

Dear Senators STEGNER, Siddoway, Werk, and  
Representatives LAKE, Collins, Killen:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of  
the State Tax Commission:

IDAPA 35.01.03 - Rules Pertaining To The Property Tax Administrative Rules (Docket No.  
35-0103-1104).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the  
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research  
and Legislation no later than fourteen (14) days after receipt of the rules analysis from Legislative  
Services. The final date to call a meeting on the enclosed rules is no later than 09/21/2011. If a meeting is  
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules analysis  
from Legislative Services. The final date to hold a meeting on the enclosed rules is 10/19/2011.

The germane joint subcommittee may request a statement of economic impact with respect to a  
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,  
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has  
been held.

To notify Research and Legislation, call 334-4845, or send a written request to the address or FAX  
number indicated on the memorandum enclosed.



Jeff Youtz  
Director

# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

## MEMORANDUM

**TO:** Rules Review Subcommittee of the Senate Local Government & Taxation Committee and the House Revenue & Taxation Committee

**FROM:** Division Manager - Mike Nugent

**DATE:** September 01, 2011

**SUBJECT:** State Tax Commission

IDAPA 35.01.03 - Rules Pertaining To The Property Tax Administrative Rules (Docket No. 35-0103-1104)

The State Tax Commission is proposing to promulgate rules relating to the property tax to implement several bills that were enacted in 2011 specifically House Bills No. 95, 113, 124 and 239 and to revise various rules and procedures for administration and implementation of the property tax.

HB 239 clarified the law concerning exemptions for confidential information provided to taxing agencies for property tax assessment purposes, and prescribed procedures for identifying documents considered confidential and for the treatment of requests for claims for confidential documents. Confidential documents are already protected from disclosure by the trade secrets provisions of section 9-340D(1). However, clarity would be promoted by referencing such documents in the subsection of section 9-340D that applies to assessors, the state tax commission, county boards of equalization and the state board of tax appeals. Rule 004 is being amended to implement these changes.

Rule 006 is proposed to be amended to update references to current editions of guides and professional standards used to determine values of certain property and to measure assessment level and uniformity.

Rule 115 is proposed to be amended to add the requirement that the values listed by category value on the abstract of any taxing district with a restriction providing that a district does not levy property taxes on all otherwise taxable property in accordance with Section 63-509, Idaho Code.

Rule 219 is proposed to be amended to delete the requirement to assign separate parcel numbers if the parcel is located within one county and one tax code area.

Rule 225 is proposed to be amended to implement the provisions of HB95 which revised the law on urban renewal. HB95 shortened the life of an urban renewal agency from twenty-four to twenty years and restricted revenue allocation areas to one annexation after July 1, 2011 and required the State Tax Commission to give notices of dissolution nineteen years after formation of urban renewal agencies created after July 1, 2011. Also the bill provided for disallowance of a proposed second expansion of a revenue allocation area after July 1, 2011.

Rule 312 is proposed to be amended to clarify that Idaho real or personal property that has a change of status as described in section 63-602Y, Idaho Code, does not include federal or state of Idaho property and the

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proration of property tax to these properties is not appropriate unless specially authorized by the government entity.

Rule 314 is proposed to be amended to establish standards for maintaining parcel record information, to list the basic information that should be included in the assessor's office parcel records and to reference the International Association of Assessing Officer's standards on mass appraisal and digital mapping. Also Rule 400 is being repealed because of the change to Rule 004 and HB 239.

Rule 509 is proposed to be amended to require that the urban renewal increment value and the value of certain exemptions be reported and subtracted from the taxable value for each secondary category subject to taxation by special districts and units of government which do not levy property tax against all otherwise taxable property.

Rule 701 is proposed to be amended to implement HB 113 which removed the requirement for the board of county commissioners to review and approve individuals that would qualify for the Circuit Breaker Property Tax Reduction Program. The State Tax Commission has the final authority and has removed individuals approved by the county, thereby raising concerns with the county and individual applicants. HB 113 still has the county assessor provide and receive applications and then send those applications to the state for either approval or denial. This removes the county commissioners from one step in the process.

Rule 717 is proposed to be amended to conform to the provisions of HB 113.

Rule 802 is proposed to be amended to conform to HB124 which revised what is placed on the new construction roll and would allow for corrections to that roll. It would provide for a five year time frame when changes could be made and how the increase in property tax budgets are calculated.

Rule 804 is proposed to be amended to provide information for assessors to adjust the urban renewal base assessment roll for changes in the taxable amount of a property because of the annual changes in the homeowner's exemption.

Rule 808 is proposed to be amended to provide guidance on how to compute tax levies for certain districts that may not levy against all taxable property in the district and would require that each relevant county, as well as the State Tax Commission, be given documentation of the election or ordinance that determined the category of property to be taxed.

Rule 988 is proposed to be amended to provide taxpayers' options should the qualified investment exemption pursuant to Section 63-3029B, Idaho Code, be denied by the assessor and it provides that the assessor shall notify that the taxpayer elected the qualified investment exemption and shall identify the basis for the denial. The proposed rule provides that the assessor's notification will cancel the election with respect to those items denied the qualified investment exemption. Upon receiving this notification, the taxpayer is then free to pursue the income tax relief under Section 63-3029B, Idaho Code, for those items denied the qualified investment exemption by the assessor.

It appears that the proposed rules have been promulgated within the scope of statutory authority granted to the State Tax Commission.

cc: State Tax Commission - Alan Dornfest

## **IDAPA 35 - STATE TAX COMMISSION**

### **35.01.03 - PROPERTY TAX ADMINISTRATIVE RULES**

#### **DOCKET NO. 35-0103-1104**

#### **NOTICE OF RULEMAKING - PROPOSED RULE**

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 63-105A, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 22, 2011.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Rule 004 is being amended to provide an explanation of the documents that are confidential and not open to the public as provided in HB 239, and to clarify that the exchange of information between the county and the Tax Commission is not limited.

Rule 006 is being amended to update references to appropriate and current editions of guides and professional standards used to determine values of certain property and to measure assessment level and uniformity.

Rule 115 is being amended to add the requirement that the values be listed by category value on the abstract for any taxing district with a restriction providing that such district does not levy property taxes on all otherwise taxable property in accordance with Section 63-509, Idaho Code.

Rule 219 is being amended to delete the requirement to assign separate parcel numbers if the parcel is located entirely within one county and one tax code area.

Rule 225 is being amended to reflect the provisions of newly enacted HB 095 changing the life of an urban renewal agency from 24 to 20 years and to restrict revenue allocation areas urban to one annexation after July 1, 2011, and to require the Tax Commission to give notices of dissolution nineteen years after formation for those agencies created after July 1, 2011. Instructions are also given to disallow a proposed second expansion of a Revenue Allocation Area after July 1, 2011.

Rule 312 is being amended to exclude federal and state of Idaho property from inclusion in Section 63-602Y, Idaho Code, and to affirm that the real or personal property that has a change of status as described in Section 63-602Y, Idaho Code, does not include federal or state of Idaho property and, therefore, the proration of property tax to these properties is not appropriate unless specially authorized by the government entity.

Rule 314 is being amended to establish standards for maintaining parcel record information, list the basic information that should be included in the assessor's office parcel records, and to reference the International Association of Assessing Officer's standards on mass appraisal and digital mapping.

Rule 400 is being stricken. Information currently in Rule 400 will be included in new Rule 004.

Rule 509 is being amended to require that the urban renewal increment value and the value of certain exemptions be reported and subtracted from the taxable value for each secondary category subject to taxation by special districts and units of government which do not levy property tax against all otherwise taxable property.

Rule 701 is being amended to conform to HB 113 which designates the Tax Commission as the approving authority for the property tax reduction application. The amendment to this rule maintains the assessors' responsibility to verify the claimants' presence in the United States and deletes the reference to the assessors' approval of the claimants' participation in the property tax reduction program.

Rule 717 is being amended to conform to HB 113 which designates the Tax Commission as the property tax reduction approving authority and changes some program process dates, deletes references to the county board of equalization approving claims for property tax reduction (PTR), and changes the date when the preliminary PTR roll will be sent to the Tax Commission from the fourth Monday in June to June 1.

Rule 802 is being amended to conform to HB 124 which provides a five-year look back limit both for new construction (NC) that was missed in the year it should have been placed on the NC roll so will be placed on the next roll and for deductions that must be included on the NC roll. The amendment also explains and adds this five-year look back limit applicable to these situations. In respect to HB 95 [50-2903(4)], there is also the need to explain that the NC addition to the urban renewal base assessment roll due to the increase in land value caused by agricultural land in a revenue allocation area losing the agricultural exemption does not get included on any NC roll. The rule is amended to explain that certain adjustments to the NC roll are limited to the event that triggers the adjustments occurring within the past five years. The rule is also amended to explain that a certain event causing an increase to the base assessment roll does not get added to any NC roll.

Rule 804 is being amended to provide information for assessors to adjust the urban renewal base assessment roll for changes in the taxable amount of a property due to the annual changes in maximum homeowner's exemption (HOE). The amendment to the rule explains and gives examples to demonstrate that if the taxable value of a parcel decreases, due to a decrease in value of the property or an increase in the maximum amount of the HOE, or any combination thereof, to a taxable value that is less than the current base, then the base is adjusted to the amount that is less than the current base. Otherwise the base is not adjusted for change in partial exemption due to the change in the HOE maximum amount.

Rule 808 provides direction on how to compute levies for certain districts that may not levy against all taxable property in the district and requires that each relevant county, as well as the Tax Commission, be given documentation of the election or ordinance which determined the category of property to be taxed.

Rule 988 is being amended to provide the taxpayers' options should the QIE election be denied by the assessor and that the assessor shall notify the taxpayer electing the QIE and shall identify the basis for the denial. The assessor's notification cancels the election with respect to those items denied the QIE. Upon receiving this notification, the taxpayer is then free to pursue income tax relief under Section 63-3029B, Idaho Code, for those items denied the QIE by the assessor.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: None.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: N/A

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because the proposed changes were of a simple nature.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule:

To update material to reflect current editions referenced by the Tax Commission.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Alan Dornfest at (208) 334-7544.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before September 28, 2011.

DATED this 9th day of August, 2011.

Alan Dornfest, Tax Policy Supervisor  
State Tax Commission  
PO Box 36, Boise, ID 83722-0410  
(208) 334-7544

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THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 35-0103-1104

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

Sections 9-337 through 350, 63-302, 63-313, 63-602Y, 63-3076 and 63-3077, Idaho Code. ( )

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

**02. Records Not Presumed Open to the Public.** The following public records are not presumed open to the public, are confidential, and may not be disclosed without the written consent, including by electronic means, of the taxpayer except as described in Section 9-340D (24), Idaho Code: ( )

**a.** The lists of personal property required to be filed by Sections 63-302 and 63-602Y; ( )

**b.** The lists of transient personal property required to be filed by Section 63-313; ( )

**c.** The operator's statement required to be filed by Section 63-404; and ( )

**d.** Confidential, commercial, or financial information including trade secrets, provided the taxpayer gives notice of a claim to exempt the specific documents from disclosure. The notice of a claim to exemption shall be accomplished by stamping or marking each page or the first page of each portion of the document so claimed. ( )

**03. County Assessor -- Officer of the State.** The county assessor is included in the group of any officer, employee or authorized representative of the state as stated in Section 9-340(24), Idaho Code, and therefore may be given documents without the permission of the taxpayer for purposes of carrying out the provisions of state law including the proceedings of the county board of equalization. Exchanges of information between or among the State Tax Commission and county officials otherwise authorized by law are not limited by any provision of this Rule. ( )

**(BREAK IN CONTINUITY OF SECTIONS)**

**006. INCORPORATION BY REFERENCE (RULE 006).**

Unless provided otherwise, any reference in these rules to any document identified in Rule 006 of these rules shall constitute the full incorporation into these rules of that document for the purposes of the reference, including any notes and appendices therein. The term "documents" includes codes, standards, or rules adopted by an agency of the state or of the United States or by any nationally recognized organization or association. (5-3-03)

**01. Availability of Reference Material.** Copies of the documents incorporated by reference into these rules are available at the main office of the State Tax Commission as listed in Rule 005 of these rules or can be electronically accessed as noted in Subsection 006.02 of this rule. (5-8-09)

**02. Documents Incorporated by Reference.** The following documents are incorporated by reference into these rules: (5-3-03)

**a.** “Standard on Ratio Studies” published in 2010, “Standard on Digital Cadastral Maps and Parcel Identifiers” published in 2009, and “Standard on Mass Appraisal of Real Property published in 2011. “Standard on Verification and Adjustment of Sales” published in 2010, all published by the International Association of Assessing Officers. ~~This~~ These documents can be electronically accessed at <http://www.iaao.org/documents/index.cfm?Category=23> which was last accessed and verified on July ~~22~~18, 20101. (4-7-11)( )

**b.** “Recreation Vehicle Guide of the National Automobile Dealers Association” published in 20101 for the September through December period by the National Appraisal Guides Incorporated. (4-7-11)( )

**c.** “Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association” published in 20101 for the September through December period by the National Appraisal Guides Incorporated. (4-7-11)( )

**d.** “Official Railway Equipment Register” published for the last three (3) quarters in 20101 and the first quarter in 20112 by R. E. R. Publishing Corporation, Agent as a publication of UBM Global Trade. (4-7-11)( )

**e.** “Forest Habitat Types of Northern Idaho: A Second Approximation” published by the Government Printing Office for the U. S. Forest Service in 1991, General Technical Report INT-236, written by Cooper, Stephen V., Neiman, Kenneth E., Rev, David W., and Roberts, Kenneth E. (4-6-05)

**f.** “Forest Habitat Types of Central Idaho” published by the Government Printing Office for the Intermountain Forest and Range Experimentation Station of the U. S. Forest Service in 1981, General Technical Report INT-114, written by Kittams, Jay A., Pfister, Robert D., Ryker, Russell A., and Steele, Robert. (5-3-03)

**g.** “Yield of Even-Aged Stands of Ponderosa Pine” published by the Government Printing Office for the U. S. Department of Agriculture in 1938, Technical Bulletin No. 630. (5-3-03)

**h.** “Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type” published by the Government Printing Office for the U. S. Department of Agriculture in 1932, Technical Bulletin No. 323. (5-3-03)

**i.** “Manual of Instructions for the Survey of the Public Lands of the United States” published by the Government Printing Office for the Bureau of Land Management in 1973, Technical Bulletin No. 6. (5-3-03)

**(BREAK IN CONTINUITY OF SECTIONS)**

**115. POWERS AND DUTIES - PROPERTY TAX - VALUE INFORMATION (RULE 115).** Sections 63-105A and 63-509, Idaho Code. (3-30-07)

**01. Requirement to Submit Abstracts.** The county auditor must submit to the State Tax Commission abstracts 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. ( )

**012. City Values by Secondary Category.** For each of the abstracts required in Subsection 115.01 of this rule, ~~To~~ provide needed value information under Subsection 63-105A(2), Idaho Code, each assessor will report to the county auditor the market value and exempted value of all property ~~within any city or the portion of any city within the county~~ by secondary categories, described in Rules 510, 511, and 512 of these rules, in the same manner as the abstracts required for each county ~~and each school district~~ under Section 63-509, Idaho Code, and Rule 509 of

these rules.

(3-30-07)( )

**023.** ~~City~~ **Additional Abstracts to Accompany County Abstracts.** Each county auditor will include ~~the~~ city and any required additional abstracts described in Subsection 115.01 of this rule, when submitting to the State Tax Commission the abstracts required under Section 63-509, Idaho Code, and Rule 509 of these rules.

(3-30-07)( )

**034.** **Cross Reference.** For the descriptions of secondary categories and clarification of responsibilities relating to listing and reporting values by secondary categories, see Rules 509, 510, 511, and 512 of these rules. For a description of levy criteria requiring submittal of additional abstracts, see Rule 808 of these rules.

(3-30-07)( )

**(BREAK IN CONTINUITY OF SECTIONS)**

**219. UNIFORM PARCEL NUMBERING SYSTEM (RULE 219).**

Sections 63-209, 63-210, and 63-219, Idaho Code.

(5-8-09)

**01. Definitions.** The following definitions apply to this rule.

(5-8-09)

**a.** Parent parcel. A parcel of land in its original state prior to being segregated. The parcel may be described by a metes and bounds description, lot and block, aliquot part, or government lot.

(5-8-09)

**b.** Child parcel. A parcel of land which has been segregated from the parent parcel. At the time a parent parcel is segregated into one or more parts, the parcels being segregated from the parent parcel shall be known as child parcels. The child parcel may be described by a metes and bounds description, a portion of a lot and block, a portion of an aliquot part, or a portion of a government lot.

(5-8-09)

**02. Parcel Number Functions.** The uniform parcel numbering system shall be used for mapping and record keeping. Each parcel shall be assigned a parcel number that shall appear on the plat map and on a companion sheet. This assigned parcel number may also be the tax number.

(5-8-09)

**03. Parcel Number Cancellation or Retention Upon Property Transfers.** As long as the property boundary does not change, the new owner's name shall be assigned to the same parcel number on the companion sheet. A parcel number that exists at the time a property is divided or added to may be canceled and a new number(s) assigned. If the parent parcel number is not canceled, it shall be assigned to the child parcel complying with the directions in this rule relating to assigning parcel numbers based on geographic location.

(5-8-09)

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

(5-8-09)( )

**05. Rural Land not Subdivided.** Assign parcel numbers to rural land that is not subdivided as follows:

(5-8-09)

**a.** Positions 1, 2, and 3 shall be the township descriptor minus the "T."

(5-8-09)

**b.** Positions 4, 5, and 6 shall be the range descriptor minus the "R."

(5-8-09)

**c.** Positions 7 and 8 shall be 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 shall be 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.

(5-8-09)( )



**d.** Positions 9, 10, 11, and 12 shall be the quarter section numbers. To assign the quarter section number, begin numbering in the northeast quarter (NE1/4) of the northeast quarter (NE1/4) and proceed counterclockwise. Starting in the NE1/4 of the section the numbers used range from zero to two thousand three hundred ninety nine (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), thence, starting in the NE1/4 of the southwest quarter (SW1/4), assign numbers from four thousand eight hundred to seven thousand one hundred ninety nine (4800 to 7199), and beginning in the NE1/4 of the southeast quarter (SE1/4), assign quarter section numbers from seven thousand two hundred to nine thousand nine hundred ninety nine (7200 to 9999). The following quarter section breakdown key shows the sequence for assigning quarter section numbers for land not subdivided. (5-8-09)

North ↑  
Standard Section

3000	2400	600	0
3599	2999	1199	599
3600	4200	1200	1800
4199	4799	1799	2399
5400	4800	7800	7200
5999	5399	8399	7799
6000	6600	8400	9000
6599	7199	8999	9999

Note: The northern quarters of sections 1, 2, 3, 4, 5, and 6 may be government lots and the western quarters of Sections 6, 7, 18, 19, 30 and 31 may be government lots. For the purpose of parcel numbering, these government lots shall be treated as if each was the respective quarter-quarter of the section. (5-8-09)

**e.** The following parcel number example denotes Township 10 North, Range 5 East, Section 4 with the parcel being in the NE1/4, NE1/4: 10N05E040235. (5-8-09)

**f.** The following table is an example of a companion sheet with parcel numbers for rural land not subdivided.

Township & Range	Sec.	Parcel No.	Grantor	Grantee	Remarks	Deed Type	Date	Instrument Number
23N11E	29	7985	Public, John	Citizen, Fred	See Parcel # 7832	WD	1/10/93	492183
23N11E	29	7990	Citizen, Fred		Split from #7985			
23N11E	29	8000	Citizen, Fred	Voter, Sue	Split from #7985	WD	3/9/99	644809
23N11E	29	8010	Citizen, Fred		Split from #7990			
23N11E	29	8250	Citizen, Fred	Anyone, Jim	Split from #7990	WD	4/9/01	652186

(5-8-09)

06. **Urban Land not Subdivided.** Assign parcel numbers to urban land that is not subdivided as follows: (5-8-09)
- a. Position 1 shall be the city letter. Each city shall have a unique letter. (5-8-09)
  - b. Positions 2, 3, 4, 5, and 6 shall each be the number zero (“0”). (5-8-09)
  - c. Positions 7 and 8 shall be the section number. Number these positions as directed in Paragraph ~~218.04.c.~~ 219.05.c. of this rule. (~~5-8-09~~)(    )
  - d. Positions 9, 10, 11, and 12 shall be the quarter section number. Number these positions as directed in Paragraph ~~218.04.d.~~ 219.05.d. of this rule. (~~5-8-09~~)(    )
  - 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. (5-8-09)
  - f. If a government lot is within a section, or an extended government lot is an extension of a section, the quarter section numbering shall be assigned as rural land not subdivided. For a government lot within a quarter section, the assigned number shall be a number within the sequence of numbers for the quarter section. For an extended section, the assigned number shall be within the sequence from the extended quarter section. (5-8-09)
  - g. The following parcel number example denotes a parcel in the NE1/4 of section 29 in the city identified by the letter “A”: A00000292163. (5-8-09)
07. **Subdivided Rural Land.** Assign parcel numbers to subdivided rural land as follows: (5-8-09)
- a. Position 1 shall be the number zero (“0”). (5-8-09)
  - b. Positions 2, 3, 4, and 5 shall be the subdivision number. The subdivision number shall not contain alphabetic characters. Each subdivision, whether the original townsite or new subdivision, shall be assigned a four (4) digit number. (5-8-09)
  - c. Positions 6, 7, and 8 shall be the block number. (5-8-09)
  - d. Positions 9, 10, and 11 shall be the lot number designated on the subdivision plat or an assigned number if characters on the subdivision plat are not acceptable as a parcel number. (5-8-09)
  - e. Position 12 shall be 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,” etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)
  - f. The following parcel number example denotes a subdivided parcel not in any city, identified by the number zero (“0”), subdivision number 62, block number 200, and lot number 29: 000622000290. (5-8-09)
08. **Subdivided Urban Land.** Assign parcel numbers to subdivided urban land as follows: (5-8-09)
- a. Position 1 shall be the city letter. Each city shall have a unique letter. (5-8-09)
  - b. Positions 2, 3, 4, and 5 shall be the subdivision number. The subdivision number shall not contain alphabetic characters. Each subdivision, whether the original townsite or a new subdivision, shall be assigned a four (4) digit number. (5-8-09)
  - c. Positions 6, 7, and 8 shall be the block number. (5-8-09)
  - d. Positions 9, 10, and 11 shall be the lot number designated on the subdivision plat. An assigned subdivision plat number may be used if numbers comply with the parcel numbering system. (5-8-09)

**e.** Position 12 shall be 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,” etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)

**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 shall be written using the whole lot's number and position 12 shall be a letter. (5-8-09)

**g.** The following parcel number example denotes a parcel in the city identified by the letter “A,” in subdivision with number 0062, block number 200, lot number 029, and has been modified once: A0062200029A. (5-8-09)

**h.** The following table is an example of a companion sheet with parcel numbers for subdivided land within a city.

City No.	Sub. No.	Blk. No.	Lot & Split Number	Grantor	Grantee	Remarks	Deed Type	Date	Instrument Number
A	0054	001	0090	Owner, Sid	Pat Voter		WD	1/11/92	190624
A	0054	001	009A	Voter, Pat		Retaining N1/2 Lot 9			
A	0054	001	009B	Voter, Pat	Public, Joe	S1/2 Lot 9	WD	2/12/99	299486
A	0054	001	009B	Public, Joe	Owns, Tim	S1/2 Lot 9	WD	6/9/01	299999

(5-8-09)

**09. Patented Mines and Patented Mining Claims.** Assign parcel numbers to patented mines and mining claims as follows: (5-8-09)

**a.** The number nine (“9”) shall be in positions 1 and 2. (5-8-09)

**b.** Positions 3 through 8 shall denote the township and range, as in the land not subdivided format. (5-8-09)

**c.** Positions 9 through 12 shall be a county assigned sequential account number for individual mines. (5-8-09)

**d.** The following parcel number example denotes a parcel that is a patented mine in township 10 North, Range 36 East, with county assigned number 58: 9910N36E0058. (5-8-09)

**10. Condominiums.** Assign parcel numbers to condominiums as follows: (5-8-09)

**a.** Condominiums in a city shall have a letter in position 1 of the parcel number. The letter shall be unique for each city. For condominiums not in any city, position 1 is the number zero (“0”). (5-8-09)

**b.** Positions 2, 3, 4, and 5 shall be the condominium number and shall be four numbers. To differentiate between condominiums and subdivisions, numbers 0001 through 8999 are to be used for subdivisions, and numbers 9000 through 9999 for condominiums. Fill positions preceding the number with zeros to occupy all four (4) positions (“0000”). (5-8-09)

**c.** Positions 6, 7, and 8 shall be the block or building number. Position 6 may be a “C” to differentiate between a typical block or building number and a condominium common area. (5-8-09)

**d.** Positions 9, 10, and 11 shall be the lot or unit number designated on the condominium plat or an assigned number. An assigned condominium plat number may be used if numbers comply with the parcel numbering system. (5-8-09)

**e.** Position 12 shall be 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," etceteras. These splits or combinations shall be listed on the companion sheet. (5-8-09)

**f.** The following parcel number example denotes a parcel that is in the city identified by the letter "A," with condominium number 9062, block or building number 007, lot or unit number 029, and has not been modified since originally platted: A90620070290. (5-8-09)

**(BREAK IN CONTINUITY OF SECTIONS)**

**225. DOCUMENTATION FOR NEWLY ORGANIZED OR ALTERED TAXING DISTRICTS OR REVENUE ALLOCATION AREAS (RAAS) UNDER THE JURISDICTION OF URBAN RENEWAL AGENCIES (RULE 225).**

Sections 31-1411, 50-2907, 50-2908, 63-215, 63-807, 63-1202, 63-3029B, and 63-3638, Idaho Code. (3-30-07)

**01. Definitions.** The following definitions apply for cities, taxing districts, or revenue allocation areas (RAAs) under the jurisdiction of urban renewal agencies being organized or formed or altering boundaries. (3-15-02)

**a.** Taxing Districts. The term taxing districts as used in this rule means taxing districts and taxing units. (3-15-02)

**b.** Alter. Alter or any derivatives of the word as used in Section 63-215, Idaho Code, means annex, deannex, or consolidate or derivatives of these words. (3-15-02)

**c.** Contiguous. Contiguous means being in actual contact or touching along a boundary or at a point and is synonymous with abutting on. (3-15-02)

**d.** Deannex. Deannex means to delete or remove a portion but not all of a boundary for a city, taxing district, or RAA by completing all legal requirements to establish a new boundary for the city, taxing district or RAA. (4-6-05)

**e.** Disincorporate. Disincorporate or any derivatives of the word as used in Section 63-3638, Idaho Code, means completing all legal requirements to end the existence of a city. (4-6-05)

**f.** Dissolve. Dissolve or any derivatives of the word as used in Section 63-3638, Idaho Code, means completing all legal requirements to end the existence of a taxing district or RAA. (4-6-05)

**g.** Legal Description. Legal description means a narrative that describes by metes and bounds a definite boundary of an area of land that can be mapped on a tax code area map and shall include: (3-15-02)

i. Section, township, range and meridian. (3-15-02)

ii. An initial point, being a government surveyed corner, such as a section corner, quarter corner or mineral survey corner. (3-15-02)

iii. A true point of beginning, defined by bearings and distances from the initial point, that begins a new city, taxing district, RAA or any alteration thereto. (3-15-02)

iv. Bearings and distances that continuously define the boundary of any area with a closure accuracy of at least one (1) part in five thousand (5,000). Variations from this closure requirement may be approved by the

State Tax Commission if the description is sufficiently certain and accurate to ensure that the property is assigned to the proper tax code area. Such variations may include: (3-15-02)

(1) Boundaries which follow mountain ranges, rivers, highways, lakes, canals and other physical features that are clearly delineated on published U.S. Geological Survey quadrangle maps at scale 1:24,000; or (3-15-02)

or (2) References to cardinal directions, government survey distances, and section or aliquot part corners; (3-15-02)

(3) References to recorded subdivision or town site plats, with copies of such plats; or (3-15-02)

(4) Legislatively established boundaries as defined by reference to Idaho Code sections. (3-15-02)

v. The legal description to annex to or deannex from an existing city, taxing district, or RAA shall plainly and clearly define the boundary lines of the deannexed or annexed area and include a reference to existing boundaries where contiguous. (3-15-02)

**h.** Map Prepared in a Draftsman-like Manner. Map prepared in a draftsman-like manner means an original graphic representation or precise copy matching the accompanying legal description and drafted to scale using standard mechanical drawing instruments or a computer. The map shall include: (3-15-02)

i. Section, township, range, and meridian identifications. (3-15-02)

ii. North arrow, bar scale, and title block. (3-15-02)

iii. District name and ordinance number or order date. (3-15-02)

iv. Bearing and distance annotation between boundary points or a legend or table identifying the bearing and distance between each set of boundary points. (3-15-02)

v. Clearly defined boundary lines of the newly formed city, taxing district, or RAA or of the alteration to an existing one together with reference to the existing boundary where contiguous. (3-15-02)

vi. Variations from the requirements of Paragraph 225.01.h. of this rule for what must be included on the map may be approved by the State Tax Commission if the map is sufficiently certain and accurate to ensure that the property is assigned to the proper tax code area. (4-6-05)

**i.** Countywide taxing district. A countywide taxing district is a taxing district having the same boundaries as one (1) or more counties. (5-8-09)

**02. Documentation to Be Filed for Newly Created or Altered Cities, Taxing Districts, or RAAs.** The following documentation shall be filed with the county assessor, county recorder, and the State Tax Commission no later than thirty (30) days following the effective date of any action creating or altering a city, taxing district, or RAA boundary, but no later than January 10 of the following year when any action creating or altering said boundary occurs after December 10. (3-15-02)

**a.** A legal description which plainly and clearly defines the boundary of a newly formed city, taxing district, or RAA or the boundary of an alteration to an existing one. (3-15-02)

**b.** A copy of a map prepared in a draftsman-like manner or a record of survey as defined by Chapter 19, Title 55, Idaho Code, which matches the legal description. (4-5-00)

**c.** A copy of the ordinance or order effecting the formation or alteration. (4-5-00)

**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. (3-30-07)

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. (5-8-09)

**03. Documentation to Be Filed for Disincorporated Cities or Dissolved Taxing Districts, or RAAs.** (3-15-02)

a. No later than thirty (30) days following the effective date of the final action disincorporating a city or dissolving a taxing district or RAA, but no later than January 10 of the following year when the final action occurs after December 10, for the distributions of revenue as provided for in Sections 50-2908, 63-1202, 63-3029B and 63-3638, Idaho Code, the disincorporating or dissolving entity shall file a copy of the ordinance or order causing the disincorporation or dissolution with the county assessor, county recorder and the State Tax Commission. If the disincorporating or dissolving entity can provide a map showing the last known boundaries of the entity, this map should accompany the ordinance or order. (4-6-05)

b. Upon receipt of the ordinance or order without an accompanying map of the boundaries from a disincorporating city or dissolving taxing district, or RAA, the State Tax Commission shall prepare and send a list of the affected tax code area number(s) and send a copy of a map showing the affected tax code area(s) to the city, taxing district, or urban renewal agency and to the appropriate assessor(s) and recorder(s) within thirty (30) days except for any ordinance or order received after January 1 when the list and map shall be sent by the fourth Friday of January. (3-15-02)

c. After fourteen (14) days from the date of the mailing of the list of the affected tax code area(s), the State Tax Commission shall process the disincorporation or dissolution unless it receives a response from the disincorporating city, or dissolving taxing district, appropriate urban renewal agency, appropriate recorder(s) or appropriate assessor(s) that an error exists in the identification of the tax code area(s). (3-15-02)

d. For RAAs formed prior to July 1, 2011, ~~W~~within thirty (30) days of the earlier of one (1) year prior to any dissolution date found in the formation ordinance or the date as of which an RAA has been in existence for twenty-three (23) years, the State Tax Commission will notify the urban renewal agency of the date by which the RAA will be considered dissolved. Such notice shall include a statement indicating that the RAA 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 State Tax Commission of such bonded indebtedness. Failure to provide notice of the dissolution date by the State Tax Commission to the urban renewal agency does not negate the statutory requirement for the urban renewal agency to dissolve. (~~3-29-10~~)( )

e. For RAAs formed beginning July 1, 2011, the notification procedures in Paragraph 225.03.d. of this rule shall be initiated within thirty (30) days of the earlier of one (1) year prior to any dissolution date found in the formation ordinance or the date as of which an RAA has been in existence for twenty (20) years. ( )

**04. Digital Map Information.** Digital map information in a format usable by the State Tax Commission may be submitted in addition to or as a substitute for any cloth, film, or paper copy maps. Such information shall be accompanied by metadata that clearly defines map projection, datum and attributes. (3-15-02)

**05. Deadline for Completion.** December 31 of the current year shall be the deadline for completing of any action that creates, alters, or dissolves any taxing district or RAA or creates, alters or disincorporates any city requiring a revision of the State Tax Commission's tax code area maps for the following year, unless the law provides otherwise. (3-15-02)

**06. Approval of Property Tax Levy or Revenue Allocation.** For the purpose of levying property taxes or receiving revenue allocations no newly formed or altered city, taxing district, or RAA shall be considered formed or altered by the State Tax Commission if it: (3-15-02)

a. Fails to provide the correct documentation plainly and clearly designating the boundaries of a newly formed city, taxing district, or RAA or of an alteration to an existing one; or (3-15-02)

b. Fails to provide the correct documentation in sufficient time for the State Tax Commission to comply with Rule 404 of these rules; or (4-5-00)

c. Has boundaries which overlap with like cities, taxing districts or RAAs. (3-15-02)

d. Has had one (1) previous annexation on or after July 1, 2011 and is requesting to annex additional area. In this case, the annexation request will be denied, and the area of the RAA established prior to the new annexation will be considered to comprise the entire RAA. ( )

**07. Notification of Approval or Disapproval.** The State Tax Commission shall send a letter of approval or disapproval to the taxing district or municipality. A copy of said letter shall be submitted to any affected urban renewal agency and the auditor(s) and assessor(s) of the involved county(ies). In the case of disapproval said letter will state the reason(s) for disapproval, the corrective action(s) needed for approval, and the time within which such corrective action(s) must be taken. The State Tax Commission shall send such letter within thirty (30) days of receipt of the document to which the disapproval relates, but not later than the fourth Friday of January except during the first quarter of the calendar year for documents relating to the next tax year. (4-6-05)

**08. One Uniform System.** The State Tax Commission will prepare one (1) uniform system of tax code area numbers and maps which shall be used by each county for property tax purposes. (4-5-00)

**09. Tax Code Areas.** The State Tax Commission shall create a separate, unique number for each tax code area. If any area annexed to an existing RAA includes a taxing district with any fund levying prior to January 1, 2008, and continuing to levy but 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 RAA shall constitute a separate tax code area. Only the State Tax Commission shall initiate or change a tax code area number. (5-8-09)

**10. Furnished By The State Tax Commission.** ( )

a. Annually, The State Tax Commission will furnish annually, without charge, one (1) set of post the following documents on the State Tax Commission's website: ( )

i. Updated tax code area maps; ( )

ii. a listing of cities, Updated taxing districts maps; ( )

iii. or RAAs included in each tax code area, and a list of changes in city, taxing district or RAA boundaries Updated urban renewal revenue allocation area maps; and ( )

iv. Documentation of changes related to the above maps. ( )

b. This information is available to all parties. Upon specific request, the State 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 State Tax Commission. There shall be a charge for all other tax code area hardcopy maps. (3-15-02)( )

(BREAK IN CONTINUITY OF SECTIONS)

**312. PARTIAL YEAR ASSESSMENT OF REAL AND PERSONAL PROPERTY (RULE 312).**  
Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

**01. Quarterly Assessment.** For each partial year assessment of any non-transient personal property, the assessment shall comply with the quarterly schedules provided in Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

02. Change of Status. The real or personal property that has a change of status as described in Section 63-602Y, Idaho Code, does not include federal or state of Idaho property. The property of the United States, except when taxation thereof is authorized by the Congress of the United States, the state, counties, cities, school districts, and other taxing districts that is transferred to a private owner continues to maintain a non-taxable status until January 1 of the year immediately after transfer. However, property owned by an urban renewal agency that is transferred to a private owner is subject to property tax according to the proration as described in Section 63-602Y, Idaho Code.

**023. Cross Reference.** The partial year assessment of any non-transient personal property shall comply with the Idaho Supreme Court decision in Xerox Corporation v. Ada County Assessor, 101 Idaho 138, 609 P.2d 1129 (1980). When assessing all non-transient personal property, each assessor should be aware of the following quotation from this decision: “Where the county undertakes to update its initial (personal property) declarations during the course of the tax year, it cannot increase a taxpayer’s tax burden to reflect the taxpayer’s acquisition of non-exempt property without decreasing that tax burden to reflect the fact that property reported by the taxpayer in an earlier declaration was no longer subject to the county’s ad valorem tax.” (Clarification added.) (5-3-03)

**(BREAK IN CONTINUITY OF SECTIONS)**

**314. COUNTY VALUATION PROGRAM TO BE CARRIED ON BY ASSESSOR (RULE 314).** Sections 63-314 and 63-316, Idaho Code. (3-30-01)

**01. Definitions.** (7-1-99)

**a.** Continuing Program of Valuation. “Continuing program of valuation” means the program by which each assessor completes the assessment of all taxable properties each year. (7-1-99)

**b.** Field Inspection. The “field inspection” shall include an observation of the physical attributes of all structures which significantly contribute to the property value, the visible land amenities, and a notation of any other factors which may influence the market value of any improvements. (7-1-99)

**c.** Index. “Index” refers to any annual adjustment or trending factor applied to existing assessed values to reflect current market value. Ratio studies or other market analyses can be used to develop indexes based on property type, location, size, age or other characteristics. (7-1-99)

**d.** Prediction of Market Value. As used in Section 63-314, Idaho Code, “prediction of market value” means an estimate of market value. (7-1-99)

**e.** Category to be Assessed at Current Market Value. The level of assessment of each category will be considered to be current market value unless there is reasonable statistical certainty that the category is not equalized pursuant to Section 63-109, Idaho Code, and Rule 131. (3-30-01)

**02. Plan for Continuing Program of Valuation.** The plan for continuing program of valuation shall include: (7-1-99)

**a.** General Contents. A parcel count by category, the number of parcels to be appraised each year, maps that show each of the market areas, an analysis of staff requirements, a budget analysis that provides adequate funding for labor costs, capital and supply costs, travel and education costs and the method of program evaluation. (3-30-01)

**b.** Market Data Bank. A market data bank including collection, verification and analysis of sales, income and expense data, building cost information, and application of this information to estimate market value. 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. (4-2-08)

c. Maps. Maps prepared in accordance with Section 63-209, Idaho Code, which identify characteristics of each geographic area. (7-1-99)

d. Property Record. A property record for each parcel, complete with the 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: (7-1-99)( )

i. Date of most current physical review. ( )

ii. Significant improvements, buildings and structures. ( )

iii. Photographs of significant improvements. ( )

iv. Sketches and/or blue prints of significant improvements. ( )

v. Location data, such as market area, neighborhood, site amenities and external nuisances. ( )

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

vii. Land size or diagram of all taxable parcels within the county. ( )

**03. Date Plan Is Submitted.** The plan must be submitted to the State Tax Commission on or before the first Monday of February in 1997, and every fifth year thereafter. (7-1-99)

**04. Request for Extension.** As provided in Section 63-314, Idaho Code, a county may request an extension to the current five (5) year county valuation plan. (3-30-01)

a. Amended Plan. Any request for an extension must include an amended plan incorporating an inventory of the parcels to be appraised during the period of the approved extension. This inventory shall constitute the schedule of required appraisals for the initial year or years of the subsequent five (5) year valuation program. Parcels appraised during the extension will be considered appraised during both the current and subsequent five (5) year plan valuation program periods, maintaining the same five (5) year cycle for all counties. (3-30-01)

b. Approval of the Extension and Amended Plan. A county shall be notified of the State Tax Commission's decision regarding the granting of an extension as provided in Section 63-314, Idaho Code, within thirty (30) days of receipt of the written request for the extension when accompanied by an amended plan. (3-30-01)

c. Approval of the Amended Plan. The State Tax Commission's approval of any extension shall specify timing and nature of progress reports. (3-30-01)

d. Voiding of the Extension. The State Tax Commission can void an extension unilaterally. (3-30-01)

**05. Testing for Current Market Value.** Assessed values shall be tested annually by the State Tax Commission as described in Section 63-109, Idaho Code, and Rule 131 of these rules to determine whether the level of assessment reflects "current market value." (3-30-01)

**06. Cross Reference.** For clarification on tax credits when valuing low-income housing properties receiving tax credits under Section 42 of the Internal Revenue Code, see the case of Brandon Bay, Ltd. Partnership v. Payette County, 142 Idaho 681, 132 P.3d 438 (2006). (5-8-09)

**(BREAK IN CONTINUITY OF SECTIONS)**

318. -- ~~399.~~     ~~(RESERVED)~~

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

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

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

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

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

~~401.—403.~~     ~~(RESERVED)~~

**(BREAK IN CONTINUITY OF SECTIONS)**

**509. CITY, COUNTY, AND SCHOOL DISTRICT, AND SPECIAL DISTRICT OR UNIT OF GOVERNMENT ABSTRACTS OF VALUE AND IDENTIFICATION OF URBAN RENEWAL INCREMENT AND PARTIAL EXEMPTION VALUES (RULE 509).**

Sections 63-105A and 63-509, Idaho Code. (3-30-07)

**01. Definitions.** The following definitions apply for the purposes of testing for equalization under Section 63-109, Idaho Code, notification under Sections 63-301 and 63-308, Idaho Code, and reporting under Section 63-509, Idaho Code. (3-30-07)

**a.** Increment Value. Increment value means, as defined in Section 50-2903, Idaho Code, the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is positive. (3-30-07)

**b.** Primary Category. Primary category means the categories established and described by Subsections 130.02 through 130.06 of these rules and used by the State Tax Commission to test for equalization under Section 63-109, Idaho Code. (3-30-07)

**c.** Secondary Category. Secondary category means the categories established and described by Rules 510, 511, and 512 of these rules and used by county assessors to list property values on the valuation assessment notice under Sections 63-301 and 63-308, Idaho Code, and report values to the State Tax Commission under Section 63-509, Idaho Code, and this Rule. Secondary categories may also be tested for equalization purposes, provided they meet the criteria in Subsection 131.05 of these rules. (3-30-07)(    )

~~02.~~     ~~Appropriate County and Boise School District Abstracts to Balance.~~ *The taxable value of property in each secondary category as shown on the abstracts prepared and submitted under Section 63-509, Idaho*

~~Code, shall equal the sum of the taxable value of property in each secondary category as shown on the Boise School District abstracts, required under Rule 315 of these rules, for the portion of the Boise School District located within Ada County and Boise County.~~ (4-2-08)

**032. Indicate Increment and Exemption Values.** In addition to the value of exemptions required under Section 63-509, Idaho Code, any increment value and the value of any exemption provided under Sections, 63-602GG, 63-602HH, 63-602II, 63-602KK, 63-602NN, 63-4502, 63-606A, and 63-3029B, Idaho Code, shall be indicated and subtracted from the taxable value shown for each secondary category of property on each city and county abstract, and the Boise School District abstract. Increment value and the value of the exemptions found in this subsection shall also be indicated and subtracted from the taxable value for each secondary category subject to taxation by special districts and units of government which do not levy property tax against all otherwise taxable property. (5-8-09)( )

**043. Submittal of Corrections to Erroneous Abstracts or Related Documents.** When completing the procedures set forth in Section 63-810, Idaho Code, boards of county commissioners should submit the corrections to the taxable values submitted on the abstracts or related documents under provisions of Section 63-509, Idaho Code, and this rule, no later than when they submit the corrected levies under Section 63-810, Idaho Code. (4-2-08)

**054. Cross Reference.** See Rule 115 of these rules for requirements to submit city, Boise School District, and special district or unit of government abstracts. For the descriptions of the primary categories used to test for equalization, see Subsections 130.02 through 130.06 of these rules. For descriptions of secondary categories used to list and report land values, see Rule 510 of these rules, used to list and report the value of improvements, see Rule 511 of these rules, or used to list and report all property values other than that for land or improvements, see Rule 512 of these rules. For information relating to notification of corrections to erroneous levies, see Sections 63-809 and 63-810, Idaho Code, and Rule 809 of these rules. (4-2-08)( )

**(BREAK IN CONTINUITY OF SECTIONS)**

**701. HOW TO VERIFY THAT CLAIMANTS ARE LAWFULLY PRESENT IN THE UNITED STATES (RULE 701).**

Sections 63-701 through 710 and Sections 67-7901 through 7903, Idaho Code. (4-2-08)

**01. Lawful Presence in the United States.** The county assessor shall verify that any claimant for property tax reduction pursuant to Sections 63-701 through 710, Idaho Code, who is eighteen (18) years of age or older is lawfully present in the United States before approving the claimant for property tax reduction pursuant to Sections 63-701 through 710, Idaho Code, by doing the following: (4-2-08)( )

**a.** Providing to the State Tax Commission electronically and by paper copies documentation verifying that the claimant's name, social security number, and date of birth used for social security records of the claimant and the claimant's spouse, if married, are correct. Examples of documentation that would verify that the information is correct include, but are not limited to the following: (4-2-08)

- i. Federal Form W-2; (4-2-08)
- ii. Federal Form 1099; (4-2-08)
- iii. Form 1099 received by the claimant from the Social Security Administration or the Railroad Retirement Board, or the federal Personnel Management System; (4-2-08)
- iv. Social Security Card; (4-2-08)
- v. Birth Certificate; or (4-2-08)
- vi. Documents listed under paragraph 701.01.b. of this rule. (4-2-08)

**b.** If the claimant or the claimant's spouse, if married, is not currently receiving benefits from the Social Security Administration, the Railroad Retirement Board, or the federal Personnel Management System, then requiring the claimant to submit the following, a copy of which shall be attached to the application for property tax reduction: (4-2-08)

i. An Idaho driver's license or an Idaho identification card issued pursuant to Section 49-2444, Idaho Code; or (4-2-08)

ii. A valid driver's license or similar document issued for the purpose of identification by another state or territory of the United States, if such license or document contains a photograph of the individual or the claimant's age, sex, race, height, weight, or other such personal identifying information relating to the individual sufficient to show that the individual is the person identified in the other state or territory of the United States driver's license or similar identification document; or (4-2-08)

iii. A United States military card or a military dependent's identification card; or (4-2-08)

iv. A United States coast guard merchant mariner card; or (4-2-08)

v. A Native American tribal document; or (4-2-08)

vi. A valid United States passport. (4-2-08)

**c.** Attestation of Lawful Presence. In addition to the documentation provided in Paragraphs 701.01.a. and 701.01.b. of this rule the claimant is also required to attest, under penalty of perjury and on a form designated by the State Tax Commission, that; (4-2-08)

i. The social security number(s) provided is/are valid; and (4-2-08)

ii. The claimant and the claimant's spouse, if married, are United States citizens or legal permanent residents; or (4-2-08)

iii. The claimant and the claimant's spouse, if married, are otherwise lawfully present in the United States pursuant to federal law. (4-2-08)

**d.** Audit. During audit the State Tax Commission shall: (4-2-08)

i. Verify the claimant's and the claimant's spouse's, if married, social security number(s) electronically with the Social Security Administration or through other appropriate governmental agencies or means. (4-2-08)

ii. Presume the attestation to be proof of lawful presence for purposes of this section until such verification of lawful presence is made. (4-2-08)

**e.** Successive Applications. Once a claimant and the claimant's spouse, if married, have been verified as lawfully present in the United States pursuant to this rule, a claimant and the claimant's spouse, if married, in successive years will be presumed to be lawfully present in the United States if the claimant and the claimant's spouse, if married, continue to attest in each successive application that no change has occurred in their status. (4-2-08)

**(BREAK IN CONTINUITY OF SECTIONS)**

**717. PROCEDURE AFTER CLAIM APPROVAL (RULE 717).**

Sections 63-115 and 63-707, Idaho Code.

(3-30-07)

**01. Formatting Requirements.** The property tax reduction roll shall be formatted as required by Section 63-707, Idaho Code. (3-30-01)

**02. Preliminary Property Tax Reduction Roll.** The roll, certified by the assessor to the county auditor and the State Tax Commission by ~~the fourth Monday in~~ June 1st of each year, shall be termed the preliminary property tax reduction roll. The preliminary property tax reduction roll shall list property tax reduction claimants in alphabetical order unless the State Tax Commission grants permission for claimants to be listed in an alternate order. Each original claim form shall be submitted to the State Tax Commission in the same order as shown on the preliminary property tax reduction roll. (~~3-30-01~~)(      )

**03. Final Property Tax Reduction Roll.** The completed property tax reduction roll, certified by each county clerk to the State Tax Commission by the fourth (4th) Monday in October, shall be termed the final property tax reduction roll. The final property tax reduction roll shall list property tax reduction claimants in the same order as shown on the preliminary property tax reduction roll, except that all fully disapproved claimants shall be deleted and not shown on the final property tax reduction roll. Erroneous claims which are partially disapproved by the State Tax Commission shall be shown on the final property tax reduction roll after the county clerk has made all adjustments or corrections listed on the notice sent to the county auditor pursuant to Section 63-707(6), Idaho Code, termed county change letter. (3-30-01)

**04. Certification of Electronic Property Tax Reduction Roll by County Assessor.** ~~After approval of the claims by the county board of equalization but no later than the fourth Monday in June, each~~ The county assessor will certify the property tax reduction roll to the county auditor and send a copy to the State Tax Commission by June 1st of each year. In addition, each county assessor will also send a copy of this certified roll to the State Tax Commission in a password protected electronic data file formatted as directed or approved by the State Tax Commission. Each county assessor will contact the State Tax Commission to receive a password. This password protected electronic roll will contain the following information: (~~3-30-07~~)(      )

- a. Claimant's Social Security Number. List the claimant's social security number. (3-30-07)
- b. Claimant's Date of Birth. List the claimant's date of birth. (3-30-07)
- c. Claimant's Last Name. List the claimant's last name. (3-30-07)
- d. Claimant's First Name. List the claimant's first name. (3-30-07)
- e. Spouse's Social Security Number. List the social security number for the spouse of the claimant. (3-30-07)
- f. Spouse's Date of Birth. List the date of birth for the spouse of the claimant. (3-30-07)
- g. Spouse's Last Name. List the last name for the spouse of the claimant. (3-30-07)
- h. Spouse's First Name. List the first name for the spouse of the claimant. (3-30-07)
- i. Claimant's Telephone Number. List the claimant's telephone number. (3-30-07)
- j. Claimant's Address. List the claimant's address. (3-30-07)
- k. Claimant's City. List the city where the claimant lives. (3-30-07)
- l. Claimant's State. List the postal abbreviation for the state where the claimant lives. (3-30-07)
- m. Claimant's Zip Code. List the claimant's zip code. (3-30-07)
- n. Claimant's Parcel Number(s). List the parcel number for the property on which the claimant is receiving the homeowner's exemption. When more than one (1) parcel owned by the claimant is eligible, list all

- eligible parcel numbers. (3-30-07)
- o.** Year. List the current year. (3-30-07)
  - p.** Claimant's County Number. List the number of the county where the claimant lives. (3-30-07)
  - q.** Term of Direct Address. List the appropriate term of direct address; that is, "Mr.," "Ms.," or "Mr. & Mrs.," (3-30-07)
  - r.** Income Data. List income data. (3-30-07)
  - s.** Identify New Applicants. Identify claimants who are applying for this benefit for the first time. (3-30-07)
  - t.** Value. List the best estimate for each secondary category of current market value and prorated net taxable value. (3-30-07)
  - u.** Maximum Benefit. The program will automatically show the maximum benefit for which the claimant is eligible based on income. (3-30-07)
  - v.** Qualifying Criteria. Identify all of the following criteria that the claimant meets. (3-30-07)
    - i.** Sixty-five (65) years old or older. (4-2-08)
    - ii.** Blind. (3-30-07)
    - iii.** Disability granted by the Social Security Administration, Railroad Retirement Board, or federal civil service. (3-30-07)
    - iv.** Orphan, under eighteen (18) years of age. (3-30-07)
    - v.** Prisoner of war or hostage, certified by Veteran's Affairs. (3-30-07)
    - vi.** Nonservice connected disability or service connected disability at ten percent (10%) to thirty percent (30%), certified by Veteran's Affairs. (3-30-07)
    - vii.** Service connected disability at forty percent (40%) or more, certified by Veteran's Affairs. (3-30-07)
    - viii.** Widow or widower, include date of spouse's death. (3-30-07)
    - ix.** Whether the claimant is lawfully present in the United States. (4-2-08)
- 05. Certification of Completed Electronic Property Tax Reduction Roll by County Auditor.** No later than the fourth Monday in October, each county auditor will certify the property tax reduction roll to the State Tax Commission. In addition, each county auditor will also send a copy of this certified roll to the State Tax Commission in a password protected electronic data file formatted as directed or approved by the State Tax Commission. Each county auditor will contact the State Tax Commission to receive a password. In addition to the data files listed in Paragraphs 717.01.a. through 717.01.v. of this rule, this password protected electronic roll will contain the following information formatted as directed or approved by the State Tax Commission. (3-30-07)
- a.** Current Year's Levy. List the current year's levy for the tax code area where each claimant's property is located. (3-30-07)
  - b.** Current Year's Taxable Value. List the current year's taxable value for each claimant's qualifying property. (3-30-07)

c. Claimed Property Tax Reduction Amount. List for each claimant the amount of property tax reduction claimed based on the current year's levy and the current year's eligible taxable value. (3-30-07)

**(BREAK IN CONTINUITY OF SECTIONS)**

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

Sections 63-802, 63-301A, 63-602W, and 63-602NN, Idaho Code. (5-8-09)

**01. Definitions.** (4-5-00)

a. "Change of Land Use Classification." "Change of land use classification" shall mean any change in land use resulting in a secondary category change and in a change in taxable land value to be reflected on the current property roll. (4-7-11)

b. "Incremental Value as of December 31, 2006." "Incremental value as of December 31, 2006" means the total of the increment values on the property roll, subsequent property roll, missed property roll, and operating property roll for the 2006 tax year. (4-7-11)

c. "Nonresidential Structure." "Nonresidential structure" shall mean any structure listed by the assessor in any secondary category not described as residential, manufactured homes, or improvements to manufactured homes in Rule 511 of these rules. (4-2-08)

**02. New Construction Roll Listing.** "Listing" shall mean a summary report of the net taxable value of property listed on the new construction roll. This listing shall include the taxable value of qualifying new construction throughout each taxing district or unit, but shall not include otherwise qualifying new construction, the value of which will be included in the increment value of any revenue allocation area (RAA) within any urban renewal district encompassed by the taxing district or unit. In addition, new construction related to change of land use classification, but required by section 50-2903(4) to be added to the base assessment roll, cannot be added to any new construction roll. This report is to summarize the value reported on the new construction roll by taxing district or unit. Taxing districts and units shall be listed in the same order that is used for the certification of value required pursuant to Section 63-510(1), Idaho Code. (~~4-7-11~~)(    )

a. Previously allowable new construction that has never been included. When a taxing district proves new construction described by Section 63-301A(3), Idaho Code, occurred during any one of the immediately preceding five (5) years and has never been included on a new construction roll, the county assessor must list that property on the immediate next new construction roll at the value proven by the taxing district. Any such additional new construction must also be separately listed for each taxing district or unit. The taxing district has the burden of proving the new construction was omitted from ~~any~~ new construction roll and the value that would have been listed for that property had it been listed on the appropriate new construction roll. No taxing district shall ever be granted any increase in budget authority greater than the amount that would have resulted had the property been listed on the appropriate new construction roll. Regardless of the year that the new construction should have been listed on the appropriate new construction roll, additional budget authority resulting from new construction previously omitted from a new construction roll and listed on the current year's new construction roll shall be permitted only if the taxing district is in compliance with the budget hearing notification requirements of Section 63-802A, Idaho Code, for the current year. (~~4-7-11~~)(    )

b. Reporting the amount of taxable market value to be deducted. For each taxing district or unit, the new construction roll listing shall separately identify the total amount of taxable market value to be deducted as required in Section 63-301A(1)(f), Idaho Code. In addition to other requirements, the amount of value deducted shall never exceed the amount originally added to a new construction roll. (~~4-7-11~~)(    )

c. Determining the amount of taxable market value to be deducted. The amount of taxable market value to be deducted under Section 63-301A(1)(f)(i), Idaho Code, shall be determined by the highest authority to

which the assessment is ultimately appealed. Accordingly, adjustments should not be made until there has been a final decision on any appeal. In addition, the deduction for lower values resulting from appeals shall be made only for property that was placed on a new construction roll within the immediately preceding five (5) years. ~~(4-7-11)~~( )

**03. Special Provisions for Value Increases and Decreases.** Special provisions for value increases and decreases related to change of land use classification as defined in Paragraph 802.01.a. of this rule. (4-7-11)

**a.** Value increases. Certain related land value increases are to be included on the new construction roll. (4-7-11)

i. Increases in land value shall be reported on the new construction roll in the year in which the new category appears on the current property roll provided, however, that no amount previously included shall be reported again. (4-7-11)

ii. The increase in taxable land value to be reported shall be computed by subtracting the taxable land value, had the land remained in its previous use category, from the taxable land value in the current use category. (4-7-11)

**b.** Value decreases. Certain related land value decreases are to be included on the new construction roll and subtracted from total new construction value for any taxing district. (4-7-11)

i. Value decreases are to be reported only for land for which taxable market value was reduced as a result of change of land use classification during any one (1) of the immediately preceding five (5) years and for which an increase in value due to change of land use classification during the same five-year period had previously been added to any new construction roll. ~~(4-7-11)~~( )

ii. If the current land category is the same as the category prior to the change that resulted in an addition to the new construction roll, the amount to be subtracted shall equal the amount originally added. For example, a dry grazing land parcel that would have had a value of ten thousand dollars (\$10,000) became commercial land and was assessed at fifty thousand dollars (\$50,000). The forty thousand dollar (\$40,000) difference was reported on the new construction roll in year one (1). In year two (2), the parcel is reclassified as dry grazing land and is to be assessed at fifteen thousand dollars (\$15,000). The forty thousand dollar (\$40,000) difference that was added to the year one (1) new construction roll must be deducted from the value shown on the new construction roll in year two (2). (4-7-11)

iii. If the current land category is different than the category prior to the change that resulted in an addition to the new construction roll, the amount to be subtracted shall be the lesser of the amount originally added or the amount that would have been added had the first change in land use been from the current land category. For example, a dry grazing land parcel that would have had a value of ten thousand dollars (\$10,000) became commercial land and was assessed at fifty thousand dollars (\$50,000). The forty thousand dollar (\$40,000) difference was reported on the new construction roll in year one (1). In year two (2), the parcel is reclassified as irrigated agricultural land and would have had a value in year one (1) of twenty thousand dollars (\$20,000). The amount to be subtracted from the value shown on the new construction roll in year two (2) is thirty thousand dollars (\$30,000). (4-7-11)

iv. Value decreases resulting from previously included land value becoming exempt are to be reported and subtracted. (4-7-11)

v. Only land value decreases that meet the criteria listed in Subparagraphs 802.03.b.i. or 802.03.b.iv. of this rule and include and result from a change in land secondary category can be considered. (4-7-11)

**04. Manufactured Housing.** "Installation" of new or used manufactured housing shall mean capturing the net taxable market value of the improvement(s) that did not previously exist within the county. (7-1-97)

**05. Partial New Construction Values.** Except as provided in Subsection 802.06 of this rule, the net taxable market value attributable directly to new construction shall be reported on the new construction roll in the tax year it is placed on the current assessment roll. Except as provided in Subsection 802.06 of this rule, any increase in a nonresidential parcel's taxable value, due to new construction, shall be computed by subtracting the previous year's



or years' partial taxable value(s) from the current taxable value. If any of this difference is attributable to inflation, such value, except as provided in Subsection 802.06 of this rule, shall not be included on the new construction roll.

Example: Assume a partially completed, nonresidential improvement was assessed at ten thousand dollars (\$10,000) as of January 1, 2009. The improvement was occupied February 2, 2009. Assume the ten thousand dollar (\$10,000) value was on the 2009 new construction roll. Assume that in 2010 the improvement is assessed at ninety thousand dollars (\$90,000). Assume there has been no inflation. The value that can be reported on the 2010 new construction roll is calculated as follows:

2010 Value	\$90,000
2009 Value Already Reported on New Construction Roll	<\$10,000>
2010 New Construction Roll Value (this improvement)	\$80,000

(4-7-11)

**06. Change in Status.**

(4-2-08)

**a.** A previously exempt improvement which becomes taxable shall not be included on the new construction roll, unless the loss of the exemption occurs during the year in which the improvement was constructed or unless the improvement has lost the exemption provided in Section 63-602W, Section 63-602E(3), or Section 63-602NN, Idaho Code. For any such property, the amount that may be included on the new construction roll shall be the value of the portion of the property subject to the exemption at the time the exemption was first granted. (4-7-11)

**b.** Upon receipt by the State Tax Commission of a resolution recommending adoption of an ordinance for termination of an RAA under Section 50-2903(5), Idaho Code, any positive difference of the most current increment value minus the "incremental value as of December 31, 2006," shall be added to the appropriate year's new construction roll. When this information is received after the fourth Monday in July, this positive net increment value shall be added to the following year's new construction roll. (4-7-11)

**c.** When a portion of an RAA is de-annexed, the following steps must be used to determine the amount to be added to the current year's new construction roll and the amount to be subtracted from the "incremental value as of December 31, 2006." (4-7-11)

i. Step 1. For the parcels in the de-annexed area, determine the December 31, 2006, increment value. (4-7-11)

ii. Step 2. Subtract the increment value determined in Step 1 from the most current increment value for the parcels in the de-annexed area. (4-7-11)

iii. Step 3. Add any positive difference calculated in Step 2 to the current year's new construction roll value. (4-7-11)

iv. Step 4. Adjust the "incremental value as of December 31, 2006" for the RAA by subtracting the increment value determined in Step 1. (4-7-11)

v. The following table shows the amount to be added to the current year's new construction roll and the amount to be subtracted from the "incremental value as of December 31, 2006" applicable to the adjusted remaining RAA. The table assumes an area is de-annexed from an original RAA effective December 31, 2009.

Steps (as designated in Paragraph 802.06.c.)	Area	Value
	December 31, 2006, increment value of the original RAA	\$10,000,000
Step 1	December 31, 2006, increment value of the de-annexed area	\$1,000,000

<b>Steps (as designated in Paragraph 802.06.c.)</b>	<b>Area</b>	<b>Value</b>
	December 31, 2009, increment value of the de-annexed area	\$3,000,000
Steps 2 and 3	Amount related to the de-annexed area to be added to the 2010 new construction roll	\$2,000,000
Step 4	Adjustment amount to be deducted from the original RAA's "incremental value as of December 31, 2006"	<\$1,000,000>
	Adjusted "incremental value as of December 31, 2006" for the remaining RAA (base for future new construction roll additions upon dissolution of all or part of remaining RAA)	\$9,000,000

(4-7-11)

**07. 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 shall not include value that has been included in the annexation value. When an annexation includes any part of a revenue allocation area, only taxable value that is part of the current base value of the taxing district is to be included in the annexation value reported for that taxing district for the year following the year of the annexation. (3-29-10)

**08. Notification of New Construction Roll and Annexation Values.** On or before the fourth Monday in July, each county auditor must report the net taxable values on the new construction roll and within annexed areas for each appropriate taxing district or unit to that taxing district or unit. (3-20-04)

**(BREAK IN CONTINUITY OF SECTIONS)**

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

Section 50-2908, 63-803, and 63-811, Idaho Code. (5-8-09)

**01. Definitions.** (4-5-00)

**a.** "Urban renewal district." An urban renewal district, as referred to in Section 63-215, Idaho Code, shall mean an urban renewal area formed pursuant to an urban renewal plan adopted in accordance with Section 50-2008, Idaho Code. Urban renewal districts are not taxing districts. (4-5-00)

**b.** "Revenue allocation area (RAA)." A revenue allocation area (RAA) as referred to in Section 50-2908, Idaho Code, shall be the area defined in Section 50-2903, Idaho Code, in which base and increment values are to be determined. Revenue allocation areas (RAAs) are not taxing districts. (4-5-00)

**c.** "Current base value." The current base value of each parcel in a taxing district or unit shall be the value of that parcel on the current base assessment roll as defined under Section 50-2903, Idaho Code. Current base value does not include value found on the occupancy roll. (4-5-00)

**d.** "Initial base value." The initial base value for each parcel is the sum of the taxable value of each category of property in the parcel for the year the RAA is established. (4-5-00)

**e.** "Increment value." The increment value is the difference between the current equalized value of each parcel of taxable property in the RAA and that parcel's current base value, provided such difference is a positive value. (4-5-00)

**02. Establishing and Adjusting Base and Increment Values.** (4-5-00)

a. Establishing initial base value. If a parcel's legal description has changed prior to computing initial base year value, the value that best reflects the prior year's taxable value of the parcel's current legal description must be determined and will constitute the initial base year value for such parcel. The initial base value includes the taxable value, as of the effective date of the ordinance adopting the urban renewal plan, of all otherwise taxable property, as defined in Section 50-2903, Idaho Code. Initial base value does not include value found on the occupancy roll.

(4-5-00)

b. Adjustments to base value - general value changes. Adjustments to base values will be calculated on a parcel by parcel basis, each parcel being a unit and the total value of the unit being used in the calculation of any adjustment. Base values are to be adjusted downward when the current taxable value of any parcel in the RAA is less than the most recent base value for such parcel. In the case of parcels containing some categories of property which increase in value and some which decrease, the base value for the parcel will only decrease provided the sum of the changes in category values results in a decrease in total parcel value. Any adjustments shall be made by category and may result in increases or decreases to base values for given categories of property for any parcel. Adjustments to base values for any real, personal, or operating property shall establish new base values from which future adjustments may be made. In the following examples the parcel's initial base value is one hundred thousand dollars (\$100,000), including Category 21 value of twenty thousand dollars (\$20,000) and Category 42 value of eighty thousand dollars (\$80,000).

(4-5-00)

i. Case 1: Offsetting decreases and increases in value. One (1) year later the parcel has a one thousand dollar (\$1,000) decrease in value in Category 21 and a one thousand dollar (\$1,000) increase in Category 42 value. There is no change in the base value for the parcel.

(4-5-00)

ii. Case 2: Partially offsetting decreases and increases in value. One (1) year later the parcel has a three thousand dollars (\$3,000) decrease in value in Category 21 and a one thousand dollars (\$1,000) increase in Category 42 value. The base value decreases two thousand dollars (\$2,000) to ninety-eight thousand dollars (\$98,000).

(4-5-00)

iii. Case 3: Future increase in value following decreases. One (1) year after the parcel in Case 2 has a base value reduced to ninety-eight thousand dollars (\$98,000), the value of the parcel increases by five thousand dollars (\$5,000) which is the net of category changes. The base value remains at ninety-eight thousand dollars (\$98,000).

(4-5-00)

c. Adjustments to base value - splits and combinations. Before other adjustments can be made, the most recent base value must be adjusted to reflect changes in each parcel's legal description. This adjustment shall be calculated as described in the following subsections.

(4-5-00)

i. When a parcel has been split, the most recent base year value is transferred to the new parcels, making sure that the new total equals the most recent base year value.

(4-5-00)

ii. When a parcel has been combined with another parcel, the most recent base year values are added together.

(4-5-00)

iii. When a parcel has been split and combined with another parcel in the same year, the value of the split shall be calculated as set forth in Subsection 804.02.c.i. and then the value of the combination will be calculated as set forth in Subsection 804.02.c.ii.

(4-5-00)

d. Adjustments to base values when exempt parcels become taxable. Base values shall be adjusted as described in the following subsections.

(4-5-00)

i. Fully exempt parcels at time of RAA establishment. When a parcel that was exempt at the time the RAA was established becomes taxable, the base value is to be adjusted upwards to reflect the estimated value of the formerly exempt parcel at the time the RAA was established.

(4-5-00)

ii. Partially exempt parcels losing the speculative value exemption. When a partially exempt parcel with a speculative value exemption that applies to farmland within the RAA becomes fully taxable, the base value of the RAA shall be adjusted upwards by the difference between the taxable value ~~that would have been assessed had~~

~~the parcel been fully taxable in the year the RAA was established~~ of the parcel for the year in which the exemption is lost and the taxable value of the parcel included in the base value of the RAA. For example, assume a parcel of farmland within an RAA had a taxable value of five hundred dollars (\$500) in the year the RAA base value was established. Assume also that ~~if this parcel had not been actively devoted to agriculture at that time, the taxable value would have been fifteen hundred dollars (\$1500). After five (5) years, this parcel is no longer used for farming, loses its partial exemption, and becomes reclassified as industrial land with a value of ten thousand dollars (\$10,000) a speculative value exemption of two thousand dollars (\$2,000) at that time. Two (2) years later the parcel is reclassified as industrial land, loses the speculative value exemption, and has a current taxable value of fifty thousand dollars (\$50,000).~~ The base value within the RAA would be adjusted upwards by ~~one~~ forty-nine thousand five hundred dollars (~~\$149,050~~), the difference between ~~fifteen hundred fifty thousand~~ dollars (~~\$150,000~~) and five hundred (\$500). ~~The preceding example applies only in cases of loss of the speculative value exemption that applies to land actively devoted to agriculture and does not apply to timberland. Site improvements, such as roads and utilities, that become taxable after the loss of the speculative value exemption are not to be added to the base value. For example, if, in addition to the fifty thousand dollars (\$50,000) current taxable value of the undeveloped land, site improvements valued at twenty-five thousand dollars (\$25,000) are added, the amount reflected in the base value remains fifty thousand dollars (\$50,000), and the additional twenty-five thousand dollars (\$25,000) is added to the increment value. In addition, this example applies only to land that loses the speculative value exemption as a result of changes occurring in 2010 or later and first affecting taxable values in 2011 or later. Parcels that lost speculative value exemptions prior to 2010 had base value adjustments as described in Subsection 804.02.d.iii. of this rule.~~ (4-5-00)( )

iii. ~~Partially exempt parcels other than those losing the speculative value exemption. When a partially exempt parcel, other than one subject to the speculative value exemption that applies to farmland, within the RAA becomes fully taxable, the base value of the RAA shall be adjusted upwards by the difference between the value that would have been assessed had the parcel been fully taxable in the year the RAA was established and the taxable value of the parcel included in the base value of the RAA. For example, assume a residential parcel within an RAA had a market value of one hundred thousand dollars (\$100,000), a homeowner's exemption of fifty thousand dollars (\$50,000), and a taxable value of fifty thousand dollars (\$50,000) in the year the RAA base value was established. After five (5) years, this parcel is no longer used for owner-occupied residential purposes and loses its partial exemption. At that time the parcel has a taxable value of one hundred eighty thousand dollars (\$180,000). The base value within the RAA would be adjusted upwards by fifty thousand dollars (\$50,000) to one hundred thousand (\$100,000) to reflect the loss of the homeowner's exemption, but not any other value increases.~~ ( )

iv. ~~Partially exempt properties for which the amount of the partial exemption changes. For partially exempt properties that do not lose an exemption, but for which the amount of the exemption changes, there shall be no adjustment to the base value, unless the current taxable value is less than the most recent base value for the property. For example, assume a home has a market value of two hundred thousand dollars (\$200,000) and a homeowner's exemption of one hundred thousand dollars (\$100,000), leaving a taxable value of one hundred thousand dollars (\$100,000), all of which is base value. The following year the homeowner's exemption limit changes to ninety thousand dollars (\$90,000), so the property's taxable value increases to one hundred ten thousand dollars (\$110,000). The base value remains at one hundred thousand dollars (\$100,000). Alternatively, assume the property in the preceding example increases in market value to two hundred twenty thousand dollars (\$220,000) and the homeowner's exemption drops to ninety thousand dollars (\$90,000) because of the change in the maximum amount of this exemption. The base value remains at one hundred thousand dollars (\$100,000). Finally, assume the property decreases in value to one hundred eighty-eight thousand dollars (\$188,000) at the same time the homeowner's exemption limit changes to ninety thousand dollars (\$90,000). The property now has a taxable value of ninety-eight thousand dollars (\$98,000), requiring an adjustment in the base value to match this amount, since it is lower than the original base value of one hundred thousand dollars (\$100,000).~~ ( )

iv. Change of exempt status. When a parcel that is taxable and included in the base value at the time the RAA is established subsequently becomes exempt, the base value is reduced by the original value of the parcel included in the base value. If this parcel subsequently becomes taxable, the base value is to be adjusted upward by the same amount that was originally subtracted. For example, assume a land parcel had a base value of twenty thousand dollars (\$20,000). Three (3) years later, an improvement valued at one hundred thousand dollars (\$100,000) was added. The land at this later date had a value of thirty thousand dollars (\$30,000). Both land and improvements were purchased by an exempt entity. The base would be reduced by twenty thousand dollars (\$20,000). Five (5) years later, the land and improvement becomes taxable. The base value is to be adjusted upwards by twenty thousand dollars

(\$20,000). (4-5-00)

**e.** Adjustments to base values when property is removed. Base values are to be adjusted downward for real, personal, and operating property removed from the RAA. Property shall be considered removed only under the conditions described in the following subsections. (4-5-00)

**i.** For real property, all of the improvement is physically removed from the RAA, provided that there is no replacement of said improvement during the year the original improvement was removed. If said improvement is replaced during the year of removal, the reduction in base value will be calculated by subtracting the value of the new improvement from the current base value of the original improvement, provided that such reduction is not less than zero (0). (4-5-00)

**ii.** For personal property, all of the personal property associated with one (1) parcel is physically removed from the RAA. (4-5-00)

**iii.** For operating property, any of the property under a given ownership is removed from the RAA. (4-5-00)

**f.** Adjustments to increment values. Decreases in total parcel value below the initial base value decrease the base value for the parcel. This leads to greater increment value if the parcel increases in value in future years. For example, if a parcel with a initial base value of one hundred thousand dollars (\$100,000) decreases in value to ninety-five thousand dollars (\$95,000), but later increases to ninety-eight thousand dollars (\$98,000), an increment value of three thousand dollars (\$3,000) is generated. If the same parcel increases in value to one hundred two thousand dollars (\$102,000) after the decrease to ninety-five thousand dollars (\$95,000), the increment value would be seven thousand dollars (\$7,000). (4-5-00)

**g.** Apportioning operating property values. For operating property, the original base value shall be apportioned to the RAA on the same basis as is used to apportion operating property to taxing districts and units. The operating property base value shall be adjusted as required under Section 50-2903, Idaho Code. (4-5-00)

**03. Levy Computation for Taxing Districts Encompassing RAAs Within Urban Renewal Districts.** Beginning in 2008, levies shall be computed in one (1) of two (2) ways as follows: (5-8-09)

**a.** For taxing district or taxing unit funds other than those meeting the criteria listed in Subsection 804.05 of this rule, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the value of each parcel on the current base assessment roll (base value), but excluding the increment value. For example, if the taxable value of property within a taxing district or unit is one hundred million dollars (\$100,000,000) but fifteen million dollars (\$15,000,000) of that value is increment value, the levy of the taxing district must be computed by dividing the property tax portion of the district's or unit's budget by eighty-five million dollars (\$85,000,000). (5-8-09)

**b.** For taxing district or taxing unit funds meeting the criteria listed in Subsection 804.05 of this rule, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the increment value. Given the values in the example in Paragraph 804.03.a. of this rule, the levy would be computed by dividing the property tax portion of the fund by one hundred million dollars (\$100,000,000). (5-8-09)

**04. Modification of an Urban Renewal Plan.** When an authorized municipality passes an ordinance modifying an urban renewal plan containing a revenue allocation financing provision, the current value of property in the RAA shall be determined as if the modification had not occurred. All modifications to urban renewal areas and RAAs must comply with the provisions of Rule 225 of these rules. (4-5-00)

**a.** Modification by consolidation of RAAs. If such modification involves combination or consolidation of two (2) or more RAAs, the base value shall be determined by adding together independently determined current base values for each of the areas to be combined or consolidated. The current taxable value of

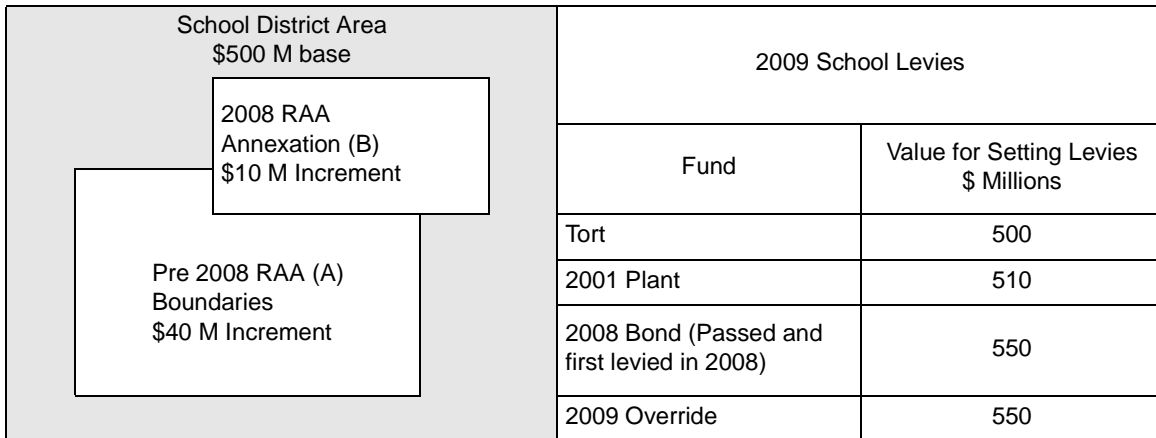
property in an area not previously included in any RAA shall be added to determine the total current base value for the consolidated RAA. (4-5-00)

**b.** Modification by annexation. (5-8-09)

**i.** If an RAA is modified by annexation, the current taxable value of property in the area annexed shall be added to the most current base value determined for the RAA prior to the annexation. (5-8-09)

**ii.** For levies described in Paragraphs 804.05.b., c., or d. of this rule 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 levy by the taxing district or unit fund after December 31, 2007, the property tax levy shall be computed by dividing the dollar amount certified for the property tax portion of the budget of the fund by the market value for assessment purposes of all taxable property within the taxing district or unit, including the increment value. The example below shows the value to be used for setting levies for various funds within an urban renewal district "A" that annexes area "B" within a school district. Area (B) was annexed after December 31, 2007. Therefore, the Area (B) increment was added back to the base for all funds shown except the tort fund. The Area (A) increment value was added back to the base for the bond and override funds which were certified or passed after December 31, 2007.

2009 Value Table	School District (base only)	\$500 Million
	RAA (A) increment	\$40 Million
	RAA annex (B) increment	\$10 Million



(5-8-09)

**05. Criteria for Determining Whether Levies for Funds Are to Be Computed Using Base Value or Market Value for Assessment Purposes.** Beginning in 2008, levies to be certified for taxing district or unit funds meeting the following criteria or used for any of the following purposes will be computed as described in Paragraph 804.03.b. of this rule. (5-8-09)

**a.** Refunds or credits pursuant to Section 63-1305, Idaho Code, and any school district judgment pursuant to Section 33-802(1), Idaho Code, provided the refunds, credits, or judgments were pursuant to actions taken no earlier than January 1, 2008; (5-8-09)

**b.** Voter approved overrides of the limits provided in Section 63-802, Idaho Code, provided such overrides are for a period not to exceed two (2) years and were passed after December 31, 2007, or earlier as provided in the criteria found in Paragraph 804.05.e.; (5-8-09)

c. Voter approved bonds and plant facilities reserve funds passed after December 31, 2007, or earlier as provided in the criteria found in Paragraph 804.05.e.; (5-8-09)

d. Voter approved school or charter school district temporary supplemental maintenance and operation levies passed after December 31, 2007; or (3-29-10)

e. Levies described in Paragraphs 804.05.b., c., or d. 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 levy by the taxing district or unit fund after December 31, 2007; (3-29-10)

f. Levies authorized by Section 33-317A, Idaho Code, known as the cooperative service agency school plant facility levy. (3-29-10)

06. **Cross Reference.** The county auditor shall certify the full market value by taxing district as specified in Rule 995 of these rules. (4-2-08)

**(BREAK IN CONTINUITY OF SECTIONS)**

808. ~~(RESERVED)~~ **ADDITIONAL DOCUMENTATION BY TAXING DISTRICTS NOT LEVYING AGAINST ALL TAXABLE PROPERTY (RULE 808).**  
Sections 25-2401, 31-1425, 42-3115, 42-3708, 42-4116, 50-3113, 63-510 and 63-803, Idaho Code. ( )

**01. Tax Levy Rate Calculations and Documentation of Categories to be Taxed.** For any taxing district which does not levy property taxes against all taxable property within the district, the tax levy is to be calculated by dividing the taxing district's property tax budget by the taxable value of property against which the levy is to be applied. If the taxing district elects the property categories to be taxed, documentation of such election must be either: ( )

**a.** If initiated by the taxing district and not currently available to each county clerk, submitted by the taxing district to each county clerk, who shall then submit the documentation to the State Tax Commission by the first Monday in August in the first year in which the election takes place or in 2012, and in any year in which the categories elected to be taxed change; or ( )

**b.** If elected by an action of the Board of County Commissioners, submitted by the county clerk to the State Tax Commission by the first Monday in August in the first year in which the election takes place or in 2012, and in any year in which the categories elected to be taxed change. ( )

**02. Fire Districts.** Fire districts may levy against property of public utilities provided there is an agreement between the fire district and the public utility to do so. In addition, fire districts may exempt all or a portion of unimproved real property and taxable personal property. ( )

**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 as documentation required in Subsection 808.01 of this rule. Such agreements need only be submitted once, provided there is no change and such agreements are on file with the county clerk and State Tax Commission in 2012. ( )

**b.** Exemption of all or a portion of unimproved real property and taxable personal property. Exemption of all or a portion of unimproved real property and taxable personal 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, 2012 or, for fire districts created during or after 2012, by the third Monday in July of the first year in which the fire district intends to levy property taxes. If such documentation is not available, the fire district shall be

presumed to be levying against all otherwise taxable real and personal property. ( )

**03. Flood Control, Levee, Watershed Improvement, Community Infrastructure Districts, and Herd Districts.** Property tax may only be levied against real property. No special documentation is required. ( )

**04. Ambulance Districts.** Exemption of all or a portion of unimproved real property and taxable personal property must be documented by an ordinance enacted pursuant to Section 31-3908A, Idaho Code, by the county commissioners of the county in which the ambulance district is located. If such documentation is not available, the ambulance district shall be presumed to be levying against all otherwise taxable real and personal property. ( )

**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. ( )

**(BREAK IN CONTINUITY OF SECTIONS)**

**988. QUALIFIED PROPERTY FOR EXEMPTION (RULE 988).** Sections 63-302, 63-313, 63-404, and 63-3029B, Idaho Code. (4-6-05)

**01. Definitions.** The following definitions apply for the purposes of the property tax exemption under Section 63-3029B, Idaho Code, and do not decide investment tax credit eligibility for Idaho income tax purposes. (3-20-04)

**a.** Year in which the investment is placed in service. “Year in which the investment is placed in service” means the calendar year the property was put to use or placed in a condition or state of readiness and availability for a specifically assigned function in the production of income. (4-6-05)

**b.** Operator’s Statement. The “operator’s statement” is the annual statement listing all property subject to assessment by the State Tax Commission and prepared under Section 63-404, Idaho Code. (3-20-04)

**c.** Personal Property Declaration. A “personal property declaration” is any form required for reporting personal property or transient personal property to the county assessor under Sections 63-302 or 63-313, Idaho Code, respectively. (3-20-04)

**d.** Qualified Investment. “Qualified investment” means property that would have otherwise been taxable for property tax purposes and is eligible or qualified under Section 63-3029B, Idaho Code, provided that property is reported on the personal property declaration or operator’s statement and is designated as exempt from property tax for two (2) years on Form 49E. (3-20-04)

**e.** Qualified Investment Exemption. The “qualified investment exemption” (QIE) referred to in this rule is the property tax exemption under Section 63-3029B, Idaho Code. (3-20-04)

**f.** Assessor. The “assessor” is the representative of the county assessor’s office or the State Tax Commission who is responsible for the administration of the QIE. ( )

**02. Designation of Property for Which Exemption Is Elected.** The owner shall designate the property on which the QIE is elected. The owner shall make this designation on Form 49E and attach it to a timely filed personal property declaration or, for operating property, the timely filed operator’s statement. Owners who designate property on which the QIE is elected may not file the annual affidavit provided for in Section 63-602KK(6), Idaho Code, but must file the personal property declaration. This prohibition shall be limited to the time period during which the taxpayer may be subject to recapture under Section 63-3029B, Idaho Code. 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. (3-29-10)

**03. Election for Investments Not Otherwise Required to Be Listed on the Personal Property Declaration.** For investments, like single purpose agricultural or horticultural structures, that are not otherwise required to be listed on the personal property declaration, the owner must list that property to elect the QIE. As with any property designated for the QIE, the owner must attach Form 49E to the personal property declaration. (3-20-04)

**04. Continuation of Listing.** For all property designated for QIE, even though that property is exempt for two (2) years, the owner must list that property on the personal property declaration or operator's statement in the initial year for which the QIE is claimed and the following four (4) consecutive years, unless that property has been sold, otherwise disposed of, or ceases to qualify pursuant to Section 63-3029B, Idaho Code. (3-20-04)

**05. Period of QIE.** The QIE shall be granted for the two (2) calendar years immediately after the end of the calendar year in which the property acquired as a qualified investment was first placed in service in Idaho. (3-20-04)

**06. Election Specificity.** The QIE election provided by Section 63-3029B, Idaho Code, shall be specific to each qualified item listed on the personal property declaration or operator's statement. An item that is a qualified investment, but for which there is no QIE election during the year after the "year in which the investment is placed in service" in Idaho, is not eligible for the QIE. (4-6-05)

**07. Notification by Assessor.** (4-6-05)

**a.** Upon Receipt of Form 49E or a Listing. Upon receiving Form 49E or any listing provided to comply with Subsection 988.08 or 988.12 of this rule, the *county* assessor shall 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 shall notify the taxpayer and, if applicable, send a copy of this form or listing to the State Tax Commission. (4-6-05)( )

**b.** Upon Discovery of Changes. Upon discovering that property granted the QIE was sold, otherwise disposed of, or ceased to qualify under Section 63-3029B, Idaho Code, within the five (5) year period beginning with the date the property was placed in service, the *county* assessor shall notify the State Tax Commission and the taxpayer immediately. The *county* assessor shall also provide this notification upon discovery that the owner first claiming the QIE failed to list the item on any personal property declaration or failed to file a personal property declaration in any year during this five (5) year period. This notice shall include: (4-6-05)( )

i. Owner. Name of the owner receiving the QIE. (4-6-05)

ii. Property description. A description of the property that received the QIE. (4-6-05)

iii. New or used. State whether the individual item was purchased new or used. (4-6-05)

iv. Date placed in service. The date the owner reported the item was first placed in service in Idaho. (4-6-05)

v. First year value of QIE. For each item, the amount of exempt value in the first year the QIE was elected and an identification of the year. (4-6-05)

vi. Second year value of QIE. For each item, the amount of exempt value in the second year after the QIE was elected. (4-6-05)

vii. Tax code area number. For each item, the number of the tax code area within which that item was located. (4-6-05)

**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 assessor

shall deny the exemption for those items. The assessor shall notify the taxpayer electing the QIE and shall 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 assessor. ( )

**08. Moved Personal Property.** In order to provide unmistakable identification of the property, certain taxpayers must send written notification by the date provided in Section 63-302, 63-313, or 63-404, Idaho Code, when moving property that previously received the QIE. This notification: (3-20-04)

**a.** Is required of taxpayers moving locally assessed property between counties in Idaho during the five (5) year period beginning the date that property was placed in service; (4-6-05)

**i.** The taxpayers send this notification to the assessor in the county that granted the QIE and the assessor in any Idaho county to which the property has been moved. (4-6-05)

**ii.** The taxpayers must include a listing which describes the property exactly as it was described on the original Form 49E or cross references the property originally listed on Form 49E. (4-6-05)

**b.** Is not required of taxpayers when the property is State Tax Commission assessed nonregulated operating property. (4-6-05)

**09. Notification Regarding Transient Personal Property.** For transient personal property elected for the QIE, the definition of home county in Section 63-313, Idaho Code, and Rule 313 of these rules, applies. When a home county receives information of an election for QIE and a notice that the exempt property was used in another county in Idaho, the home county must forward information identifying that property to the other county(ies) in accordance with procedures in Section 63-313, Idaho Code. Also, the home county assessor shall send a copy of this notice to the State Tax Commission. (3-20-04)

**10. Partial-Year Assessments.** Property assessed based on a value prorated for a portion of the year in which the property is first placed in service may still be eligible for the QIE in the subsequent two (2) calendar years, provided the QIE is elected. (3-20-04)

**11. Limitation on Amount of Exemption.** (3-20-04)

**a.** New Property. The QIE shall be for the full market value for assessment purposes for new property that is a qualifying investment. (3-20-04)

**b.** Used Property. The QIE for used property placed in service during a taxable year for income tax purposes shall be limited. For each taxpayer, the QIE shall be the lesser of the QIE cost or the current year's market value in accordance with the following procedure: (4-6-05)

**i.** QIE cost shall be determined for each item of used property upon which the QIE is claimed. QIE cost is the lesser of an item's cost or one hundred fifty thousand dollars (\$150,000); provided, however, that the QIE cost for all elected used property shall not exceed one hundred fifty thousand dollars (\$150,000) in a taxable year (See Example B in Subparagraph 988.11.c.ii., of this rule). In the event the cost of one (1) or more items of used property exceeds one hundred fifty thousand dollars (\$150,000), QIE cost shall reflect the reduction necessary to stay within the one hundred fifty thousand dollar (\$150,000) limit (See IDAPA 35.01.01, "Income Tax Administrative Rules," Rule 719 for information on the selection of items of used property). (4-6-05)

**ii.** For each item purchased used, the QIE shall be limited to the lesser of the QIE cost or the current year's market value (See Example B in Subparagraph 988.11.c.ii., of this rule). (4-6-05)

**c.** Examples. In the following examples, all of the property is owned by the same taxpayer and is a qualified investment. (4-6-05)

**i.** Example A. In Example A, 2004 is the first year during which the qualified investment receives the QIE. The taxpayer may decide which of the used items placed in service in 2003 is considered first for the exemption.

In this example, computer 1 has been given the exemption first. Since the limitation is based on cost, the remaining used property exemption cannot exceed one hundred thirty thousand dollars (\$130,000) and the QIE cost is determined accordingly. The conveyor belt is a new investment, first eligible for the QIE in 2005. In 2006, the assembly line, computer 1, and computer 2 would be fully taxable at the market value as of January 1, 2006.

Example A										
Property Description (same taxpayer)	Year Placed in Service	Cost	New or Used	QIE Cost	2004 Market Value	2004 Exempt Value	2004 Taxable Value	2005 Market Value	2005 Exempt Value	2005 Taxable Value
Computer 1	2003	\$20,000	Used	\$20,000	\$12,000	\$12,000	\$0	\$8,000	\$8,000	\$0
Assembly line	2003	\$160,000	Used	\$130,000	\$140,000	\$130,000	\$10,000	\$110,000	\$110,000	\$0
Computer 2	2003	\$50,000	New	N/A	\$40,000	\$40,000	\$0	\$30,000	\$30,000	\$0
Conveyor belt	2004	\$200,000	Used	\$150,000	N/A	N/A	N/A	\$200,000	\$150,000	\$50,000

(4-6-05)

ii. Example B. In Example B, the property was purchased at auction for a cost much less than its market value.

Example B										
Property Description	Year Placed in Service	Cost	New or Used	QIE Cost	2006 Market Value	2006 Exempt Value	2006 Taxable Value	2007 Market Value	2007 Exempt Value	2007 Taxable Value
Construction Equipment	2005	\$20,000	Used	\$20,000	\$80,000	\$20,000	\$60,000	\$70,000	\$20,000	\$50,000

(4-6-05)

d. Used Property Placed in Service by Fiscal Year Taxpayer. If a taxpayer had a fiscal year beginning July 1, 2004, and placed one hundred fifty thousand dollars (\$150,000) of qualifying used property in service on May 15, 2004, and an additional one hundred fifty thousand dollars (\$150,000) of qualifying used property in service on August 1, 2004, the taxpayer would qualify for an exemption of up to three hundred thousand dollars (\$300,000) on this used property in 2005 and 2006. The exempt value in the second year of the exemption could not exceed the lesser of three hundred thousand dollars (\$300,000) or the (depreciated) market value of this used property. (4-6-05)

**12. Multi-County Taxpayers.** (3-20-04)

a. Except taxpayers electing QIE for property that is State Tax Commission assessed operating property, any taxpayers electing the QIE for properties purchased new must indicate on Form 49E the county where each property is located or must complete a separate Form 49E and attach it to the personal property declaration submitted to each county. (3-20-04)

b. Except taxpayers electing QIE for property that is State Tax Commission assessed operating property, any taxpayers electing the QIE for properties purchased used must attach any Form 49E listing property purchased used to the personal property declaration sent to each county. A Form 49E listing only property purchased used may be provided to comply with this requirement. (3-20-04)

c. Any taxpayers electing QIE for property that is State Tax Commission assessed nonregulated operating property and purchased new or used must indicate on Form 49E each county where each property is located

and attach it to the operator's statement. (4-6-05)

d. If multiple Form 49Es are submitted to one (1) or more assessors, a copy of each Form 49E must be attached to the correct year's income tax return. (3-20-04)

**13. Special Provisions for Nonregulated Operating Property.** (4-6-05)

a. For nonregulated operating property, the market value of the QIE is calculated by multiplying the depreciated original cost of the property times the ratio of the correlated value determined under Subsection 405.08 of these rules to the cost approach value determined under Subsection 405.02 of these rules. (4-6-05)

b. The following special provisions apply for the reduction in market value of nonregulated operating property resulting from QIE being elected. (4-6-05)

i. Reduction in Idaho value. For nonregulated operating property except situs property, the reduction in market value will be made by subtracting the market value of the QIE from the allocated Idaho value before apportionment to any taxing district or unit. (4-6-05)

ii. Reduction in market value of situs property owned by nonregulated operating property companies. For situs property owned by nonregulated operating property companies, the reduction in market value will be made by subtracting the market value of the specific investment in the specific location. (4-6-05)

~~**14. Denial of QIE.** If the QIE is denied for all or part of the market value of any item for which the QIE had been claimed, the assessor shall notify the taxpayer electing the QIE and shall identify the basis for the denial. (3-20-04)~~

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

**164. Cross Reference.** For more information relating to procedures and requirements for QIE, refer to Section 63-3029B, Idaho Code, and IDAPA 35.01.01, "Income Tax Administrative Rules," Rule 719. For information relating to recapture of QIE, refer to Rule 989 of these rules. (4-6-05)