

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 483

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO FIRST-TIME HOME BUYERS; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3022V, IDAHO CODE, TO PROVIDE FOR FIRST-TIME HOME BUYER SAVINGS ACCOUNTS; AND DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3022V, Idaho Code, and to read as follows:

63-3022V. DEDUCTION FOR FIRST-TIME HOME BUYERS. (1) As used in this section:

(a) "Account holder" means an individual who lives in Idaho, who is a first-time home buyer, and who establishes, individually or jointly, a first-time home buyer savings account. A married individual living in Idaho who is also a first-time home buyer, filing separately, may be an account holder if the account is established separately from the person's spouse. Married individuals filing jointly are considered the account holder if they both live in Idaho and one is a first-time home buyer.

(b) "Commission" means the Idaho state tax commission.

(c) "Depository" means a state or national bank, a savings and loan association, a credit union, or a trust company authorized to act as a fiduciary, authorized to do business in Idaho.

(d) (i) "Eligible home costs" means:

1. The down payment for the purchase of a single-family residence in Idaho; or

2. A cost, fee, tax, or payment incurred by, charged to, or assigned to an account holder for the purchase of a single-family residence in Idaho and listed on the statement of receipts and disbursements for the sale, including any statement prescribed by 12 CFR 1026.38, as amended.

(ii) "Eligible home costs" also includes any United States veterans administration funding fee incurred by, charged to, or assigned to a designated beneficiary in connection with a veterans administration home loan guaranty program.

(e) "First-time home buyer" means an individual who lives in Idaho and who does not own, either individually or jointly, a single-family or multifamily residence and who has not owned or purchased, either individually or jointly, a single-family residence in Idaho.

(f) "First-time home buyer savings account" means an account established in Idaho with a depository to pay the eligible home costs of the

1 account holder or reimbursing the account holder's eligible home costs  
2 in connection with a qualified home purchase.

3 (g) "Qualified home purchase" means, with respect to a first-time home  
4 buyer savings account, the purchase of a single-family residence in  
5 Idaho by the account holder on the date or after the date the account  
6 holder opened a first-time home buyer savings account.

7 (h) "Single-family residence" means a residential dwelling owned and  
8 occupied, or under contract to be constructed, by an account holder as  
9 the account holder's principal residence, including but not limited to  
10 a manufactured home, mobile home, condominium unit, or townhome.

11 (2) For taxable years commencing on and after January 1, 2020, annual  
12 contributions and interest earned on a first-time home buyer savings account  
13 may be deducted from the taxable income of the account holder. Annual deduc-  
14 tions shall not exceed fifteen thousand dollars (\$15,000) per year for an in-  
15 dividual or thirty thousand dollars (\$30,000) per year for a married couple  
16 filing jointly. Annual contributions to a first-time home buyer savings ac-  
17 count may exceed the amount deductible under this section.

18 (3) The account holder shall be the beneficiary of the first-time home  
19 buyer savings account. The designation shall be made on forms provided by  
20 the commission during the year following the date on which the account is es-  
21 tablished.

22 (4) Funds held in a first-time home buyer savings account may be with-  
23 drawn by the account holder at any time. Withdrawals for the purpose of pay-  
24 ing eligible home costs shall not be subject to the tax imposed in this chap-  
25 ter. The burden of proving that a withdrawal from a first-time home buyer  
26 savings account was made for an eligible home cost is solely upon the account  
27 holder. Other withdrawals shall be subject to the following:

28 (a) The withdrawal of funds by the account holder for purposes other  
29 than the payment of eligible home costs shall be subject to taxes other-  
30 wise due.

31 (b) The direct transfer of funds from a first-time home buyer savings  
32 account to another first-time home buyer savings account at a differ-  
33 ent depository shall not be considered a withdrawal for purposes of this  
34 section. Charges relating to the administration and maintenance of the  
35 account by the depository are not withdrawals for purposes of this sec-  
36 tion.

37 (c) Funds deposited in a first-time home buyer savings account that  
38 are deposited in error or unintentionally and that are withdrawn within  
39 ninety (90) days of being deposited shall be treated as if the amounts  
40 had not been deposited in the first-time home buyer savings account.

41 (d) Funds withdrawn from a first-time home buyer savings account that  
42 are withdrawn in error or unintentionally and that are redeposited into  
43 a first-time home buyer savings account within ninety (90) days of being  
44 withdrawn shall be treated as if the amounts had not been withdrawn from  
45 the first-time home buyer savings account.

46 (e) Upon the death of an account holder, the account principal, as  
47 well as any interest accumulated thereon, shall be distributed without  
48 penalty to a beneficiary or beneficiaries designated by the account  
49 holder.

1           (5) In the case of first-time home buyer savings accounts, account  
2 holders shall provide to the state tax commission, in the routine fashion  
3 used for all interest-bearing accounts, the same information that is pro-  
4 vided for any interest-bearing bank account and shall also include an attes-  
5 tation under the penalty of perjury that the account holder is a first-time  
6 home buyer as defined in this section. To minimize the burden of reporting,  
7 the information shall be provided in the format in which information is  
8 provided for any interest-bearing bank account to the state tax commission.  
9 Depositories shall report withdrawals within ninety (90) days on a form pro-  
10 vided by the commission. Account holders shall provide on any state income  
11 tax form in which they take a deduction for a first-time home buyer savings  
12 account the account number of their first-time home buyer savings account  
13 and the depository at which the account is held.

14           (6) First-time home buyer savings accounts shall be nontransferable to  
15 any person who is not the account holder.

16           (7) The commission shall promulgate rules to administer the provisions  
17 of this section.

18           SECTION 2. An emergency existing therefor, which emergency is hereby  
19 declared to exist, this act shall be in full force and effect on and after its  
20 passage and approval, and retroactively to January 1, 2020.