

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 212

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO PROPERTY TAX REDUCTION; AMENDING SECTION 63-701, IDAHO CODE, TO
REVISE A DEFINITION; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. That Section 63-701, Idaho Code, be, and the same is hereby
amended to read as follows:

63-701. DEFINITIONS. As used in this chapter:

(1) "Claimant" means a person who has filed an application under section 63-602G, Idaho Code, and has filed a claim under the provisions of sections 63-701 through 63-710, Idaho Code. Except as provided in section 63-702(2), Idaho Code, on January 1 or before April 15 of the year in which the claimant first filed a claim on the homestead in question, a claimant must be an owner of the homestead, a claimant must have lawful presence in the United States pursuant to section 67-7903, Idaho Code, and on January 1 of said year a claimant must be:

(a) Not less than sixty-five (65) years old; or

(b) A child under the age of eighteen (18) years who is fatherless or motherless or who has been abandoned by any surviving parent or parents; or

(c) A widow or widower; or

(d) A disabled person who is recognized as disabled by the social security administration pursuant to title 42 of the United States Code, or by the railroad retirement board pursuant to title 45 of the United States Code, or by the office of management and budget pursuant to title 5 of the United States Code, or, if a person is not within the purview of, and is therefore not recognized as disabled by, any other entity listed in this paragraph, then by the public employee retirement system or public employee disability plan in which the person participates that may be of any state, local unit of government or other jurisdiction in the United States of America; or

(e) A disabled veteran of any war engaged in by the United States, whose disability is recognized as a service-connected disability of a degree of ten percent (10%) or more, or who has a pension for nonservice-connected disabilities, in accordance with laws and regulations administered by the United States department of veterans affairs; or

(f) A person, as specified in 42 U.S.C. 1701, who was or is entitled to receive benefits because he is known to have been taken by a hostile force as a prisoner, hostage or otherwise; or

(g) Blind.

(2) "Homestead" means the dwelling, owner-occupied by the claimant as described in this chapter and used as the primary dwelling place of the claimant and may be occupied by any members of the household as their home,

1 and so much of the land surrounding it, not exceeding one (1) acre, as is
 2 reasonably necessary for the use of the dwelling as a home. It may consist
 3 of a part of a multidwelling or multipurpose building and part of the land
 4 upon which it is built. "Homestead" does not include personal property such
 5 as furniture, furnishings or appliances, but a manufactured home may be a
 6 homestead.

7 (3) "Household" means the claimant and the claimant's spouse. The term
 8 does not include bona fide lessees, tenants, or roomers and boarders on con-
 9 tract. "Household" includes persons described in subsection (8) (b) of this
 10 section.

11 (4) "Household income" means all income received by the claimant and,
 12 if married, all income received by the claimant's spouse, in a calendar year.

13 (5) "Income" means the sum of federal adjusted gross income as defined
 14 in the Internal Revenue Code, as defined in section 63-3004, Idaho Code, and
 15 to the extent not already included in federal adjusted gross income:

16 (a) Alimony;

17 (b) Support money;

18 (c) Nontaxable strike benefits;

19 (d) The nontaxable amount of any individual retirement account, pen-
 20 sion or annuity, including railroad retirement benefits, all payments
 21 received under the federal social security act except the social secu-
 22 rity death benefit as specified in this subsection, state unemployment
 23 insurance laws, and veterans disability pensions and compensation, ex-
 24 cluding any return of principal paid by the recipient of an annuity and
 25 excluding rollovers as provided in 26 U.S.C. 402 or 403, and excluding
 26 the nontaxable portion of a Roth individual retirement account distri-
 27 bution, as provided in 26 U.S.C. 408A;

28 (e) Nontaxable interest received from the federal government or any of
 29 its instrumentalities or a state government or any of its instrumentali-
 30 ties;

31 (f) Worker's compensation; and

32 (g) The gross amount of loss of earnings insurance.

33 It does not include gifts from nongovernmental sources or inheritances. To
 34 the extent not reimbursed, the cost of medical care as defined in section
 35 213(d) of the Internal Revenue Code, incurred and paid by the claimant and,
 36 if married, the claimant's spouse, may be deducted from income. To the ex-
 37 tent not reimbursed, personal funeral expenses, including prepaid funeral
 38 expenses and premiums on funeral insurance, of the claimant and claimant's
 39 spouse only, may be deducted from income up to an annual maximum of five thou-
 40 sand dollars (\$5,000) per claim. "Income" does not include veterans dis-
 41 ability pensions received by a person described in subsection (1) (e) of this
 42 section who is a claimant or a claimant's spouse if the disability pension
 43 is received pursuant to a service-connected disability of a degree of forty
 44 percent (40%) or more. "Income" does not include dependency and indemnity
 45 compensation or death benefits paid to a person described in subsection (1)
 46 of this section by the United States department of veterans affairs and aris-
 47 ing from a service-connected death or disability. "Income" does not include
 48 lump sum death benefits made by the social security administration pursuant
 49 to 42 U.S.C. 402(i). Documentation of medical expenses may be required by
 50 the county assessor and state tax commission in such form as the county as-

1 sessor or state tax commission shall determine. In the case of a claimant
 2 who owns and whose homestead is a certified family home as defined in section
 3 39-3502, Idaho Code, "income" does not include payments that the claimant
 4 received as an enrolled medicaid provider from the medical assistance pro-
 5 gram. "Income" shall be that received in the calendar year immediately
 6 preceding the year in which a claim is filed. Where a claimant and/or the
 7 claimant's spouse does not file a federal tax return, the claimant's and/or
 8 the claimant's spouse's federal adjusted gross income, for purposes of this
 9 section, shall be an income equivalent to federal adjusted gross income had
 10 the claimant and/or the claimant's spouse filed a federal tax return, as de-
 11 termined by the county assessor. The county assessor or state tax commission
 12 may require documentation of income in such form as each shall determine,
 13 including, but not limited to: copies of federal or state tax returns and any
 14 attachments thereto; and income reporting forms such as the W-2 and 1099.

15 For determining income for certain married individuals living apart,
 16 the provisions of sections 2(c) and 7703(b) of the Internal Revenue Code
 17 shall apply.

18 (6) "Occupied" means actual use and possession.

19 (7) "Owner" means a person holding title in fee simple or holding a cer-
 20 tificate of motor vehicle title (either of which may be subject to mortgage,
 21 deed of trust or other lien) or who has retained or been granted a life estate
 22 or who is a person entitled to file a claim under section 63-702, Idaho Code.
 23 "Owner" shall also include any person who:

24 (a) Is the beneficiary of a revocable or irrevocable trust which is the
 25 owner of such homestead and under which the claimant or the claimant's
 26 spouse has the primary right of occupancy of the homestead; or

27 (b) Is a partner of a limited partnership, member of a limited liabil-
 28 ity company or shareholder of a corporation if such entity holds title
 29 in fee simple or holds a certificate of motor vehicle title and if the
 30 person holds at least a five percent (5%) ownership in such entity, as
 31 determined by the county assessor; or

32 (c) Has retained or been granted a life estate.

33 "Owner" includes a vendee in possession under a land sale contract. Any
 34 partial ownership shall be considered as ownership for determining initial
 35 qualification for property tax reduction benefits; however, the amount of
 36 property tax reduction under section 63-704, Idaho Code, and rules promul-
 37 gated pursuant to section 63-705, Idaho Code, shall be computed on the value
 38 of the claimant's partial ownership. "Partial ownership," for the purposes
 39 of this section, means any one (1) person's ownership when property is owned
 40 by more than one (1) person or where the homestead is held by an entity, as
 41 set forth in this subsection, but more than one (1) person has the right of
 42 occupancy of such homestead. A person holding either partial title in fee
 43 simple or holding a certificate of motor vehicle title together with another
 44 person, but who does not occupy the dwelling as his primary dwelling place,
 45 shall not be considered an owner for purposes of this section, if such person
 46 is a cosignatory of a note secured by the dwelling in question and at least
 47 one (1) of the other cosignatories of the note occupies the dwelling as his
 48 primary dwelling place. The combined community property interests of both
 49 spouses shall not be considered partial ownership as long as the combined
 50 community property interests constitute the entire ownership of the home-

1 stead, including where the spouses are occupying a homestead owned by an en-
2 tity, as set forth in this subsection, and the spouses have the primary right
3 of occupancy of the homestead. The proportional reduction required under
4 this subsection shall not apply to community property interests. Where
5 title to property was held by a person who has died without timely filing a
6 claim for property tax reduction, the estate of the deceased person shall be
7 the "owner," provided that the time periods during which the deceased person
8 held such title shall be attributed to the estate for the computation of any
9 time periods under subsection (8) (a) or (b) of this section.

10 (8) (a) "Primary dwelling place" means the claimant's dwelling place
11 on January 1 or before April 15 of the year for which the claim is made.
12 The primary dwelling place is the single place where a claimant has
13 his true, fixed and permanent home and principal establishment, and to
14 which whenever the individual is absent he has the intention of return-
15 ing. A claimant must establish the dwelling to which the claim relates
16 to be his primary dwelling place by clear and convincing evidence or by
17 establishing that the dwelling is where the claimant resided on January
18 1 or before April 15 and:

19 (i) At least six (6) months during the prior year; or

20 (ii) The majority of the time the claimant owned the dwelling if
21 owned by the claimant less than one (1) year; or

22 (iii) The majority of the time after the claimant first occupied
23 the dwelling if occupied by the claimant for less than one (1)
24 year. The county assessor may require written or other proof of
25 the foregoing in such form as the county assessor may determine.

26 (b) Notwithstanding the provisions of paragraph (a) of this subsec-
27 tion, the property upon which the claimant makes application shall be
28 deemed to be the claimant's primary dwelling place if the claimant is
29 otherwise qualified and resides in a care facility and does not allow
30 the property upon which the claimant has made application to be occu-
31 pied by persons paying a consideration to occupy the dwelling. Payment
32 of utilities shall not be payment of a consideration to occupy the
33 dwelling. A claimant's spouse who resides in a care facility shall be
34 deemed to reside at the claimant's primary dwelling place and to be a
35 part of the claimant's household. A care facility is a hospital, nurs-
36 ing facility or intermediate care facility for people with intellectual
37 disabilities as defined in section 39-1301, Idaho Code, or a facility
38 as defined in section 39-3302(16), Idaho Code, or a dwelling other than
39 the one upon which the applicant makes application where a claimant who
40 is unable to reside in the dwelling upon which the application is made
41 lives and receives help in daily living, protection and security.

42 SECTION 2. This act shall be in full force and effect on and after Jan-
43 uary 1, 2022.