

Property Tax Rates and Urban Renewal Increment Issues

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Tax Rates and Revenue to URDs

Information	Example	Comment or Calculation
Taxing District Property Tax Budget (general)	\$10,000	Assume budget is for fund for which URD is eligible to receive revenue distribution
Base Value of Taxing District	\$10,000,000	Excludes taxable property value that comprises increment
Property Tax Rate	0.001	$\$10,000 / \$10,000,000$
URD increment value	\$1,000,000	
Revenue to URD	\$1,000	$0.001 \times \$1,000,000$

Notes: Taxing district receives full, budgeted amount of property tax because tax rate is set against taxable value not including increment.

Determining Increment Value

Parcel	Year 1 base value (\$)	Year 2 total value <i>(increment)</i> (\$)	Year 3 total value <i>(increment)</i> (\$)	Year 4 total value <i>(increment)</i> (\$)
1	50,000	55,000 (5,000)	45,000 (0)	48,000 (3,000)
2	60,000	60,000 (0)	120,000 (60,000)	110,000 (50,000)
3	70,000	65,000 (0)	70,000 (5,000)	50,000 (0)
Total increment	NA	(5,000)	(65,000)	(53,000)

Notes: It is assumed that the URD revenue allocation area formed in Year 1. Ongoing penalty administrative problems worsen if there are multiple taxing districts affected – some URDs overlap two school districts.

All URD calculations are done on a parcel by parcel basis.