. When property is annexed into a revenue allocation area, the base value in the revenue allocation area is adjusted upwards to reflect the value of the annexed property as of January 1 of the year in which the annexation takes effect. (7-1-24)

g. For operating property, the original base value is apportioned to the revenue allocation area on the same basis as is used to apportion operating property to taxing districts and units. (7-1-24)

**03. Levy Computation for Taxing Districts Encompassing Revenue Allocation Areas.** Levies are computed in one (1) of two (2) ways. (7-1-24)

a. For taxing district or taxing unit funds other than those meeting the criteria listed in Section 50-

2908, Idaho Code, and the levies authorized pursuant to Sections 33-317A and 33-909, Idaho Code, the property tax levy is computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the net taxable value within the taxing district or unit, including the base value, but excluding the increment value.

(7-1-24)

**b.** For taxing district or taxing unit funds meeting the criteria listed in Section 50-2908, Idaho Code, and the levies authorized pursuant to Sections 33-317A and 33-909, Idaho Code, the property tax levy is computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the net taxable value within the taxing district or unit, including applicable increment value as prescribed in Section 50-2908, Idaho Code.

(7-1-24)

**04. Modification of an Urban Renewal Plan.** Except as described in Paragraphs 804.04.a., b., c., or d. of this rule, when an authorized municipality passes an ordinance modifying an urban renewal plan containing a revenue allocation area, for the tax year immediately following the year in which the modification occurs, the base value of property in the revenue allocation area is reset to reflect the current net taxable value of the property.

(7-1-24)

**a.** Modification by consolidation of revenue allocation areas. If such modification involves combination or consolidation of two (2) or more revenue allocation areas, the base value is determined by adding together current base values for each of the areas. The current net taxable value of property in an area not previously included in any revenue allocation area is included in the current base value for the consolidated revenue allocation area.

(7-1-24)

**b.** Modification by annexation.

(7-1-24)

**i.** If a revenue allocation area is modified by annexation, the current net taxable value of property in the area annexed is included in the most current base value determined for the revenue allocation area prior to the annexation;

(7-1-24)

**ii.** For bond levies approved prior to December 31, 2007, and included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or the area subject to the bond levy after December 31, 2007, the levy will be computed as described in Paragraph 804.03.b. of this rule;

(7-1-24)

**iii.** An annexation permitted pursuant to Section 50-2033, Idaho Code, to a revenue allocation area in existence prior to July 1, 2016, does not change the status of the revenue allocation area regarding inapplicability of the base reset or attestation provisions found in Section 50-2903A, Idaho Code.

(7-1-24)

**c.** Other modifications – attestation requirements. Modification resulting in adjustment of base value to reflect the current net taxable value of the property within the revenue allocation area is not deemed to have occurred when the urban renewal agency attests to having made no modifications to a plan or is not required to attest to plan modifications. Urban renewal agencies required to attest annually to having made or not made plan modifications include:

(7-1-24)

**i.** Urban renewal agencies that establish new revenue allocation areas on or after July 1, 2016, with regard to any new revenue allocation area; and

(7-1-24)

**ii.** Urban renewal agencies that enact new plans including a revenue allocation area on or after July 1, 2016.

(7-1-24)

**d.** Modifications when there is outstanding indebtedness. When any urban renewal agency attests to having had a plan modification that is not an exception identified in Paragraphs 804.04.a., b., or c. of this rule or fails to provide the required attestation, the base value is determined without regard to the modification, provided that the agency certifies to the Tax Commission by June 30 of the tax year that there is outstanding indebtedness as defined in Section 50-2903A(2), Idaho Code. In this case, the allocation of revenue to the urban renewal agency is the amount certified as necessary to pay the indebtedness. Any additional revenue is distributed to each taxing district or unit in the same manner as property taxes. Such revenue is considered property tax revenue for the purpose of the limitations



in Section 63-802, Idaho Code. The county clerk will notify the Tax Commission of the amount so distributed for each year beginning July 1 of the prior year and ending June 30 of the current tax year. (7-1-24)

e. For any urban renewal agency subject to the requirements of Section 50-2903A, Idaho Code, except as provided in Paragraph 804.04.d. of this rule, if such agency fails to provide the required attestation by the first Monday of June each year, the Tax Commission will reset the base value or limit allocation of property tax to the urban renewal agency as required in Section 50-2903A, Idaho Code. Provided there is no new plan, an urban renewal agency with a plan including one (1) or more revenue allocation areas in existence prior to July 1, 2016, will only be required to provide this attestation or be subject to base resetting or other limitations for failure to submit this attestation with respect to new revenue allocation areas formed on or after July 1, 2016. (7-1-24)

f. Notice of actions related to base reset or revenue allocation limitations. (7-1-24)

i. The Tax Commission will notify any urban renewal agency, and affected county and city officials, within thirty (30) days of the time the Tax Commission receives an attestation that an urban renewal plan has been modified, or by July 30 in any year in which an attestation is required but none is received, of the Tax Commission's intent to initiate the process to reset the base value in the following tax year; (7-1-24)

ii. In the case of base reset due to failure to provide the required attestation, the Tax Commission will notify the agency, county and city officials that the base is to be reset in the immediate following year if the Tax Commission has not received the attestation by December 31 of the current tax year; (7-1-24)

iii. In the case of a revenue allocation limitation pursuant to Section 50-2913, Idaho Code, notice is provided to the agency, county, and city officials including the county assessor and county clerk, within thirty (30) days of the due date of the plan or plan update; (7-1-24)

iv. In the case of a revenue allocation limitation due to a plan modification but outstanding indebtedness, notice is provided to the agency and county and city officials, including the county assessor and county clerk, within thirty (30) days of receipt by the Tax Commission of the certification of the amount needed to repay the indebtedness; (7-1-24)

v. Once decisions about base reset or revenue allocation limitations are final, additional notice is sent to the agency and county and city officials, including the county assessor and county clerk, within thirty (30) days of any such final decision. Said notice will include an identification of the year in which the reset or revenue allocation limitation will take effect and the amount of any revenue allocation limitation. (7-1-24)

**05. Setting Levies When There is a De-annexation From a Revenue Allocation Area.** In any de-annexation from a revenue allocation area, levies are set using the base value and, as indicated in Subsection 804.03 of this rule, the appropriate amount of increment value associated with the parcels and operating property remaining in the revenue allocation area after the de-annexation, provided that the de-annexation is in effect no later than September 1 of the current tax year. (7-1-24)

**06. Setting Levies When There is a Refinancing of Bonded Indebtedness.** Refinancing of bonded indebtedness in existence as of December 31, 2007, does not create new bonded indebtedness for any taxing district with respect to the levy setting criteria in Subsection 804.03 of this rule. (7-1-24)

**07. Cross Reference.** See Rule 802 and 805 of these rules. (7-1-24)

**805. PENALTY FOR FAILURE TO COMPLY WITH REPORTING REQUIREMENTS.**  
Sections 63-802A, 50-2913, 67-1076, Idaho Code

**01. Property Tax Limitation Penalties for Non-compliance.** Penalties apply to any taxing district that fails, by April 30 of each year, to provide each appropriate county clerk with written notification of the budget hearing information required pursuant to Section 63-802A, Idaho Code, or that is found out of compliance with the requirements of Section 67-1076, Idaho Code. (7-1-24)

**02. County Clerks to Submit Lists.** By the fourth Monday of May, each county clerk will submit to

the Tax Commission a list of taxing districts out of compliance with the requirements of Section 63-802A, Idaho Code. (7-1-24)

**03. Additional Penalties.** For taxing districts that fail to comply with the requirements of Section 67-1076, Idaho Code, sales tax money for which the district may be eligible may be withheld. See Rule 995 of these rules. (7-1-24)

**04. Applicability to Urban Renewal Agencies.** Urban renewal agencies failing to annually submit to the Tax Commission plans as required pursuant to Section 50-2913, Idaho Code, are subject to penalties found in that section. (7-1-24)

**a.** Urban renewal agencies having once submitted such plans, and having made no modification or amendment to such plans, may, by December 1 each year, attest to the currency of the previously submitted plan in lieu of re-submitting that plan. (7-1-24)

**b.** Providing the Tax Commission with, and updating links to, plans on urban renewal agency websites will constitute compliance with submittal requirements. (7-1-24)

**806. ELECTION TO CREATE A NEW TAXING DISTRICT -- CLERK'S MAILED NOTICE.**

Section 63-802C, Idaho Code.

The sponsors of a proposed new taxing district will submit an estimate of the first year's property tax budget to the county clerk sixty (60) days prior to the election. When the estimate of the first year's budget is received, the county clerk will estimate the levy rate based on the most recent actual or estimated net taxable value information available. If the sponsors fail to provide the budget information, the county clerk will, for taxing districts with funds subject to maximum levy rates, estimate the amount of property taxes to be raised in the proposed district by multiplying the maximum levy rate permitted by law times the most current available estimate of net taxable value. The estimated levy rate is used to compute the estimated taxes per one hundred thousand dollars (\$100,000) of net taxable value. The maximum levy rate means the sum of every maximum statutory levy rate for any fund subject to such limits for the taxing district type. (7-1-24)

**807. (RESERVED)**

**808. ADDITIONAL DOCUMENTATION BY TAXING DISTRICTS NOT LEVYING AGAINST ALL TAXABLE PROPERTY.**

Sections 25-2401, 31-1425, 31-3908A, 42-3115, 42-3708, 42-4116, 50-3113, 63-510 63-803, Idaho Code

**01. Documentation of Categories to be Taxed.** If the taxing district elects the property categories to be taxed, documentation of such election must be submitted by the taxing district to each county clerk, who will then submit the documentation to the Tax Commission by the first Monday in August in the first year in which the election takes place and in any year in which the categories elected to be taxed change. (7-1-24)

**02. Fire Districts.** (7-1-24)

**a.** Public Utility Agreements. Written agreements with public utilities permitting property taxes to be levied for fire protection of all or a portion of the property of the public utility, pursuant to Section 31-1425(1), Idaho Code, must be submitted. Such agreements need only be submitted once, provided there is no change and such agreements are on file with the county clerk and Tax Commission. (7-1-24)

**b.** Exemption of all or a portion of unimproved real property and taxable personal property. Exemption of this property must be documented in the fire district's formation ballot or other documents creating the fire district or by an ordinance enacted pursuant to Section 31-1425(2), Idaho Code, by the Board of County Commissioners, of each county in which the fire district is located. If the county does not have the necessary documentation, it must be submitted by the fire district by the third Monday in July of the first year in which the fire district intends to levy property taxes on this basis. If such documentation is not available, the fire district levy is against all otherwise taxable locally assessed property. (7-1-24)

**03. Flood Control, Levee, Watershed Improvement, Community Infrastructure Districts, and**

**Herd Districts.** No special documentation is required. (7-1-24)

**04. Ambulance Districts.** Exemption of all or a portion of unimproved real property and taxable personal property is documented by an ordinance enacted pursuant to Section 31-3908A, Idaho Code. Absent documentation, the ambulance district levy is against all otherwise taxable property. (7-1-24)

**05. Abstracts Showing Value of Property Against Which Levy is to be Applied.** For taxing districts not levying property tax against all otherwise taxable property, abstracts must be submitted as required in Rule 115 of these rules. (7-1-24)

**809. (RESERVED)**

**810. PROPERTY TAX RELIEF.**  
Sections 33-911, 57-810, 63-724, 63-902, 63-315, Idaho Code.

**01. Procedures Regarding School District Facilities Fund.** The Tax Commission will notify each county clerk no later than the first Monday in September each year of the amounts being distributed annually, pursuant to Section 33-911, Idaho Code, to each school district. Such amounts received by each school district must be reported on the L2 form and subtracted from property tax otherwise to be certified for the following funds: (7-1-25)

- a.** Bonds. (7-1-24)
- b.** Temporary Supplemental Funds. (7-1-24)
- c.** School District plant facilities and safe school plant facilities funds. (7-1-25)

**02. Additional School District Facilities Funds.** If the amount received by the school district from the school district facilities fund exhausts the payments for bonds, temporary supplemental funds, and plant facilities funds, the remaining sums of money are not subtracted from other school district levies as provided in Section 33-911(2)(d), Idaho Code. (7-1-25)

**03. Procedures Regarding Homeowner Property Tax Relief.** (7-1-24)

**a.** The homeowner property tax relief roll certified in August will be the preliminary roll and will include the market value, amount of homestead exemption granted, and net taxable value for the portion of each homestead, as defined in Section 63-701, Idaho Code, granted the homestead exemption. (7-1-24)

**i.** No property granted the homestead exemption after the second Monday in July each year is to be included in this roll. (7-1-24)

**ii.** No improvement granted the homestead exemption on property subject to occupancy tax, as provided in Section 63-317, Idaho Code, is to be included in this roll. Land associated with such improvement may be included if it is part of the homestead and if it has a homestead exemption granted by the second Monday in July. (7-1-24)

**iii.** The amount of each homestead property's net taxable value attributable to increment and base, as defined in Section 50-2903, Idaho Code, will be shown on this roll. (7-1-24)

**iv.** The amount of taxable value to which tax levies will apply will be shown on this roll. In the case of taxing districts that do not levy property tax against all otherwise taxable property, the net taxable value of the homestead applicable to each taxing district will be shown. (7-1-24)

**b.** Actual tax relief provided to each homestead and shown on property tax notices will be based on current year's eligible levies applied to properties on the homeowner property tax relief roll, provided however, the amounts so determined will be reduced proportionally so that the total provided to all eligible homeowners will not exceed the amounts certified to the county by the Tax Commission as provided in Section 63-724, Idaho Code.

(7-1-25)

c. The provision in Section 63-724, Idaho Code, that requires homeowner property tax relief monies to be distributed in the same manner as property tax includes allocation to urban renewal agencies and all taxing districts as otherwise required. (7-1-24)

d. Tax relief amounts provided pursuant to Section 57-810(2), Idaho Code, will be subtracted prior to determining amounts otherwise certified to the Tax Commission on the property tax reduction roll pursuant to Section 63-707, Idaho Code. (7-1-24)

**04. Tax Cancellations and Levy Corrections.** Tax cancellations and levy corrections pursuant to Section 63-810, Idaho Code, occurring after certification of tax relief amounts to be paid by the Tax Commission to each county will not alter amounts to be paid by the Tax Commission. Counties receiving tax relief payments that exceed the amount that would have been paid had the tax cancellations or levy corrections been known at the time of the certification of tax relief amounts will remit the excessive amount to the state general fund using the procedure required for homeowner property tax relief overpayments in Section 63-724, Idaho Code. (7-1-24)

**811. -- 901. (RESERVED)**

**902. PROPERTY TAX NOTICE AND RECEIPTS - DUTY OF TAX COLLECTOR.**

Sections 63-704 and 63-902, Idaho Code

The tax notice mailed to taxpayers under Section 63-902, Idaho Code, must include taxpayers whose property taxes are paid in full as a result of the property tax reduction approved under Section 63-704, Idaho Code. For these taxpayers, the tax notice will show the amount paid on behalf of the taxpayer and zero (0) taxes owed. (7-1-24)

**903. -- 935. (RESERVED)**

**936. CANCELLATION OF TAXES BY BOARD OF COUNTY COMMISSIONERS.**

Section 63-1302, Idaho Code

A board of county commissioners may cancel taxes for double payment of taxes or the double or erroneous assessment of any property for the same year or other errors. 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 pursuant to Section 63-602AA, Idaho Code, nor to cancellation of tax resulting from unequal or excessive valuation by the assessor. (7-1-24)

**937. -- 938. (RESERVED)**

**939. COURT OR BOARD OF TAX APPEALS ORDERED REFUNDS OR CREDITS - LEVY RESTRICTIONS.**

Section 63-1305, Idaho Code

For each affected taxing district, the decision to certify and levy such amounts as necessary to refund property taxes due to a court or the board of tax appeals orders is permissive. For any taxing district to use this provision, amounts to be levied must be certified within the two (2) years immediately following the order becoming final. Any amount, not certified and levied within that two-year period, is lost. In the second year following the order, the amount remaining is lost for any taxing district for which such amount is less than one hundred dollars (\$100). (7-1-24)

**940. -- 959. (RESERVED)**

**960. DEFINITIONS.**

Section 63-1701, Idaho Code

**01. Present Use.** Present use means 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. (7-1-24)

**02. Silviculture.** Silviculture includes 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. (7-1-24)

**03. Custodial Expenses.** Custodial expenses are some of the expenses incurred in the management of forestlands. (7-1-24)

**a. Included Expenses.** Custodial expenses include the following expenses, except as provided in Paragraph 960.03.b of this rule: (7-1-24)

i. Reforestation expenses are the cost of seeds, seedlings, and planting for the establishment of a forest to the specifications of the Idaho Forest Practices Act (Title 38, Chapter 13, Idaho Code); (7-1-24)

ii. Road maintenance expenses are those costs necessary to prevent major deterioration or maintain the integrity of forest roads including culvert maintenance, public access control, and erosion prevention, but not including the cost of original construction, opening the road for silviculture, driveway maintenance, or recreation access; (7-1-24)

iii. Managing public use expenses are limited to the costs of installing and maintaining gates and signage; (7-1-24)

iv. Forest inventory expenses are the costs of collection and analysis of forest inventory data; (7-1-24)

v. Forest management planning expenses are the costs associated with a geographic information system (GIS) or similar information database and those activities integral to the planning process; (7-1-24)

vi. Facility operations and maintenance expenses are those costs of maintaining and operating facilities necessary for forestland management; (7-1-24)

vii. Environmental analysis and documentation expenses are analysis and documentation costs associated with federal and state environmental requirements; (7-1-24)

viii. Appeals and litigation expenses are those costs associated with litigating items associated with federal and state environmental requirements; (7-1-24)

ix. Land survey expenses are those costs associated with surveying forestland; (7-1-24)

x. Forest fire suppression expenses are the portion of those costs associated with the suppression of wildfires on forestlands borne by the forestland owner, that exceed the annual fire protection fee under Section 38-111, Idaho Code; (7-1-24)

xi. Other management expenses are unspecified costs agreed to by the committee on forestland taxation methodologies (CFTM) and determined to be annualized custodial expenses by the forest management cost study conducted pursuant to Section 63-1705, Idaho Code. (7-1-24)

**b. Excluded Expenses.** Custodial expenses exclude the following: (7-1-24)

i. Fertilization; (7-1-24)

ii. Precommercial thinning; (7-1-24)

iii. Tree improvement; (7-1-24)

iv. Genetic improvement; (7-1-24)

v. Site preparation; (7-1-24)

vi. Harvesting; (7-1-24)

- vii. Road building; (7-1-24)
- viii. Timber harvest layout and silvicultural layout; (7-1-24)
- ix. Slash management; (7-1-24)
- x. Brush control; and (7-1-24)
- xi. Litigation pertaining to Subparagraphs 960.03.b.i. through 960.03.b.xi., of this rule. (7-1-24)

**04. Forestland Management Plan.** Forestland management plan means a written management plan reviewed by a professional consulting forester, Idaho Department of Lands private forestry specialist, professional industry forester, or federal government forester, to include eventual harvest of the forest crop. Professional forester is defined as an individual holding at least a Bachelor of Science degree in forestry from an accredited four (4) year institution. The forestland management plan will include as a minimum: (7-1-24)

- a. Date of the plan preparation; (7-1-24)
- b. Name, address, and phone number of the land owner, and person preparing and/or reviewing the plan; (7-1-24)
- c. The legal description of the property; (7-1-24)
- d. A map of the property of not less than 1:24,000 scale; (7-1-24)
- e. A general description of the forest stand(s) including species and age classes; (7-1-24)
- f. A general description of the potential insect, disease, and fire hazards that may be present and the management systems which will be used to control them; (7-1-24)
- g. The forest management plans of the landowner over the next twenty (20) years. (7-1-24)

**05. Bare Forestland.** Bare forestland will qualify as forestland only if, within five (5) years after harvest or initial assessment, they are planted or regenerated naturally to minimum stocking levels as specified by the Idaho Forest Practices Act. (Title 38, Chapter 13, Idaho Code). (7-1-24)

**06. Joint Ownership.** Joint ownership as used in Subsections 963.01 and 966.01 of these rules includes ownership of a single parcel of forestland by two (2) or more legal entities irrespective of their proportionate ownership interests in the parcel, but will not include the community property interests of a spouse. (7-1-24)

**961. HOMESITE ASSESSMENT AND FORESTLANDS OF LESS THAN FIVE ACRES AND CONTIGUOUS PARCELS.**  
Sections 63-1702, 63-1703, Idaho Code

**01. Definitions.** The following definitions apply to the valuation of residential parcels that are contiguous to lands classified as forestlands. (7-1-24)

- a. Homesite. The “homesite” is that portion of land, contiguous with but not qualifying as forestlands, and the associated site improvements used for residential purposes. (7-1-24)
- b. Associated Site Improvements. The “associated site improvements” include developed access, grading, sanitary facilities, water systems, and utilities. (7-1-24)

**02. Homesite Assessment.** Each homesite and residential and other improvements, located on the homesite, will be assessed at market value each year. (7-1-24)

**a.** Accepted Assessment Procedures. Market value will 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 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. (7-1-24)

**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. (7-1-24)

**c.** The value and classification of the homesite will be independent of the classification and valuation of the remaining land. (7-1-24)

**03. Forestlands of Less Than Five Acres and Contiguous Parcels.** A parcel of forestland that is less than five (5) acres is not eligible for valuation and taxation as forestland unless that parcel is currently granted forestland status, or unless a parcel is created solely by a tax code area boundary or governmental Public Land Survey System boundary of an original parcel with a single property description comprising at least five (5) acres of forestland. The five (5) acre minimum requirement must exclude any homesite. If 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. (7-1-24)

**962. TAXATION OF DESIGNATED FORESTLANDS.**  
Section 63-1705, Idaho Code

**01. Forestland Valuation Process.** The process used to determine the forestland value under the productivity option will be as specified in the User's Guide referenced in Section 63-1701, Idaho Code. (7-1-24)

**02. Forest Valuation Zones.** The state will be divided into four (4) forest valuation zones: (7-1-24)

**a.** ZONE 1 - Boundary, Bonner, Kootenai counties. (7-1-24)

**b.** ZONE 2 - Benewah, Shoshone, Latah, Clearwater, Nez Perce, Lewis, Idaho counties. (7-1-24)

**c.** ZONE 3 - Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore, Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka counties. (7-1-24)

**d.** ZONE 4 - The remaining nineteen (19) counties. (7-1-24)

**03. Classification of Forestlands.** In all forest valuation zones, there will be three (3) separate productivity classes of forestland: poor, medium, and good. These broad classes are related in the following manner by definition to the "Meyer Tables" published in "Yield of Even-Aged Stands of Ponderosa Pine" and "Haig Tables" published in "Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type" as both documents are referenced in Rule 003 of these rules. These classes apply to forestland which may or may not be stocked with commercial or young growth timber. (7-1-24)

**a.** Poor productivity class is defined as forestland having a mean annual increment, MAI, of one hundred twenty-five (125) board feet per acre per year, based on a seventy-three (73) year rotation. This productivity class includes western white pine site index 35-45 and Ponderosa pine site index 45-80. One hundred twenty-five (125) board feet per acre MAI will be used in the valuation process. (7-1-24)

**b.** Medium productivity class is defined as forestland having a mean annual increment, MAI, of two hundred twenty-five (225) board feet per acre per year, based on an sixty-eight (68) year rotation. This productivity class includes western white pine site index 46-60 and Ponderosa pine site index 81-110. Two hundred twenty-five (225) board feet per acre MAI will be used in the valuation process. (7-1-24)

**c.** Good productivity class is defined as forestland having a mean annual increment, MAI, of three hundred fifty (350) board feet per acre per year, based on an sixty-three (63) year rotation. This productivity class

includes western white pine site index 61 and above and Ponderosa pine site index 111 and above. Three hundred fifty (350) board feet per acre MAI will be used in the valuation process. (7-1-24)

**d.** For forest valuation zones 1 and 2, forestland will 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 003 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. (7-1-24)

**e.** For forest valuation zones 3 and 4, the criteria for stratification will 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 003 of these rules, with the following adjustments made in growth rates for lower moisture levels; (7-1-24)

**i.** For poor productivity class, one hundred twenty-five (125) board feet per acre MAI will be used in the valuation process; (7-1-24)

**ii.** For medium productivity class, two hundred thirteen (213) board feet per acre MAI will be used in the valuation process; and (7-1-24)

**iii.** For good productivity class, three hundred twenty (320) board feet per acre MAI will be used in the valuation process. (7-1-24)

**04. Deficient Areas.** Lakes, solid rock bluffs, talus slopes, and continuously flooded swampy areas, larger than five contiguous acres in size which can be identified through remote sensing will 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. (7-1-24)

**05. Reclassification of Forestlands.** Except as provided in Subsection 962.06 of this rule, no parcel's productivity classification can be changed from the classification as of January 1, 2016, until requirements for landowner notification, inspector qualifications, and document retention have been met. (7-1-24)

**a.** Landowner notification. Notice of intent to change classification must be provided in writing to the landowner of record or their designee within two (2) weeks of any determination by the county assessor of intent to change classification. Such notice must be provided no later than the first Monday in November for the change to be in effect during the following year. Notice may be delivered in person or by U.S. mail, or, if agreed to by the assessor and the landowner, by electronic mail. Notice of intent to change classification includes: (7-1-24)

**i.** A statement of intent to change the classification; (7-1-24)

**ii.** A statement of the present classification and the intended new classification; (7-1-24)

**iii.** A statement that the intent notice is not an assessment notice and that the assessment notice will be sent by the first Monday in June in the following year; (7-1-24)

**iv.** A statement that both the assessed value stated on the assessment notice and the classification may be appealed to the county board of equalization as provided in Section 63-501A, Idaho Code; and (7-1-24)

**v.** Contact information indicating assessor's office staff who may be contacted and how to do so. (7-1-24)

**b.** Inspector qualifications. The inspector is the person assigned by the county assessor to review property characteristics and complete a timberland classification form provided by the Tax Commission. The inspector must be proficient in each of the following: (7-1-24)

**i.** Navigating forest locations; (7-1-24)



- ii. Skilled mapping techniques; (7-1-24)
  - iii. Establishment of plot locations; (7-1-24)
  - iv. Plant and tree identification; and (7-1-24)
  - v. Site tree identification and measurements. (7-1-24)
  - c.** Inspector proficiency. Inspector proficiency must be established by a minimum of twelve (12) months of experience doing fieldwork, including reviewing the characteristics of timberland and: (7-1-24)
    - i. Passing a Tax Commission sponsored class on timberland appraisal and inspection; or (7-1-24)
    - ii. Passing equivalent courses from an accredited college or university; or (7-1-24)
    - iii. Obtaining a degree in forestry or a related field from an accredited institution. (7-1-24)
  - d.** Documentation and retention. Documentation related to timberland productivity classification will be retained for no less than ten (10) years following classification determination. Documentation will include, but is not limited to: (7-1-24)
    - i. Timberland characteristics, on a form provided by the Tax Commission, with sufficient detail to verify the classification, including the calculation of productivity class as set forth in Subsection 962.03 of this rule; (7-1-24)
    - ii. The location of any field plots and any site trees using map or Global Positioning System (GPS) coordinates; (7-1-24)
    - iii. A map illustrating property boundaries, habitat type based stratifications as provided in Subsection 962.03 of these rules, and plot locations used in the determination of productivity class; and (7-1-24)
    - iv. Any imagery used to assess the parcel prior to field review. (7-1-24)
- 06. Alternate Method to Establish Productivity Classification.** Provided the county assessor and forestland owner agree and the data is deemed by the county to be acceptable and accurate, the data used to establish any parcel's productivity classification may be provided by the forestland owner. In this case, inspector qualifications and proficiency provisions of this rule will not apply. (7-1-24)
- a.** Data to be considered confidential. When productivity data is provided to the county by the forestland owner, it will be deemed confidential financial information and not subject to public disclosure, as provided in Rule 004 of these rules. (7-1-24)
  - b.** Inspector certification not required. When the alternate method described in this section is to be used, the county will not be required to have a certified inspector to review property characteristics. (7-1-24)
  - c.** Acceptable classification. To be considered acceptable, the classification of the timberland so established must result in market value for assessment purposes as defined in Section 63-1705(3), Idaho Code. (7-1-24)

**963. CERTAIN FORESTLANDS TO BE DESIGNATED FOR TAXATION BY OWNER -- LIMITATIONS.**

Section 63-1705, 63-1706, Idaho Code

**01. Designation of Forest Parcels.** A forest landowner may choose to have the total acreage of forestland parcels owned within the state designated under the provisions of either Section 63-1705 or 63-1706, Idaho Code. The forest landowner cannot have parcels in both designations. If the new owner owns no forestland in the state designated under Section 63-1705 or 63-1706, Idaho Code, he may choose the option of forest taxation he

desires. Designation will be made on or before December 31st, of the year preceding assessment and will be effective for the following year. Where forest property is held in joint ownership, all co-owners must mutually agree on a property designation under Section 63-1703(a) and (b), Idaho Code. Each co-owner must make a timely designation. Where co-owners are unable to agree on a mutual designation or fail to make a designation, the forestland will be subject to appraisal and assessment as provided in Section 63-1702, Idaho Code. (7-1-24)

**02. Change in Use.** Failure to notify the assessor of the change in use when lands have been designated will cause forfeiture of the designation as to the changed acres, and the property will be appraised, assessed and taxed, as provided in Section 63-1702, Idaho Code, from the date of latest designation or renewal. (7-1-24)

**03. Certain Lands With No Deferred Taxes.** There are no deferred taxes on lands designated under Section 63-1705, Idaho Code. (7-1-24)

**964. YIELD TAX ON APPLICABLE FOREST PRODUCTS.**

**01. Calculation.** The calculation described in Section 63-1705 (4), Idaho Code, will be used to update the bare forestland value for tax assessment purposes on an annual basis. (7-1-24)

**02. Stumpage Value.** The stumpage value will be the same as that used in the productivity valuation process by zone. (7-1-24)

**03. Bare Forestland Value.** After review of the productivity valuation process by March 1 each year, the Tax Commission will review and adjust, as appropriate, the bare forestland values for the current year. (7-1-24)

**04. Landowner's Report.** By June 1, of each year the county treasurer will 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 will be submitted to the county auditor and a record will be maintained for ten (10) years and not disposed of until the eleventh year. (7-1-24)

**965. (RESERVED)**

**966. RECAPTURE OF DEFERRED TAXES ON LANDS DESIGNATED UNDER SECTION 63-1706, IDAHO CODE.**  
Section 63-1703, Idaho Code

**01. Ownership Interest/Deferred Taxes.** Where forestland is held in joint ownership, a transfer of ownership for purposes of recapturing deferred taxes will occur when any one (1) of the legal entities holding an ownership interest in the subject property will convey, transfer, or otherwise dispose of their ownership interest or portion thereof. Any such transfer of ownership will subject the entire parcel to recapture of deferred taxes, unless the new owner timely redesignates their ownership interest under Section 63-1706, Idaho Code. (7-1-24)

**02. Deferred Tax Responsibility.** Deferred taxes will be the responsibility of the selling landowner. Deferred taxes will constitute a lien on the land. (7-1-24)

**03. Change in Use/Deferred Taxes.** For forestland designated under Section 63-1706, Idaho Code, but subject to recapture of deferred taxes as provided in Section 63-1703, Idaho Code, because of a change in use with no change in ownership, recapture of deferred taxes will be calculated in the following manner: (7-1-24)

**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; (7-1-24)

**b.** Multiplied by the current levy for the tax code area or areas in which the parcel lies; (7-1-24)

**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 will be allowed for any yield tax paid up to the amount of the deferred taxes. (7-1-24)

**04. Transfer of Ownership/Deferred Taxes.** For forestland designated under Section 63-1706, Idaho Code, but subject to recapture of deferred taxes as provided in Section 63-1703, Idaho Code, because of a change in ownership or a removal of the designation, recapture of deferred taxes will be calculated in the following manner: (7-1-24)

**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; (7-1-24)

**b.** Multiplied by the current levy for the tax code area or areas in which the parcel lies; (7-1-24)

**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 will be allowed for any yield tax paid up to the amount of the deferred taxes. (7-1-24)

**05. Investment Lands.** Investment lands are defined as those in secondary categories 1, 2, 3, 4, 5, and 9, as defined in Rule 510 of these rules. (7-1-24)

**967. -- 981. (RESERVED)**

**982. REPORTING NET PROFITS OF MINES.**  
Sections 63-2801, 63-2802, 63-2803, Idaho Code

**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 will 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 will be reported. Moneys received from rents, commissaries, discounts on purchases, and investments are not to be included. A separate annual net profit statement will 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 will not include amounts received pursuant to mines or mining claims located outside the county. The owner will complete the statement on forms prescribed by the Tax Commission. (7-1-24)

**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: (7-1-24)

**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; (7-1-24)

**b.** Expenses for improvements made during the year immediately preceding the current tax year; (7-1-24)

**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. (7-1-24)

**03. Non-deductible Items.** In addition to expenditures specified as non-deductible pursuant to Section 63-2802, Idaho Code, the following expenditures cannot be subtracted from the amount of money to be reported: (7-1-24)

**a.** Federal, state, and local taxes and license fees; (7-1-24)

**b.** Depreciation, depletion, royalties, and donations; (7-1-24)

**c.** Insurance except as listed in Subsection 982.02.a.; (7-1-24)

d. Construction repair, and operation of dwellings, community buildings, and recreational facilities;  
and (7-1-24)

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. (7-1-24)

**983. -- 987. (RESERVED)**

**988. QUALIFIED PROPERTY FOR EXEMPTION.**

Sections 63-302, 63-404, 63-3029B, Idaho Code

**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. (7-1-24)

a. 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. (7-1-24)

b. Operator's Statement is the annual statement listing all property subject to assessment by the Tax Commission and prepared under Section 63-404, Idaho Code. (7-1-24)

c. Personal Property Declaration is any form required for reporting personal property as found in Section 63-302, Idaho Code. (7-1-24)

d. 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. (7-1-24)

e. Qualified Investment Exemption (QIE) referred to in this rule is the property tax exemption under Section 63-3029B, Idaho Code. (7-1-24)

**02. Designation of Property for Which Exemption Is Elected.** The owner will designate the property on which the QIE is elected. The owner will 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. (7-1-24)

**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. (7-1-24)

**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. (7-1-24)

**05. Period of QIE.** The QIE will 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. (7-1-24)

**06. Election Specificity.** The QIE election provided by Section 63-3029B, Idaho Code, will 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 "calendar year in which the investment is placed in service" in Idaho, is not eligible for the QIE. (7-1-24)

**07. Notification by Assessor.** (7-1-24)

**a.** Upon Receipt of Form, the assessor will review the application and determine if the taxpayer qualifies for the property tax exemption under Section 63-3029B, Idaho Code. If the assessor determines that the property tax exemption should be granted, the assessor will notify the taxpayer and send a copy of this form or listing to the Tax Commission. (7-1-24)

**b.** Upon Discovery of Changes. Upon discovering that property granted the QIE was sold, otherwise disposed of, or ceased to qualify under Section 63-3029B, Idaho Code, within the five (5) year period beginning with the date the property was placed in service, the assessor will notify the Tax Commission and the taxpayer immediately. The assessor will 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 will include: (7-1-24)

i. Name of the owner receiving the QIE. (7-1-24)

ii. A description of the property that received the QIE. (7-1-24)

iii. State whether the individual item was purchased new or used. (7-1-24)

iv. The date the owner reported the item was first placed in service in Idaho. (7-1-24)

v. For each item, the amount of exempt value in the first year the QIE was elected and an identification of the year. (7-1-24)

vi. For each item, the amount of exempt value in the second year after the QIE was elected. (7-1-24)

vii. For each item, the number of the tax code area within which that item was located. (7-1-24)

**c.** Denial of the QIE. Upon review of the taxpayer's application, if the assessor determines that the property tax exemption should not be granted for all or part of the market value of any item or items, then the board of county commissioners will deny the exemption for those items. The assessor will notify the taxpayer electing the QIE and will identify the basis for the denial. The assessor's notification cancels the election with respect to those items. Upon receiving this notification, the taxpayer is then free to pursue the income tax credit under Section 63-3029B, Idaho Code, for those items denied the QIE by the board of county commissioners. The assessor will send a copy of the notification to the Tax Commission. (7-1-24)

**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, or 63-404, Idaho Code, when moving property that previously received the QIE. This notification: (7-1-24)

**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; (7-1-24)

i. The taxpayers will send this notification to the assessor in the county that granted the QIE and the assessor in the Idaho county to which the property has been moved. (7-1-24)

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. (7-1-24)

iii. The assessor receiving such notification will forward it to the Tax Commission. (7-1-24)

**b.** Is not required of taxpayers when the property is Tax Commission assessed non-regulated

operating property. (7-1-24)

**09. 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. (7-1-24)

**10. Limitation on Amount of Exemption.** (7-1-24)

**a.** New Property. The QIE will be for the full market value for assessment purposes for new property that is a qualifying investment. (7-1-24)

**b.** Used Property. The QIE for used property placed in service during a taxable year for income tax purposes will be limited. For each taxpayer, the QIE will be the lesser of the QIE cost or the current year's market value in accordance with the following procedure: (7-1-24)

**i.** QIE cost will 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 will not exceed one hundred fifty thousand dollars (\$150,000) in a taxable year. In the event the cost of one (1) or more items of used property exceeds one hundred fifty thousand dollars (\$150,000), QIE cost will 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). (7-1-24)

**ii.** For each item purchased used, the QIE will be limited to the lesser of the QIE cost or the current year's market value. (7-1-24)

**c.** 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. (7-1-24)

**11. Multi-County Taxpayers.** (7-1-24)

**a.** Except taxpayers electing QIE for property that is 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. (7-1-24)

**b.** Except taxpayers electing QIE for property that is 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 may be provided to comply with this requirement. (7-1-24)

**c.** Any taxpayers electing QIE for property that is Tax Commission assessed non-regulated 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. (7-1-24)

**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. (7-1-24)

**12. Special Provisions for Non-regulated Operating Property.** (7-1-24)

**a.** For non-regulated 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. (7-1-24)

**b.** The following special provisions apply for the reduction in market value of non-regulated operating property resulting from QIE being elected. (7-1-24)

**i.** Reduction in Idaho value. For non-regulated 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. (7-1-24)

**ii.** Reduction in market value of situs property owned by non-regulated operating property companies. For situs property owned by non-regulated operating property companies, the reduction in market value will be made by subtracting the market value of the specific investment in the specific location. (7-1-24)

**13. 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. (7-1-24)

**989. QUALIFIED INVESTMENT EXEMPTION (QIE) RECAPTURE.**  
Section 63-3029B, Idaho Code

**01. In General.** If a taxpayer has elected the property tax exemption (also known as the QIE) allowed by Section 63-3029B, Idaho Code, for property sold or otherwise disposed of prior to being held five (5) full years from the date placed in service, or property that ceases to qualify or failed to originally qualify pursuant to Section 63-3029B, Idaho Code, the property tax benefit will be subject to recapture. (7-1-24)

**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 will provide notification of the amount owing and will remit said amount to the Tax Commission by the due date of that taxpayer's income tax return. Notification will be accomplished by filing Tax Commission Form 49ER. (7-1-24)

**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 Tax Commission will issue a Notice of Deficiency in the manner provided in Section 63-3045, Idaho Code, to the taxpayer who claimed the QIE. The notice will show the calculation of the recaptured property tax benefit. (7-1-24)

**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 Tax Commission to request a redetermination of the deficiency. The protest will meet the requirements as provided in Section 63-3045, Idaho Code, and IDAPA 35.02.01, "Tax Commission Administrative and Enforcement Rules," Rule 320. (7-1-24)

**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 will multiply the exempt value of the property by the applicable average property tax levy determined by the Tax Commission under Subsection 989.06 or 989.07 of this rule. See Table for Reduction of Property Tax Benefit Subject to Recapture at <https://tax.idaho.gov>. The taxpayer will report this calculation on Form 49ER and will submit this form and remit the amount calculated to the Tax Commission no later than the date indicated in Section 989.02 of this rule. (7-1-24)

**06. County Average Property Tax Levy -- Locally Assessed Property Located in One (1) County or Non-apportioned Centrally Assessed Property.** For locally assessed property located in one (1) county or non-apportioned centrally assessed property, the Tax Commission will compute and report the county average property tax levy according to the following procedure. (7-1-24)

**a.** Property Tax Budget Summation - General. Except as provided in Paragraph 989.06.b. of this rule, for each year, sum the property tax portion of the annual budget of each taxing district wholly located within the county for which the average levy is to be calculated. This is the approved amount found on the taxing district's L-2 Form in the column entitled "Balance to be levied" as described in Rule 803 of these rules. To this amount, add the prorated portion of the approved "Balance to be levied" for any taxing district located partially within the county for

which the average levy is to be calculated. The prorated portion is determined by multiplying the levy for the taxing district by the net 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. (7-1-24)

**b.** Property Tax Budget Summation - Special Rules for Counties with Urban Renewal Revenue Allocation Areas. This provision is applicable when taxing districts in the county have funds with levies calculated including all or part of an urban renewal revenue allocation area increment value pursuant to Sections 50-2908(1)(a) through (e), Idaho Code. (7-1-24)

i. For any such fund, the prorated portion is determined by multiplying the levy of the fund by the net taxable value within the county, including the increment value, used to determine the levy for that fund. (7-1-24)

ii. For any such fund for which the entire increment value is added to the net taxable value before computing the levy, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (7-1-24)

iii. For any such fund for which part of the increment value is added to the net taxable value before computing the levy, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (7-1-24)

iv. Provided that some taxing district funds within the county are subject to the levy calculation procedures identified in Subparagraphs 989.06.b.ii. and/or iii. of this rule, for all funds other than those identified in this rule, the sum of the property tax portion of the annual budgets and prorated portions of such budgets must be determined. (7-1-24)

**c.** Average Property Tax Levy. (7-1-24)

i. For counties without urban renewal revenue allocation areas, the average property tax levy will be computed by dividing the total of the property tax budgets computed in Paragraph 989.06.a. of this rule, by the net taxable value (as defined in Section 63-803(4), Idaho Code) of the county for which the average levy is to be calculated. (7-1-24)

ii. For counties with urban renewal revenue allocation areas and funds with levies calculated including all or part of urban renewal revenue allocation area increment value pursuant to Sections 50-2908(1)(a) through (e), Idaho Code, the average property tax levy will be computed by summing the quotients determined by dividing the sums determined in Subparagraphs 989.06.b.ii., iii., and iv., by the net taxable value of the county including the entire increment value, part of the increment value, or none of the increment value, depending on whether all, part, or none of the increment value has been used to determine the levy. (7-1-24)

**d.** Notice to Each County Auditor. The 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. (7-1-24)

**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 Tax Commission will determine the average urban property tax levy of the state and will notify each county auditor of said average no later than the first Monday in December each year. (7-1-24)

**08. Noticing Remittance for the Recapture of the Property Tax Benefit.** When the Tax Commission remits to a county the property tax benefit recaptured under Section 63-3029B(4)(f), Idaho Code, it will include with this remittance a notice identifying the following: (7-1-24)

**a.** Owner. Name of the owner receiving the QIE; (7-1-24)

**b.** Property Description. A description of the property that received the QIE; (7-1-24)

**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; (7-1-24)

d. Second Year Value of QIE. The amount of exempt value in the second year after the QIE was elected; (7-1-24)

e. Tax Code Area Number. The number of the tax code area within which that item was located; and (7-1-24)

f. Amount Remitted. The amount of money remitted for any item. (7-1-24)

**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, will not be subject to allocation to urban renewal agencies. (7-1-24)

**10. Penalty and Interest.** Penalty and interest will be determined as provided in Sections 63-3045 and 63-3046, Idaho Code. Penalty and interest will be computed from the due date found in Subsection 989.02 of this rule. (7-1-24)

**11. Cross Reference.** For more information relating to QIE, refer to Section 63-3029B, Idaho Code, and Rule 988 of these rules. (7-1-24)

**990. -- 994. (RESERVED)**

**995. CERTIFICATION OF SALES TAX DISTRIBUTION.**  
Section 63-3638, Idaho Code

**01. Most Current Census.** Population is estimated using the most current census or estimate of city and county populations during the quarter for which sales tax money is distributed. Such estimates can be found at the Bureau of the Census at: <https://www.census.gov/programs-surveys/popest/data/tables.html>. (7-1-24)

**02. Current Fiscal Year.** For distribution purposes, the current fiscal year begins with the distribution made in October, following collection of sales taxes in July, August, and September. (7-1-24)

**03. Incorporated City.** To qualify for sales tax distribution, an incorporated city is one (1) with a duly elected mayor and city council. (7-1-24)

**04. Determination Date and Eligibility.** (7-1-24)

a. Except as provided in Paragraph 995.04.b. of this rule, the eligibility of each city for revenue sharing monies pursuant to Section 63-3638(10)(a), Idaho Code, is determined as of July 1 of the current year. Cities not receiving distributions in fiscal year 2020 are ineligible to receive monies under Section 63-3638(10)(a), Idaho Code. (7-1-24)

b. Taxing districts that are out of compliance with the requirements of Section 67-1076, Idaho Code, are ineligible for quarterly distributions provided under Section 63-3638(10), Idaho Code. Once the Tax Commission is notified by the State Controller's Office that the district is complying, quarterly distributions resume, including any amounts previously withheld under these provisions. (7-1-24)

**05. Quarterly Certification.** Except if shares are required to be withheld pursuant to Section 67-1076, Idaho Code, the Tax Commission will certify quarterly to each county clerk the distributions required pursuant to Section 63-3638(10)(c), Idaho Code, and the distributions to cities and counties required pursuant to Section 63-3638(10)(a) and (b), Idaho Code. (7-1-24)

a. Shares distributed quarterly pursuant to Section 63-3638(10)(a), (b), or (c), Idaho Code, are termed revenue sharing. The distribution found in Section 63-3638(10)(b)(ii)(1), Idaho Code, in the amount of one million three hundred twenty thousand dollars (\$1,320,000), is considered an annual amount divided into four (4) equal shares. (7-1-24)

**b.** The Tax Commission will withhold authorized payments to cities, counties, or special purpose taxing districts to comply with the requirements of Section 67-1076, Idaho Code. The Tax Commission will publish a report on its website to notify the county of the district, which is failing to comply, and the amount being withheld. Once the Tax Commission is notified by the state controller that a previously non-compliant taxing district has achieved compliance, the Tax Commission will distribute withheld funds with the next quarterly sales tax distribution. (7-1-24)

**c.** Urban renewal agencies failing to comply with the reporting requirements found in Section 50-2913, Idaho Code, will have authorized payments identified in Section 63-3638(13), Idaho Code, withheld. Once the urban renewal agency complies with the necessary reporting requirements, the Tax Commission will distribute the withheld funds with the next quarterly sales tax distribution. (7-1-24)

**06. Corrections.** (7-1-24)

**a.** Corrections of distribution errors are made in the following quarterly distribution(s) of the current fiscal year. Corrections occurring in the final quarter of the fiscal year are made as soon as possible in the following fiscal year. (7-1-24)

**b.** The Tax Commission will notify affected county clerks when the Tax Commission becomes aware of an error in distributions. (7-1-24)

**996. -- 999. (RESERVED)**