

ASSOCIATED TAXPAYERS OF IDAHO



State of Idaho Economic Outlook & Revenue Assessment Committee

Prepared By:

Associated Taxpayers of Idaho
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2013 County Assessed (Taxable) Property Values:

SUMMARY TABLE FOR TEN
MOST POPULATED COUNTIES
PLUS MOST ASSESSED VALUE CHANGE

<u>COUNTY</u>	<u>COUNTY SEAT</u>	<u>2013 COUNTY POPULATION</u>	<u>2014 ASSESSED VALUE</u>	<u>2013-14 ASSESSED VALUE CHANGE</u>
1. Ada	Boise	416,464	\$30,720.9 M	\$3,659.6 M
2. Canyon	Caldwell	198,871	\$8,731.0	\$1,481.2
3. Kootenai	Coeur d'Alene	144,265	\$12,360.0	\$887.9
4. Bonneville	Idaho Falls	107,517	\$5,580.1	\$76.6
5. Bannock	Pocatello	83,249	\$3,987.9	(\$12.6)
6. Twin Falls	Twin Falls	79,957	\$4,525.9	\$256.3
7. Bingham	Blackfoot	45,290	\$1,836.8	(\$8.1)
8. Bonner	Sandpoint	40,699	\$5,629.8	(\$52.8)
9. Nez Perce	Lewiston	39,915	\$2,669.6	\$69.4
10. Latah	Moscow	38,078	\$2,026.3	(\$3.8)
SUBTOTAL		1,194,305 (74.1%)	\$78,068.3 (67.8%)	\$6,353.6 (82.6%)
Valley	Cascade	9,606	3,091.0	413.8
Blaine	Hailey	21,329	8,567.7	386.6
Payette	Payette	22,610	1,158.0	111.2
Gem	Emmett	16,686	747.8	71.1
SUBTOTAL (Cumulative)		1,264,536 (78.4%)	\$91,632.9 (79.6%)	\$7,336.3 (95.4%)
TOTAL STATE		1,612,136 (100%)	\$115,067.0 (100%)	\$7,689.2 (100%)

* 2013 Census Estimates (7-1-13)

** Does not include previous year's subroll (est. only).

Assessed (taxable) property value in Idaho's counties increased by \$7,689.2 million between 2013 and 2014. The ten most populated counties had 82.6% of Idaho's increased value (several lower population counties had a decrease). When you include Valley, Blaine, Payette and Gem counties with the ten most populated counties, 95.4% of Idaho's value change is accounted for.

The \$7,689.2 million assessed market value change for 2013-14 is 121.6% more than the 2012-13 change of \$3,469.5 million. The 2011-2012 change was \$(2,755.4) million and 2010-11 change was \$(5,253.5) million.

Ada and Canyon counties showed the largest 2013-14 assessed market value change at \$3,659.6M and \$1,481.2M, respectively. In the 2012-13 period Ada and Canyon counties also showed the largest increases at \$2,445.9 and \$621.3 million, respectively.

Seventeen counties lost net assessed market value in the 2013-14 period. Sixteen counties lost net assessed value in the 2012-13 period. Twenty six counties in the 2011-12 period lost net assessed value.

Note: Assessed Market Value data is listed on following page.

ASSESSED VALUE CHANGES (2013/2014)

SUMMARY OF STATEWIDE ASSESSED VALUE CHANGES (2013/2014)

2013/2014 Difference (includes subrolls)	\$107,732.8 to \$115,272.3 =	\$7,539.5M	7.0%
Categories with increases:			
Urban/Rural-owner occupied residential,	\$4,750.7		10.8%
Urban/Rural non-owner occupied residential,	\$2,274.3		9.2%
Urban/Rural Commercial/Industrial,	\$171.7		4.0%
Agriculture,	\$206.8		3.4%
Mining,	\$27.5		0.4%
Operating,	\$123.8		3.8%
		<u>\$7,554.8M</u>	
Categories with decreases:			
Timber,	\$(15.3)		(1.0)%
		<u>\$(15.3)M</u>	

Statewide County Assessed Market Values, 2014 and 2013 Compared

<u>COUNTY</u>	<u>2014</u>	<u>2013</u>	<u>DIFFERENCE</u>	<u>% Chg.</u>
Ada	\$30,720,935,294	\$27,061,316,878	3,659,618,416	13.5%
Canyon	8,730,965,094	7,249,795,384	1,481,169,710	20.4%
Kootenai	12,359,983,215	11,472,122,065	887,861,150	7.7%
Valley	3,091,034,652	2,677,246,794	413,787,858	15.5%
Blaine	8,567,706,762	8,181,114,994	386,591,768	4.7%
Twin Falls	4,525,926,389	4,269,667,068	256,259,321	6.0%
Payette	1,158,040,605	1,046,848,987	111,191,618	10.6%
Bonneville	5,580,090,866	5,503,515,308	76,575,558	1.4%
Gem	747,840,231	676,759,426	71,080,805	10.5%
Nez Perce	2,669,603,110	2,600,213,980	69,389,130	2.7%
Boise	718,761,360	654,335,346	64,426,014	9.8%
Madison	1,491,099,477	1,438,735,108	52,364,369	3.6%
Cassia	1,242,215,037	1,197,479,427	44,735,610	3.7%
Jefferson	1,108,393,701	1,065,106,404	43,287,297	4.1%
Power	832,960,411	795,341,272	37,619,139	4.7%
Minidoka	1,145,154,646	1,113,189,733	31,964,913	2.9%
Bear Lake	773,092,686	742,093,345	30,999,341	4.2%
Adams	409,514,177	392,834,675	16,679,502	4.2%
Lemhi	628,540,197	613,290,057	15,250,140	2.5%
Washington	696,394,278	681,710,745	14,683,533	2.2%
Custer	787,622,696	775,793,234	11,829,462	1.5%
Gooding	926,366,695	919,081,902	7,284,793	0.8%
Teton	1,315,144,603	1,308,185,937	6,958,666	0.5%
Lewis	266,541,185	262,072,254	4,468,931	1.7%
Benewah	607,606,384	603,872,926	3,733,458	0.6%
Elmore	1,284,030,848	1,283,344,086	686,762	0.1%
Caribou	742,825,832	742,395,930	429,902	0.1%
Lincoln	298,834,681	299,067,106	(232,425)	-0.1%
Owyhee	534,268,931	535,041,875	(772,944)	-0.1%
Boundary	824,574,684	825,462,900	(888,216)	-0.1%
Clearwater	565,818,514	566,801,049	(982,535)	-0.2%
Jerome	1,237,390,267	1,238,431,784	(1,041,517)	-0.1%
Oneida	299,372,703	301,208,860	(1,836,157)	-0.6%
Fremont	1,598,849,821	1,600,780,698	(1,930,877)	-0.1%
Idaho	1,242,940,943	1,245,361,827	(2,420,884)	-0.2%
Clark	111,991,595	114,479,961	(2,488,366)	-2.2%
Latah	2,026,311,076	2,030,086,455	(3,775,379)	-0.2%
Camas	129,315,053	133,227,727	(3,912,674)	-2.9%
Shoshone	847,074,591	852,360,259	(5,285,668)	-0.6%
Butte	158,759,805	164,916,373	(6,156,568)	-3.7%
Franklin	608,683,407	615,175,675	(6,492,268)	-1.1%
Bingham	1,836,753,600	1,844,868,254	(8,114,654)	-0.4%
Bannock	3,987,925,941	4,000,492,467	(12,566,526)	-0.3%
Bonner	5,629,765,097	5,682,576,687	(52,811,590)	-0.9%

TOTAL **\$115,067,021,140** **\$107,377,803,222** **7,689,217,918** **7.2%**

Note: This report does not include previous year's subroll (est. only)

STATEWIDE COUNTY ASSESSED MARKET VALUES

	<u>ASSESSED VALUE</u>	<u>ANNUAL CHANGE</u>	<u>PERCENT CHANGE</u>
1995	\$43,839,862,440	5,488,962,877	14.3%
1996	\$48,481,013,384	4,641,150,944	10.6%
1997	\$52,775,255,544	2,732,051,318	8.9%
1998	\$55,496,564,717	2,721,309,173	5.2%
1999	\$58,651,591,077	3,155,026,360	5.7%
2000	\$61,670,716,906	3,019,125,829	5.1%
2001	\$65,275,466,481	3,604,749,575	5.8%
2002	\$70,087,450,291	4,811,983,810	7.4%
2003	\$73,101,262,803	3,013,812,512	4.3%
2004	\$78,139,218,807	5,037,956,004	6.9%
2005	\$89,368,562,766	11,229,343,959	14.4%
2006	\$107,088,168,237	17,719,605,471	19.8%
2007	\$124,776,548,554	17,688,380,317	16.5%
2008	\$130,228,278,648	5,451,730,094	4.4%
2009	\$123,570,159,399	(\$6,658,119,249)	-5.1%
2010	\$111,930,297,991	(\$11,639,861,408)	-9.4%
2011	\$106,676,820,489	(\$5,253,477,502)	-4.7%
2012	\$103,920,844,961	(\$2,755,975,528)	-2.6%
2013	\$107,377,803,222	3,456,958,261	3.3%
2014	\$115,067,021,140	\$7,689,217,918	7.2%
		AVERAGE ANNUAL % CHANGE:	5.9%

Note: This report does not include previous year's subroll (est. only).

STATEWIDE PROPERTY TAXES

	<u>PROPERTY TAX</u>	<u>ANNUAL CHANGE</u>	<u>PERCENT CHANGE</u>
1995	\$664,154,029	12,510,091	1.9%
1996	\$715,019,982	50,865,953	7.7%
1997	\$763,666,555	48,646,573	6.8%
1998	\$806,968,605	43,302,050	5.7%
1999	\$860,142,903	53,174,298	6.6%
2000	\$914,305,605	54,162,702	6.3%
2001	\$948,475,293	34,169,688	3.7%
2002	\$1,021,276,868	72,801,575	7.7%
2003	\$1,081,105,698	59,828,830	5.9%
2004	\$1,140,757,718	59,652,020	5.5%
2005	\$1,239,148,202	98,390,484	8.6%
2006	\$1,097,683,066	(141,465,136)	-11.4%
2007	\$1,217,829,785	120,146,719	10.9%
2008	\$1,315,790,274	97,960,489	8.0%
2009	\$1,341,395,585	25,605,311	1.9%
2010	\$1,367,940,792	26,545,207	2.0%
2011	\$1,380,558,410	12,617,618	0.9%
2012	\$1,433,552,775	52,994,365	3.8%
2013	\$1,502,618,576	69,065,801	4.8%
*2014	\$1,552,078,438	49,459,862	3.3%

AVERAGE ANNUAL % CHANGE: 4.5%

Note: This report does not include previous year's subroll (est. only).

* In 2013 the legislature passed HB315 exempting \$100,000 per county in personal property values. To hold the local governments harmless, the tax charge is reimbursed by General Fund dollars. That reimbursement equals \$18.9 million and is not included in the 2014 tax charge.

SUMMARY OF FINDINGS (REVENUE PROJECTIONS)

FISCAL YEAR	GENERAL ACCOUNT REVENUE (in millions)	% Change
1995	1,288.1	9.8%
*1996	1,350.9	4.9%
1997	1,391.9	3.0%
1998	1,482.1	6.5%
1999	1,624.5	9.6%
2000	1,821.0	12.1%
2001	1,984.6	9.0%
2002	1,690.3	-14.8%
2003	1,750.5	3.6%
2004	2,033.6	16.2%
2005	2,268.8	11.6%
2006	2,431.3	7.2%
2007	2,812.5	15.7%
2008	2,909.8	3.5%
2009	2,466.6	-15.2%
2010	2,264.5	-8.2%
2011	2,444.5	7.9%
2012	2,587.7	5.9%
2013	2,750.3	6.3%
2014	2,815.4	2.4%
2015 Estimate	2,976.3	5.7%
2016 Forecast	3,138.8	5.5%

*First year HB156-implemented. Provided \$40.8M of state sales taxes for school M&O property tax relief. This amount grows at the rate of taxable property value growth. The FY 97 amount was \$45.2M and FY 98 was \$50.4M. In FY 99 SB1564 (trailer bill to SB1555) amended the public school appropriation to include the amount of property tax replacement previously diverted directly from the sales tax. In FY 99 this added \$54.6M to the State General Fund, FY 2000 was \$58.0M, FY 2001 was \$60.9M, FY 2002 was \$64.6M, FY 2003 was \$68.9M, FY 2004 was \$73.0M and in FY 2005 the amount is capped at \$75.0M (see HB 463 of 2003). On August 25, 2006 HB1 passed the special Idaho Legislative session. HB1 shifted the remaining .3% school M & O levy from the property tax to the state general fund, which was paid with a 1-cent sales tax increase that began October 1, 2006. On April 3, 2013 HB 315 was passed, this Bill exempted the first \$100,000 in personal property value for businesses.

August revised Executive Estimate for FY 2015 = \$2,970.6M (5.5% over \$2,815.4M, FY 2014 actual).

Sources: Idaho General Fund Revenue Report - Division of Financial Management.
Executive Budget, Fiscal Year 2013, Division of Financial Management.
Idaho Legislature, General Fund Budget Monitor, November 2014 (and prior reports).

2015 Estimate

Based on general account revenues collected since 1995, existing accruals and the expectation of continued revenue growth, the FY 2015 estimate is \$2,976.3 M or 5.7% over FY 2014 (higher than DFM's August \$2,970.6M adjusted amount).

2016 Forecast

The attached background data about Idaho's economic future indicates there will be an increase from the 2015 revenue. The fundamental factors that make the Pacific NW (and Idaho) attractive remain in place.

Most segments of Idaho's economy are showing signs of growth.

Federal budgeting, national debt, energy costs, federal taxes and potential impacts of federal policy decisions will continue being on the minds of our citizens. Borrowers and lenders alike are expected to continue to be cautious, but a 5.7% increase from 2014 revenues is certainly possible.

**General Fund Update, State Division of Financial Management, November 30, 2011, 2012, 2013, 2014
and 2015 Revenues. (Table also includes ATI calculations).**

REVENUE SOURCE	11/30/2011	% of	11/30/2012	% of	11/30/2013	% of	11/30/2014	% of
	FY 2012	YR END	FY 2013	YR END	FY 2014	YR END	FY 2015	YR END
Individual Income Tax	\$465.7 M	38.6%	\$468.8 M	38.6%	\$505.4 M	38.0%	\$543.6 M	
Corporate Income Tax	49.2	26.3%	47.6	26.3%	60.0	31.9%	61.4	
Sales Tax	441.8	43.0%	474.5	43.0%	492.7	43.0%	521.2	
Product Taxes	20.5	47.5%	24.0	47.5%	21.8	54.0%	22.6	
Miscellaneous	38.8	31.3%	40.9	31.3%	34.8	32.1%	30.6	
TOTAL	\$1,016.0 M	39.26%	\$1,055.7 M	38.38%	\$1,114.8 M	39.60%	\$1,179.4 M	?
5 MO. GROWTH RATE	4.4%		3.9%		5.6%		5.8%	
YEAR END RATE	5.9%		6.3%		2.4%		?	

Estimate for "% of YR END" for FY 2015 = average of FY 2012 FY 2013 and FY 2014 percentages.
Average = $(39.26 + 38.38 + 39.6) / 3 = 39.08\%$

Documentation for the ATI FY 2015/2016 general fund revenue estimates:

Method #1 (Year End Total) $(39.08\%) = \$1,179.4M$
(FY 2015) (Year End Total) $(.3908) = \$1,179.4M$
Year End Total = $(\$1,179.4M / .3908) = \$3,017.9M$

Method #2 \$2,976.5M (after evaluating each revenue source individually this was used as
(FY 2015) the FY 2015 end of year estimate)

Income tax collections were evaluated in more detail and were found to be 7.6% above last year's cumulative end of November collections. If this trend continues, the result would be individual income tax collections of \$1,433.0M for the FY 2014 estimate. Assume the last seven months of FY 2015 collections level out as the FY progresses.
Use \$1,407.9 M or 5.9% more than the FY 2014 year end amount.

Corporate tax collections is 2.3% above last year's cumulative end of November collections.
Assume corporate tax collections to level out for an est. of \$204.4 M.

Sales tax collections are growing at an estimated 5.8% rate for the first five months of FY 2015. Assume the sales tax collections continue for an overall FY 2015 increase of 5.8%, the net result being \$1,212.1 M FY 2015 collections.

Product taxes are assumed to be at the \$47.6 M level, using Method #1.

Based on collections for the first five months, miscellaneous revenues are assumed to be \$104.3 M A little over the August 2014 DFM prediction.

Method #2 final calculations for FY 2016 (See back page for results)

Based on estimated end of year distributions for FY 2016 the average, adjusted general account revenue mix consists of 47.2% individual income tax revenues, 6.9% corporate income tax, 40.6% sales tax, 1.6% product taxes and 3.4% miscellaneous revenues. The FY 2016 breakout is shown in the chart on the last page of this report.

A diversion from the cigarette tax to the General Fund occurred as per Idaho Code 63-2520(b)(4) and is to be used to fund the school bond levy equalization support program identified in Idaho Code 33-906. The exact amount of this diversion is unavailable until budgeted, but on the average is assumed/estimated to be \$17.9M beginning in FY 2010 (see H327 from 2009 legislative session). However, after passage of H275 in the 2009 Legislative session, an estimated \$1.0M Lottery dividend is subtracted from this amount for a net \$16.9M from the Cigarette Taxes. The Lottery dividend subtraction estimated in FY 2011 = \$2.5M, FY2012 = \$3.0M, FY2013 = \$3.5M, FY2014 = \$4.0M and FY2015 = \$4.5M. After that the estimated Lottery subtraction is zero.

In its 2012 session the Idaho Legislature passed H 563 which reduced the maximum individual income tax rate from 7.8% to 7.4% and the maximum corporate income tax rate from 7.6% to 7.4%.

PROJECTIONS BY SPECIFIC REVENUE SOURCE (MILLIONS \$'S)
-FISCAL YEARS -

Revenue Source	2008 (Actual)	% Chg	2009 (Actual)	% Chg	2010 (Actual)	% Chg	2011 (Actual)	% Chg	2012 (Actual)	% Chg	2013 (Actual)	% Chg	2014 (Actual)	% Chg	2015 (Estimate)	% Chg	2016 (Forecast)
Ind. Inc. Tax	\$1,430.2	-18.3%	\$1,168.1	-9.1%	\$1,061.9	8.6%	\$1,152.7	4.7%	\$1,206.4	6.5%	\$1,284.4	3.5%	\$1,329.3	5.9%	\$1,407.9	5.6%	\$1,486.4
Corp. Inc. Tax	189.7	-25.6%	141.2	-31.3%	97.0	74.1%	168.9	10.7%	187.0	6.3%	198.7	-5.2%	188.3	8.6%	204.4	7.0%	218.7
Sales Tax	1,142.5	-10.5%	1,022.9	-6.6%	955.9	1.7%	972.4	5.6%	1,027.3	8.0%	1,109.8	3.2%	1,145.7	5.8%	1,212.1	5.3%	1,276.9
Product Taxes	26.8	10.8%	29.7	38.7%	41.2	3.9%	42.8	0.9%	43.2	15.5%	49.9	-12.2%	43.8	8.6%	47.6	5.9%	50.4
Cigarettes	6.5		7.8		16.9		14.4		11.6		13.1		3.7		4.0		4.3
Liquor	8.4		9.3		11.4		14.8		17.2		20.9		24.2		26.3		27.8
Beer	2.1		2.0		2.1		2.0		1.9		1.9		1.9		2.1		2.2
Wine	2.6		3.3		3.0		3.2		3.5		3.9		4.1		4.5		4.7
Tobacco	7.2		7.3		7.8		8.4		8.9		10.0		9.9		10.8		11.4
Misc. Revenues	120.6	-13.2%	104.7	3.6%	108.5	-0.7%	107.7	14.9%	123.8	-13.1%	107.6	0.7%	108.3	-3.7%	104.3	2.0%	106.4
Mine License	2.0		0.9		1.8		1.6		2.0		0.5		0.5		0.5		0.5
Kilowatt Hour	1.9		2.0		2.1		2.4		3.0		1.9		1.8		1.7		1.8
Insurance	60.0		55.5		53.6		54.1		56.6		55.6		59.4		57.2		58.4
State Police/Bev.Lic.	1.9		1.6		1.5		1.5		1.6		0.1		0.0		0.0		0.0
State Treas.	14.0		0.8		-1.3		-0.4		-0.6		4.9		3.8		3.7		3.7
Jud. Branch/County (courts)	5.1		5.4		5.4		5.1		4.8		4.6		4.4		4.2		4.3
Unclaim. Prop.	2.5		1.8		8.2		4.5		8.9		7.0		5.7		5.5		5.6
Lands	0.0		1.0		0.7		0.6		1.0		0.8		1.2		1.2		1.2
Estate Tax	0.0		0.2		-0.2		0.5		0.0		0.1		0.3		0.3		0.3
Secretary of State (UCC)	3.1		2.4		2.4		2.4		2.4		2.5		2.7		2.6		2.7
¹ Other/Dept. Tran.	31.5		33.1		34.3		35.4		44.0		29.5		28.5		27.4		28.0
TOTAL	\$2,909.8		\$2,466.6		\$2,264.5		\$2,444.5		\$2,587.7		\$2,750.3		\$2,815.4		\$2,976.3		\$3,138.8
% CHG	+3.5%		-15.2%		-8.2%		7.9%		5.9%		6.3%		2.4%		5.7%		5.5%

Other:¹ Government overhead charge levied by the State Controller against dedicated and federal funds. The Secretary of State, Governor's office and departments of Agriculture, Administration, Corrections, Law Enforcement, Water Resources, DEQ, and Department of Lands provide some of this revenue. Public Utility Transfer to the General Account and other are also included. Supplemental appropriations may also entail some of this revenue (Example: FY 1994 included an additional \$3 million one time appropriation from the Budget Reserve for public school textbooks, supplies, materials and equipment. A \$420,000 transfer from the Liquor