

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 449

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 63-602G, IDAHO CODE, TO PROVIDE FOR
2 CERTAIN FORMS, TO REQUIRE TAXPAYERS TO PROVIDE CERTAIN INFORMATION
3 TO COUNTY ASSESSORS, TO PROVIDE PENALTIES FOR IMPROPER HOMESTEAD EX-
4 EMPTION CLAIMS, TO PROVIDE QUALIFICATIONS, TO PROVIDE PROCEDURES FOR
5 APPEALS, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-3077,
6 IDAHO CODE, TO REVISE PROVISIONS REGARDING TAXPAYER INFORMATION COL-
7 LECTED BY THE STATE TAX COMMISSION; AMENDING SECTION 63-301A, IDAHO
8 CODE, TO PROVIDE A CORRECT CODE REFERENCE AND TO MAKE TECHNICAL CORREC-
9 TIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
10

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

12 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby
13 amended to read as follows:

14 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax
15 year, the first one hundred twenty-five thousand dollars (\$125,000) of the
16 market value for assessment purposes of the homestead as that term is defined
17 in section 63-701, Idaho Code, or fifty percent (50%) of the market value
18 for assessment purposes of the homestead as that term is defined in section
19 63-701, Idaho Code, whichever is the lesser, shall be exempt from property
20 taxation.

21 (2) The exemption allowed by this section may be granted only if:

22 (a) The homestead is owner-occupied and used as the primary dwelling
23 place of the owner. The homestead may consist of part of a multidwelling
24 or multipurpose building and shall include all of such dwelling or
25 building except any portion used exclusively for anything other than
26 the primary dwelling of the owner. The presence of an office in a home-
27 stead, which office is used for multiple purposes, including business
28 and personal use, shall not prevent the owner from claiming the exemp-
29 tion provided in this section; and

30 (b) The state tax commission has certified to the board of county com-
31 missioners that all properties in the county subject to appraisal by the
32 county assessor have, in fact, been appraised uniformly so as to secure
33 a just valuation for all property within the county; and

34 (c) The owner has certified to the county assessor that:

35 (i) He is making application for the exemption allowed by this
36 section;

37 (ii) The homestead is his primary dwelling place; and

38 (iii) He has not made application in any other county for the ex-
39 emption and has not made application for the exemption on any other
40 homestead in the county.

41 (d) For the purpose of this section, the definition of "owner" shall be
42 the same definition set forth in section 63-701(7), Idaho Code. When

1 an "owner," pursuant to the provisions of section 63-701(7), Idaho
 2 Code, is any person who is the beneficiary of a revocable or irrevoca-
 3 ble trust, or who is a partner of a limited partnership, a member of a
 4 limited liability company, or a shareholder of a corporation, he or she
 5 may provide proof of the trust, limited partnership, limited liability
 6 company, or corporation in the manner set forth in section 63-703(4),
 7 Idaho Code.

8 (e) Any owner may request in writing the return of all copies of any
 9 documents submitted with the affidavit set forth in section 63-703(4),
 10 Idaho Code, that are held by a county assessor, and the copies shall
 11 be returned by the county assessor upon submission of the affidavit in
 12 proper form.

13 (f) For the purpose of this section, the definition of "primary
 14 dwelling place" shall be the same definition set forth in section
 15 63-701(8), Idaho Code.

16 (g) For the purpose of this section, the definition of "occupied" shall
 17 be the same definition set forth in section 63-701(6), Idaho Code.

18 (3) The county assessor of each county shall prescribe and make avail-
 19 able forms to be used by a homeowner to apply for the homestead exemption pro-
 20 vided in this section. The homeowner shall provide on such forms the home-
 21 owner's full name, date of birth, complete address, and most recent previ-
 22 ous complete address. The homeowner shall also provide, if applicable, such
 23 homeowner's state-issued driver's license number or state-issued identifi-
 24 cation card number.

25 ~~(3)~~ (4) An owner need ~~only~~ make application for the exemption described
 26 in subsection (1) of this section only once, as long as all of the following
 27 conditions are met:

28 (a) The owner has received the exemption during the previous year as
 29 a result of ~~his~~ making a valid application as set forth in subsection
 30 (2)(c) of this section.

31 (b) The owner or beneficiary, partner, member or shareholder, as appro-
 32 priate, still occupies the same homestead for which the owner made ap-
 33 plication.

34 (c) The homestead described in paragraph (b) of this subsection is
 35 owner-occupied or occupied by a beneficiary, partner, member or share-
 36 holder, as appropriate, and used as the primary dwelling place of the
 37 owner or beneficiary, partner, member or shareholder, as appropriate.

38 ~~(4)~~ (5) The exemption allowed by this section shall be effective upon
 39 the date of the application and must be taken before the reduction in taxes
 40 provided by sections 63-701 through 63-710, Idaho Code, is applied.

41 ~~(5)~~ (6) Recovery of property tax exemptions allowed by this section but
 42 improperly claimed or approved:

43 (a) (i) Prior to granting an exemption, the county assessor shall
 44 investigate whether an applicant for the exemption has claimed the
 45 exemption for another homestead and shall not grant the exemption
 46 where it appears the exemption has been improperly claimed. The
 47 applicant shall be notified of the county assessor's refusal to
 48 grant the exemption.

49 (ii) Upon discovery of evidence, facts or circumstances indicat-
 50 ing any exemption allowed by this section was improperly claimed

1 or approved, the county assessor shall decide whether the exemp-
 2 tion claimed should have been allowed and, if not, notify the tax-
 3 payer in writing, assess a recovery of property tax and notify the
 4 county treasurer of this assessment. If the county assessor de-
 5 termined that an exemption was improperly approved as a result of
 6 county error, the county assessor shall present the discovered ev-
 7 idence, facts or circumstances from the improperly approved ex-
 8 emption to the board of county commissioners, at which time the
 9 board may waive a recovery of the property tax, and notify such
 10 taxpayer in writing.

11 (iii) Upon the first instance of a taxpayer being discovered to
 12 have claimed more than one (1) homestead exemption, the taxpayer
 13 shall be subject to a penalty, payable to the county treasurer, in
 14 an amount equal to the amount of property tax recovered pursuant
 15 to subparagraph (ii) of this paragraph, which shall be paid in ad-
 16 dition to such recovery amount. The taxpayer shall be notified of
 17 the assessment of such penalty at the same time as the notice of the
 18 assessor's refusal to grant the exemption in subparagraph (i) of
 19 this paragraph.

20 (iv) Any subsequent violation within seven (7) years of an in-
 21 stance pursuant to subparagraph (iii) of this paragraph shall be a
 22 misdemeanor, subject to the penalties provided in section 18-113,
 23 Idaho Code. The county assessor shall notify the county prosecut-
 24 ing attorney of any conduct that would constitute a misdemeanor
 25 pursuant to this subparagraph.

26 (v) Nothing in this paragraph shall prohibit a taxpayer from
 27 claiming a homestead exemption after January 1 for a property that
 28 is not already subject to the homestead exemption, provided any
 29 claim for an exemption is consistent with the requirements of sub-
 30 section (2) (c) (iii) of this section.

31 (b) Upon request by a county assessor conducting an investigation under
 32 paragraph (a) of this subsection, or when information indicating that
 33 an improper claim for the exemption allowed by this section is discov-
 34 ered by the state tax commission, the state tax commission shall dis-
 35 close relevant information to the appropriate county assessor, board
 36 of county commissioners, county clerk, and county treasurer and to the
 37 secretary of state. Information disclosed to county officials and the
 38 secretary of state by the state tax commission under this subsection:

39 (i) May be used to decide the validity of any entitlement to the
 40 exemption provided in this section;

41 (ii) Shall, as necessary, be used to determine a person's resi-
 42 dence for voting purposes under title 34, Idaho Code; and

43 (iii) Is not otherwise subject to public disclosure pursuant to
 44 chapter 1, title 74, Idaho Code.

45 (c) The assessment and collection of the recovery of property tax must
 46 begin within the seven (7) year period beginning the date the assessment
 47 notice reflecting the improperly claimed or approved exemption was re-
 48 quired to be mailed to the taxpayer.

49 (d) (i) An applicant for an exemption under this section may appeal
 50 to the county board of equalization the county assessor's refusal

1 to grant an exemption pursuant to paragraph (a) of this subsection
2 within thirty (30) days of the date the county assessor sent notice
3 of the refusal.

4 (ii) The taxpayer may appeal to the county board of equalization
5 the decision by the county assessor to assess the recovery of prop-
6 erty tax within thirty (30) days of the date the county assessor
7 sent the notice to the taxpayer pursuant to this section. The
8 board may waive the collection of all or part of any costs, late
9 charges, and interest in order to facilitate the collection of the
10 recovery of the property tax.

11 (iii) The taxpayer may appeal the imposition of the penalty pro-
12 vided in paragraph (a) (iii) of this subsection within thirty (30)
13 days of the date the county assessor sent the notice to the tax-
14 payer pursuant to this section.

15 (e) For purposes of calculating the tax, the amount of the recovered
16 property tax shall be for each year the exemption allowed by this sec-
17 tion was improperly claimed or approved, up to a maximum of seven (7)
18 years. The amount of the recovery of property tax shall be calculated
19 using the product of the amount of exempted value for each year multi-
20 plied by the levy for that year plus costs, late charges, and interest
21 for each year at the rates equal to those provided for delinquent prop-
22 erty taxes during that year.

23 (f) Any recovery of property tax shall be due and payable no later than
24 the date provided for property taxes in section 63-903, Idaho Code, and
25 if not timely paid, late charges and interest, beginning the first day
26 of January in the year following the year the county assessor sent the
27 notice to the taxpayer pursuant to this section, shall be calculated at
28 the current rate provided for property taxes.

29 (g) Recovered property taxes shall be billed, collected and dis-
30 tributed in the same manner as property taxes, except each taxing dis-
31 trict or unit shall be notified of the amount of any recovered property
32 taxes included in any distribution.

33 (h) Thirty (30) days after the taxpayer is notified, as provided in
34 paragraph (a) of this subsection, the assessor shall record a notice
35 of intent to attach a lien. Upon the payment in full of such recov-
36 ered property taxes prior to the attachment of the lien as provided in
37 paragraph (i) of this subsection, or upon the successful appeal by the
38 taxpayer, the county assessor shall record a rescission of the intent to
39 attach a lien within seven (7) business days of receiving such payment
40 or within seven (7) business days of the county board of equalization
41 decision granting the appeal. If the real property is sold to a bona
42 fide purchaser for value prior to the recording of the notice of the in-
43 tent to attach a lien, the county assessor and treasurer shall cease the
44 recovery of such unpaid recovered property tax.

45 (i) Any unpaid recovered property taxes shall become a lien ~~upon~~ on the
46 real property in the same manner as provided for property taxes in sec-
47 tion 63-206, Idaho Code, except such lien shall attach as of the first
48 day of January in the year following the year the county assessor sent
49 the notice to the taxpayer pursuant to this section.

1 (j) For purposes of the limitation provided by section 63-802, Idaho
 2 Code, moneys received pursuant to this subsection as recovery of prop-
 3 erty tax shall be treated as property tax revenue.

4 ~~(6)~~ (7) The legislature declares that this exemption is necessary and
 5 just.

6 ~~(7)~~ (8) A homestead, ~~having that~~ previously qualified for exemption un-
 7 der this section in the preceding year, shall not lose such qualification
 8 due to: the owner's, beneficiary's, partner's, member's or shareholder's
 9 absence in the current year by reason of active military service or because
 10 the homestead has been leased because the owner, beneficiary, partner, mem-
 11 ber or shareholder is absent in the current year by reason of active military
 12 service. An owner subject to the provisions of this subsection must apply
 13 for the exemption with the county assessor every year on or before a deadline
 14 date as specified by the county assessor for the county in which the home-
 15 stead is claimed. If an owner fails to apply on or before the established
 16 deadline, the county may, at its discretion, discontinue the exemption for
 17 that year.

18 ~~(8)~~ (9) A homestead, ~~having that~~ previously qualified for exemption
 19 under this section in the preceding year, shall not lose such qualification
 20 due to the owner's, beneficiary's, partner's, member's or shareholder's
 21 death during the year of the owner's, beneficiary's, partner's, member's
 22 or shareholder's death and the tax year immediately following such death,
 23 provided that the homestead continues to be a part of the owner's, benefi-
 24 ciary's, partner's, member's or shareholder's estate. After such time, the
 25 new owner shall reapply to receive the exemption pursuant to this section and
 26 shall meet the qualification criteria contained in this section.

27 ~~(9)~~ (10) The amount by which each exemption approved under this sec-
 28 tion exceeds one hundred thousand dollars (\$100,000) may, in the discretion
 29 of the governing board of a taxing district, be deducted from the new con-
 30 struction roll for the following year prepared by the county assessor in
 31 accordance with section 63-301A, Idaho Code, but only to the extent that the
 32 amount exceeds the same deduction made in the previous year.

33 ~~(10)~~ (11) By July 1, 2023, the state tax commission shall establish a
 34 database of all active exemptions claimed under this section, which database
 35 shall be searchable by a person's name and by the address of the homestead for
 36 which the exemption is claimed. The database shall be made accessible to of-
 37 ficials listed in subsection ~~(5)~~ (6) (b) of this section for the purpose of
 38 verifying that:

39 (a) Multiple active exemptions have not been claimed by the same per-
 40 son; and

41 (b) A person's residence for voting purposes is the same as the home-
 42 stead for which such person has an active exemption pursuant to this
 43 section, if an exemption is so claimed.

44 SECTION 2. That Section 63-3077, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

46 63-3077. INFORMATION FURNISHED TO CERTAIN OFFICIALS. (1) The state
 47 tax commission, under such rules as it may prescribe, may disclose tax re-
 48 turns or tax information to:

1 (a) The commissioner of internal revenue of the United States or his
2 delegate or the financial management services of the department of the
3 treasury of the United States; or

4 (b) The proper officer of any state imposing a tax similar to a tax to
5 which this section applies or the multistate tax commission or its dele-
6 gate or the governing entity of the international fuels tax agreement or
7 its delegate;

8 of any taxpayer making or who may be required to make returns, with the state
9 tax commission or may furnish to such officer or his authorized representa-
10 tive an abstract or copy of any tax return or tax information or any infor-
11 mation disclosed by the report of any audit or investigation relating to any
12 taxpayer; but such permission shall be granted or information furnished to
13 such officer or his representatives only if the statutes of the United States
14 or such other state, as the case may be, grant substantially similar privi-
15 leges to the state tax commission.

16 (2) Notwithstanding the provisions of this chapter as to secrecy, any
17 duly constituted committee of either branch of the state legislature shall
18 have the right to inspect returns upon request.

19 (3) Nothing in this chapter shall prohibit a taxpayer, or his au-
20 thorized representative, upon proper identification, from inspecting or
21 obtaining a copy of his own tax returns or tax information or authorizing, in
22 writing, the disclosure of information to a third party.

23 (4) Any resident or part-year resident individual taxpayer making an
24 income tax return, shall furnish the state tax commission with the location
25 of any residential property owned by the taxpayer and occupied by the tax-
26 payer as his primary dwelling place on the first day of January of the year
27 following the year to which the tax return relates. The state tax commission
28 is hereby authorized and empowered to deliver to the county assessor of any
29 county of the state of Idaho and the Idaho secretary of state information
30 relating to a taxpayer's place of residence or domicile. The information
31 may be used by county assessors and boards of equalization to assist in
32 determining the validity of any homeowner's entitlement to the exemption
33 provided in section 63-602G, Idaho Code. Each county assessor shall de-
34 liver to the state tax commission all information such assessor has received
35 from a taxpayer pursuant to the provisions of section 63-602G(3), Idaho
36 Code. All information relating to a taxpayer that is furnished to the Idaho
37 secretary of state may be used by the Idaho secretary of state to assist in
38 determining a person's residence for voting purposes as provided in section
39 34-107(2), Idaho Code, and for candidate qualifications as provided in sec-
40 tion 34-701(3), Idaho Code. Information disclosed to county officials under
41 this subsection may be used only ~~to determine the validity of any homeowner's~~
42 ~~entitlement to the exemption provided in section 63-602G, Idaho Code, for~~
43 ~~purposes described in this subsection~~ and is not otherwise subject to public
44 disclosure.

45 (5) The state tax commission additionally is authorized to utilize any
46 centralized state computer facility.

47 (6) Nothing in this section or section 63-3076, Idaho Code, shall re-
48 quire the state tax commission to disclose information not required to be
49 disclosed under the provisions of chapter 1, title 74, Idaho Code, or prevent
50 the state tax commission from disclosing the current validity of any permit

1 or license issued by the state tax commission or information that is other-
2 wise publicly available.

3 SECTION 3. That Section 63-301A, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
6 a new construction roll, which shall be in addition to the property roll,
7 which new construction roll shall show:

8 (a) The name of the taxpayer;

9 (b) The description of the new construction, suitably detailed to meet
10 the requirements of the individual county;

11 (c) The amount of taxable market value added to the property on the cur-
12 rent year's property roll that is directly the result of new construc-
13 tion;

14 (d) The amount of taxable market value added as provided in subsection
15 (3) (f) of this section as a result of dissolution of any revenue alloca-
16 tion area; and

17 (e) The amount of taxable market value to be deducted to reflect the ad-
18 justments required in this paragraph:

19 (i) Any board of tax appeals or court-ordered value change, if
20 property has a taxable value lower than that shown on any new con-
21 struction roll in any one (1) of the immediate five (5) tax years
22 preceding the current tax year;

23 (ii) Any reduction in value resulting from correction of value im-
24 properly included on any previous new construction roll as a re-
25 sult of double or otherwise erroneous assessment;

26 (iii) Any reduction in value resulting from the exemption provided
27 in section 63-602W(4), Idaho Code, in any one (1) of the immediate
28 five (5) tax years preceding the current tax year; and

29 (iv) Any voluntary reduction in value reflecting a portion of
30 certain homestead exemptions as provided in section ~~63-602G(9)~~
31 63-602G(10), Idaho Code.

32 (2) As soon as possible, but in any event by no later than the first Mon-
33 day in June, the new construction roll shall be certified to the county audi-
34 tor and a listing showing the amount of value on the new construction roll in
35 each taxing district or unit shall be forwarded to the state tax commission
36 on or before the fourth Monday in July. Provided however, the value shown
37 in subsection (3) (e) of this section shall be reported to the appropriate
38 county auditor by the state tax commission by the third Monday in July and the
39 value sent by the county auditor to each taxing district. The value estab-
40 lished pursuant to subsection (3) (e) of this section is subject to correc-
41 tion by the state tax commission until the first Monday in September, and any
42 such corrections shall be sent to the appropriate county auditor, who shall
43 notify any affected taxing districts.

44 (3) Except as otherwise provided in this subsection, the value shown on
45 the new construction roll shall include ninety percent (90%) of the taxable
46 market value increase from:

47 (a) Construction of any new structure that previously did not exist,
48 once it is completed and taxable;

49 (b) Additions or alterations to existing nonresidential structures;

1 (c) Installation of new or used manufactured housing that did not pre-
2 viously exist within the county;

3 (d) Property newly taxable as a result of loss of the exemption provided
4 by section 63-602W(3) or (4), Idaho Code;

5 (e) The construction of any improvement or installation of any equip-
6 ment used for or in conjunction with the generation of electricity and
7 the addition of any improvement or equipment intended to be so used, ex-
8 cept property that has a value allocated or apportioned pursuant to sec-
9 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
10 ity as those terms are defined in section 61-332A, Idaho Code, or that
11 is owned by a public utility as that term is defined in section 61-332A,
12 Idaho Code, owning any other property that is allocated or apportioned.
13 No replacement equipment or improvements may be included;

14 (f) Provided such increases do not include increases already reported
15 on the new construction roll as permitted in paragraphs (i) and (j) of
16 this subsection, increases in value over the base value of property on
17 the base assessment roll within an urban renewal revenue allocation
18 area that has been terminated pursuant to section 50-2909(4), Idaho
19 Code, to the extent that this increment exceeds the incremental value as
20 of December 31, 2006, or, for revenue allocation areas formed after De-
21 cember 31, 2006, eighty percent (80%) of the increment value. Notwith-
22 standing other provisions of this section, the new construction roll
23 shall not include new construction located within an urban renewal dis-
24 trict's revenue allocation area, except as provided in this paragraph;

25 (g) New construction, in any one (1) of the immediate five (5) tax years
26 preceding the current tax year, allowable but never included on a new
27 construction roll, provided however, that, for such property, the value
28 on the new construction roll shall reflect the taxable value that would
29 have been included on the new construction roll for the first year in
30 which the property should have been included;

31 (h) Formerly exempt improvements on state college-owned or state uni-
32 versity-owned land for student dining, housing, or other education-re-
33 lated purposes approved by the state board of education and board of
34 regents of the university of Idaho as proper for the operation of such
35 state college or university, provided such improvements were never in-
36 cluded on any previous new construction roll;

37 (i) Increases in base value when due to previously determined incre-
38 ment value added to the base value as required in sections 50-2903 and
39 50-2903A, Idaho Code, due to a modification of the urban renewal plan.
40 In this case, the amount added to the new construction roll will equal
41 eighty percent (80%) of the amount by which the increment value in the
42 year immediately preceding the year in which the base value adjustment
43 described in this subsection occurs exceeds the incremental value as of
44 December 31, 2006, or, for revenue allocation areas formed after Decem-
45 ber 31, 2006, the entire increment value; and

46 (j) Increases in base value when due to previously determined incre-
47 ment value added to the base value as a result of a de-annexation within
48 a revenue allocation area as defined in section 50-2903, Idaho Code.
49 In this case, the amount added to the new construction roll will equal
50 eighty percent (80%) of the amount by which the increment value in the

1 year immediately preceding the year in which the de-annexation de-
2 scribed in this subsection occurs exceeds the incremental value as of
3 December 31, 2006, or, for revenue allocation areas formed after Decem-
4 ber 31, 2006, the entire increment value within the area subject to the
5 de-annexation.

6 (4) The amount of taxable market value of new construction shall be the
7 change in net taxable market value that is attributable directly to the new
8 construction or loss of the exemption provided by section 63-602W(3) or (4),
9 Idaho Code. It shall not include any change in value of existing property
10 that is due to external market forces such as general or localized inflation,
11 except as provided in subsection (3) (f) of this section.

12 (5) The amount of taxable market value of new construction shall not in-
13 clude any new construction of property that has been granted a provisional
14 property tax exemption, pursuant to section 63-1305C, Idaho Code. A prop-
15 erty owner may apply to the board of county commissioners, if an application
16 is required pursuant to section 63-602, Idaho Code, for an exemption from
17 property tax at the time the initial building permits are applied for or at
18 the time construction of the property has begun, whichever is earlier, or at
19 any time thereafter.

20 (6) The amount of taxable market value of new construction shall not in-
21 clude any new construction of property for which an exemption from sales and
22 use tax has been granted pursuant to section 63-3622VV, Idaho Code.

23 SECTION 4. An emergency existing therefor, which emergency is hereby
24 declared to exist, this act shall be in full force and effect on and after
25 July 1, 2024.