

GENERAL LAWS
OF THE
STATE OF IDAHO



**PASSED AND PUBLISHED BY
THE FIRST EXTRAORDINARY SESSION OF THE
SIXTY-SIXTH IDAHO LEGISLATURE**

**Convened September 1, 2022
Adjourned September 1, 2022**

**Idaho Official Directory and Roster of State Officials and
Members of State Legislature follows the Index.**

**Chairman Lakey
Senate Judiciary & Rules
Chairman Chaney
House Judiciary, Rules & Administration**

PROCLAMATION

WHEREAS, Article 4, Section 9 of the Constitution of the State of Idaho empowers the Governor, on extraordinary occasions, to convene the Legislature by proclamation; and

WHEREAS, inflation is at a 40-year high, putting gas, groceries, and other necessities out of reach for many Idahoans. Idaho taxpayers and the education system are especially imperiled by the consequences of historic inflation; and

WHEREAS, the State of Idaho's responsible, prudent budgeting has resulted in a record-breaking fiscal surplus, which equips the state to take action now to mitigate the harmful impacts of inflation; and

WHEREAS, by acting now, the state can return a portion of the surplus to Idaho taxpayers and make needed investments in education to counter rising costs and the likely increase in post-secondary enrollment that occurs during times of economic instability; and

WHEREAS, the need to respond to the effects of inflation on taxpayers and the education system constitutes an extraordinary occasion. The state cannot risk inaction in the face of sustained, intransigent inflation;

NOW, THEREFORE, I, Brad Little, Governor of the State of Idaho, by virtue of the authority vested in me by the Constitution and laws of the State of Idaho, do hereby proclaim that the 66th Idaho Legislature shall convene in an extraordinary session in the legislative chambers of the Idaho State Capitol in Boise City, Ada County, beginning at the hour of 8:00 a.m. on the 1st day of September 2022, for the following enumerated purpose and no other:

To consider the passage and enactment of the attached RS29902C1, which shall (1) provide a one-time tax rebate of no more than \$500 million, (2) establish a corporate and individual flat tax rate no lower than 5.8%, and (3) dedicate no less than \$410 million to public education.

The Idaho Legislature convened by this Proclamation shall have no power to legislate on any other subjects during the extraordinary session.

I HEREBY DIRECT AND REQUIRE that a copy of this Proclamation be delivered to the presiding officers of the Idaho Senate and House of Representatives, to each of the members of the 66th Idaho Legislature, and to the Constitutional Officers of Idaho at the earliest practicable time.



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho at the Capitol in Boise on this 31st day of August, in the year of our Lord two thousand and twenty-two, and of the Independence of the United States of America the two hundred forty-seventh, and of the Statehood of Idaho the one hundred thirty-third.

/s/ Brad Little

GOVERNOR OF THE STATE OF IDAHO

BY THE GOVERNOR:

/s/ Lawrence Denney
SECRETARY OF STATE

CHAPTER 1
(H.B. No. 1)

AN ACT

RELATING TO TAXATION AND THE DISTRIBUTION OF CERTAIN TAX MONEYS; PROVIDING LEGISLATIVE FINDINGS AND INTENT; AMENDING SECTION 63-3024B, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE IDAHO TAX REBATE FUND; PROVIDING FOR A CASH TRANSFER; REPEALING SECTION 63-3024, IDAHO CODE, RELATING TO THE INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3024, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING THE INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS; REPEALING SECTION 63-3025, IDAHO CODE, RELATING TO THE TAX ON CORPORATE INCOME; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3025, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING THE TAX ON CORPORATE INCOME; REPEALING SECTION 63-3067, IDAHO CODE, RELATING TO REVENUE RECEIVED AND THE STATE REFUND ACCOUNT; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3067, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING REVENUE RECEIVED AND THE STATE REFUND ACCOUNT; AMENDING SECTION 63-3015, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 63-3036B, IDAHO CODE, TO REVISE A PROVISION REGARDING BACKUP WITHHOLDING BY PASS-THROUGH ENTITIES; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DISTRIBUTION OF SALES AND USE TAX REVENUE; AMENDING CHAPTER 43, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-4305, IDAHO CODE, TO PROVIDE FOR THE IN-DEMAND CAREERS FUND; PROVIDING FOR AN ADVISORY QUESTION TO BE PLACED ON THE BALLOT BEFORE THE VOTERS; AND DECLARING AN EMERGENCY AND PROVIDING EFFECTIVE DATES.

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

SECTION 1. LEGISLATIVE FINDINGS AND INTENT. (1) The Legislature finds that inflation is at a 40-year high, putting gas, groceries, and other necessities out of reach for many Idahoans.

(2) The Legislature further finds that, in stark contrast with the federal government and many of Idaho's sister states, the State of Idaho has maintained a structurally balanced budget, built robust reserves, paid off debt, and held the line on spending. As a result, the State of Idaho has a record surplus, while Washington, D.C., has accumulated a \$30 trillion gross national debt.

(3) The Legislature further finds that responsible, prudent budgeting has resulted in the State of Idaho's current record-breaking fiscal position, which equips the state to take action now to mitigate the harmful impacts of inflation.

(4) The Legislature further finds that Idaho taxpayers and the education system are especially imperiled by the consequences of historic inflation, and action is needed now. By acting now, the state can return a portion of the surplus to Idaho taxpayers, make the needed investments in education to counter rising costs, and prepare for the likely increase in workforce development training that occurs during times of economic instability. The state cannot risk inaction in the face of sustained, intransigent inflation.

(5) Therefore, given these findings, the intent of this act is to quickly respond to historic inflation and the harm it is inflicting on Idaho taxpayers and on the education system.

SECTION 2. That Section 63-3024B, Idaho Code, be, and the same is hereby amended to read as follows:

63-3024B. IDAHO TAX REBATE FUND. (1) There is hereby created in the state treasury the Idaho tax rebate fund for the purpose of implementing the provisions of this section.

(a) Up to two hundred twenty million dollars (\$220,000,000), less administrative costs, shall be distributed by the state tax commission to pay rebates to individual taxpayers as provided in subsection (2) of this section, which moneys are continuously appropriated.

(b) For rebates authorized under subsection (3) of this section, up to three hundred fifty million dollars (\$350,000,000), less administrative costs, shall be distributed by the state tax commission to pay rebates to individual taxpayers, which moneys are continuously appropriated.

(c) For rebates authorized under subsection (4) of this section, up to five hundred million dollars (\$500,000,000), less administrative costs, shall be distributed by the state tax commission to pay rebates to individual taxpayers, which moneys are continuously appropriated.

(2) After filing a 2020 Idaho individual income tax return or form 24 on or before December 31, 2021, any full-year resident taxpayer who also filed an individual income tax return or a form 24 for 2019 shall receive a onetime, nontaxable income tax rebate check in an amount approximately equal to nine percent (9%) of the tax amount, if any, reported on 2019 form 40, line 20, or for service members on 2019 form 43, line 42, or fifty dollars (\$50.00) per taxpayer and each dependent, whichever is more. Any unexpended moneys remaining from the rebate authorized under this subsection shall be added by the state tax commission to the moneys designated for the rebate authorized under subsection (3) of this section.

(3) After filing a 2021 Idaho individual income tax return or form 24 on or before December 31, 2022, any full-year resident taxpayer who also filed an a 2020 individual income tax return or a form 24 ~~for 2020~~ on or before December 31, 2022, shall receive a onetime, nontaxable income tax rebate check in an amount approximately equal to twelve percent (12%) of the tax amount, if any, reported on 2020 form 40, line 20, or for service members on 2020 form 43, line 42, or seventy-five dollars (\$75.00) per taxpayer and each dependent, whichever is more. The state tax commission shall issue such rebates during the 2022 fiscal year and 2023 fiscal year to the extent possible.

~~(4) For rebates granted under subsection (3) of this section, the state tax commission shall establish a mechanism by which a taxpayer may choose to donate a rebate owed him under this section to be used for one (1) of the following purposes: public schools, transportation, or parks and recreation. The state tax commission shall report to the governor and legislature the amount of rebates redirected for these specific purposes by December 31, 2022, so that the legislature may appropriate such funds for the intended purposes in the 2023 legislative session. In addition to the rebate granted under subsection (3) of this section, after filing a 2021 Idaho individual income tax return or form 24 on or before December 31, 2022, any full-year resident taxpayer who also filed a 2020 individual income tax return or a form 24 on or before December 31, 2022, shall receive a onetime nontaxable income tax rebate check in an amount approximately equal to ten percent (10%) of the tax amount, if any, reported on 2020 form 40, line 20, or for service members on 2020 form 43, line 42, or three hundred dollars (\$300) per individual return or six hundred dollars (\$600) per joint return, whichever is more. The state tax commission shall issue such rebates during the 2023 fiscal year to the extent possible.~~

SECTION 3. CASH TRANSFER. There is hereby appropriated and the Office of the State Controller shall transfer \$500,000,000 from the General Fund to the Idaho Tax Rebate Fund established under section 63-3024B, Idaho Code, on September 1, 2022, or as soon thereafter as practicable for the period July 1, 2022, through June 30, 2023.

SECTION 4. That Section 63-3024, Idaho Code, be, and the same is hereby repealed.

SECTION 5. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3024, Idaho Code, and to read as follows:

63-3024. INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS. (1) For each taxable year, a tax measured by Idaho taxable income as defined in this chapter is hereby imposed upon every individual, trust, or estate required by this chapter to file a return.

(2) (a) The tax imposed upon individuals, trusts, and estates shall be computed at the rate of five and eight-tenths percent (5.8%) of taxable income over two thousand five hundred dollars (\$2,500).

(b) For taxpayers filing a joint return pursuant to the provisions of section 63-3031, Idaho Code, the tax imposed shall be computed at the rate of five and eight-tenths percent (5.8%) of taxable income over five thousand dollars (\$5,000). For the purposes of this section, a return of a surviving spouse, as defined in section 2(a) of the Internal Revenue Code, and a head of household, as defined in section 2(b) of the Internal Revenue Code, shall be treated as a joint return.

(3) For taxable year 2000 and each year thereafter, the state tax commission shall prescribe a factor that shall be used to compute the Idaho income tax thresholds provided in subsection (2) of this section. The factor shall provide an adjustment to the Idaho tax thresholds so that inflation will not result in a tax increase. The Idaho tax thresholds shall be adjusted as follows: multiply the last threshold amount by the percentage (the consumer price index for the calendar year immediately preceding the calendar year to which the adjusted threshold amount will apply divided by the consumer price index for calendar year 1998). For the purpose of this computation, the consumer price index for any calendar year is the average of the consumer price index as of the close of the twelve (12) month period for the immediately preceding calendar year, without regard to any subsequent adjustments, as adopted by the state tax commission. This adoption shall be exempt from the provisions of chapter 52, title 67, Idaho Code. The consumer price index shall mean the consumer price index for all U.S. urban consumers published by the United States department of labor. The state tax commission shall annually include the factor as provided in this subsection to multiply against Idaho taxable income using the thresholds in this section to arrive at that year's Idaho taxable income for tax threshold purposes.

(4) In the case of a trust that is an electing small business trust as defined in section 1361 of the Internal Revenue Code, the special rules for taxation of such trusts contained in section 641 of the Internal Revenue Code shall apply, except that the individual rate provided in subsection (2) (a) of this section shall apply in computing tax due under this chapter.

(5) The state tax commission may promulgate rules defining the conditions upon which such returns shall be filed.

SECTION 6. That Section 63-3025, Idaho Code, be, and the same is hereby repealed.

SECTION 7. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3025, Idaho Code, and to read as follows:

63-3025. TAX ON CORPORATE INCOME. (1) For each taxable year, a tax is hereby imposed on the Idaho taxable income of a corporation, other than an S corporation, that transacts or is authorized to transact business in this state or has income attributable to this state. The tax shall be equal to five and eight-tenths percent (5.8%) of Idaho taxable income.

(2) In the case of an S corporation that is required to file a return under section 63-3030, Idaho Code, a tax is hereby imposed at the rate provided in subsection (1) of this section upon both:

(a) Net recognized built-in gain attributable to this state. The amount of net recognized built-in gain attributable to this state shall be computed in accordance with section 1374 of the Internal Revenue Code subject to the apportionment and allocation provisions of section 63-3027, Idaho Code; and

(b) Excess net passive income attributable to this state. The amount of excess net passive income attributable to this state shall be computed in accordance with section 1375 of the Internal Revenue Code subject to the apportionment and allocation provisions of section 63-3027, Idaho Code.

(3) The tax imposed by subsection (1) or (2) of this section shall not be less than twenty dollars (\$20.00); provided that the twenty-dollar (\$20.00) minimum payment shall not be collected from nonproductive mining corporations.

(4) The tax imposed by this section shall not apply to corporations taxed pursuant to the provisions of section 63-3025A, Idaho Code.

SECTION 8. That Section 63-3067, Idaho Code, be, and the same is hereby repealed.

SECTION 9. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3067, Idaho Code, and to read as follows:

63-3067. REVENUE RECEIVED -- STATE REFUND ACCOUNT. (1) A sum equal to the amount withheld under section 63-3035A, Idaho Code, shall be distributed fifty percent (50%) to the public school income fund to be utilized to facilitate and provide substance abuse programs in the public school system, and fifty percent (50%) shall be distributed to the counties to be utilized for county juvenile probation services. These funds shall be distributed quarterly to the counties based upon the percentage the population of the county bears to the population of the state as a whole.

(2) Except as may otherwise be provided by law, all moneys received by the state of Idaho under this chapter shall be deposited by the state tax commission, as received by it, with the state treasurer and shall be placed in and become a part of the general fund under the custody of the state treasurer. Provided, however, that an amount equal to twenty percent (20%) of the amount deposited with the state treasurer shall be placed in the state refund account, which is hereby created for the purpose of repaying overpayments and for the purpose of paying any other erroneous receipts illegally assessed or collected, penalties collected without authority, and taxes and licenses unjustly assessed or collected or that are excessive in amount. Whenever necessary for the purpose of making prompt payment of refunds, the board of examiners, upon request from the state tax commission and after review, may authorize the state tax commission to transfer any additional specific amount from income tax collections to the state refund account. There is appropriated out of the state refund account so much thereof as may be necessary for the payment of the refunds provided in this section. Claims for and payment of refunds under the provisions of this section shall be made in the same manner as other claims against the state of Idaho.

(3) Any unencumbered balance remaining in the state refund account on June 30 of each and every year in excess of the sum of five million dollars (\$5,000,000) shall be transferred to the general fund, and the state controller is hereby authorized and directed on such dates to make such transfers unless the board of examiners, which is hereby authorized to do so, changes the date of transfer or sum to be transferred.

SECTION 10. That Section 63-3015, Idaho Code, be, and the same is hereby amended to read as follows:

63-3015. ESTATES AND TRUSTS. (1) An estate is treated as a resident estate if the decedent was a resident of Idaho on the date of death.

(2) A trust, other than a qualified funeral trust, is treated as a resident trust if three (3) or more of the following conditions existed for the entire taxable year:

- (a) The domicile or residency of the grantor is in Idaho;
- (b) The trust is governed by Idaho law;
- (c) The trust has real or tangible personal property located in Idaho;
- (d) The domicile or residency of the trustee is in Idaho;
- (e) The administration of the trust takes place in Idaho. Administration of the trust includes conducting trust business, investing trust assets, making administrative decisions, recordkeeping and preparation and filing of tax returns.

(3) A trust, other than a qualified funeral trust, is treated as a part-year resident trust each day of the taxable year during which three (3) or more of the conditions specified in subsection (2) of this section existed.

(4) A qualified funeral trust is treated as a resident trust if its trustee has elected treatment as a qualified funeral trust pursuant to section 685 of the Internal Revenue Code where, at the time of the initial funding of the trust, the trust is required to be established under the laws of this state or, in the absence of such a requirement, where a funeral home or cemetery located in this state is identified to provide the services or merchandise, or both, under the terms of a preneed contract requiring the establishment of the trust.

(5) Qualified funeral trusts having a single trustee may file a single, composite return pursuant to rules of the state tax commission. Each beneficiary's interest in a qualified funeral trust included in the composite return under this section shall be taxed as a separate trust for the purposes of application of the ~~rate-schedules~~ tax imposed in section 63-3024, Idaho Code, and determination of the filing requirement in section 63-3030, Idaho Code. The composite return shall not be a return of a person under section 63-3082, Idaho Code.

(6) If the estate does not qualify as a resident estate, it is treated as a nonresident estate.

(7) If the trust does not qualify as a resident or part-year resident trust, it is treated as a nonresident trust.

(8) For purposes of determining residency status of a trust, no distinction is made between inter vivos trusts and testamentary trusts or between revocable trusts and irrevocable trusts.

SECTION 11. That Section 63-3036B, Idaho Code, be, and the same is hereby amended to read as follows:

63-3036B. PASS-THROUGH ENTITIES -- BACKUP WITHHOLDING. (1) A pass-through entity, as defined in section 63-3006C, Idaho Code, that is transacting business in Idaho during a taxable year shall withhold tax as prescribed in this section.

(2) For each nonresident individual who has income described in subsection (2) of section 63-3022L, Idaho Code, the pass-through entity shall withhold tax on the individual's share of income from the pass-through entity required to be included in Idaho taxable income of the individual, at the highest marginal rate applicable for the taxable year under section 63-3024, Idaho Code.

(3) A pass-through entity is not required to withhold taxes under this section:

(a) In regard to an individual who is a resident of Idaho as defined in section 63-3013, Idaho Code; or

(b) If the pass-through entity is a publicly traded partnership, as defined in section 7704(b) of the Internal Revenue Code, that is treated as a partnership for purposes of the Internal Revenue Code and that has agreed to file an annual information return reporting the name, address, taxpayer identification number and other information requested by the state tax commission concerning each unitholder whose distributive share of partnership income from Idaho sources is more than five hundred dollars (\$500); or

(c) If withholding is not required pursuant to a rule adopted under this section; or

(d) In regard to an individual who is not a resident of Idaho as defined in section 63-3013, Idaho Code, but for whom the pass-through entity has reported and paid the tax relating to said individual on a composite return pursuant to section 63-3022L, Idaho Code. An entity may rely upon information provided by the individual indicating state of residency as prescribed in the rules of the state tax commission.

(4) A pass-through entity that is required to withhold tax under this section shall file a withholding return with the state tax commission setting forth the amount of income described in subsection (2) of section 63-3022L, Idaho Code, the amount of tax withheld under this section and any other information required by the state tax commission. The return shall be filed with the state tax commission on the form and taxes withheld under this section shall be paid to the state tax commission in the time and manner prescribed by rules of the state tax commission. To the extent the state tax commission finds practicable, the rules shall generally conform to the requirements of section 63-3035, Idaho Code.

(5) A pass-through entity that is required to withhold tax under the provisions of this section shall furnish a statement to each individual on whose behalf tax is withheld. The statement shall state the amount of tax withheld on behalf of the individual for the taxable year of the pass-through entity. The statement shall be made on a form prescribed by the state tax commission and shall contain any other information required by it.

(6) A pass-through entity is liable to this state for amounts of tax required to be withheld and paid under the provisions of this section. A pass-through entity is not liable to an officer, director, or individual owner of an interest in the pass-through entity for amounts required to be withheld under the provisions of this section that were paid to the state tax commission as prescribed in this section. Amounts required to be withheld and paid over to the state tax commission under this section that are not withheld or paid over at the time and in the manner required by the provisions of this section shall be a deficiency in tax as defined in section 63-3044, Idaho Code.

(7) For purposes of this section, "individual" shall have the same meaning as in subsection (6) of section 63-3022L, Idaho Code.

SECTION 12. That Section 63-3638, Idaho Code, be, and the same is hereby amended to read as follows:

63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this chapter, except as may otherwise be required in sections 63-3203, 63-3620F, and 63-3709, Idaho Code, and except as provided in subsection (16) of this section, shall be distributed by the state tax commission as follows:

(1) An amount of money shall be distributed to the state refund account sufficient to pay current refund claims. All refunds authorized under this chapter by the state tax commission shall be paid through the state refund account, and those moneys are continuously appropriated.

(2) Five million dollars (\$5,000,000) per year is continuously appropriated and shall be distributed to the permanent building fund, provided by section 57-1108, Idaho Code.

(3) Four million eight hundred thousand dollars (\$4,800,000) per year is continuously appropriated and shall be distributed to the water pollution control fund established by section 39-3628, Idaho Code.

(4) An amount equal to the sum required to be certified by the chairman of the Idaho housing and finance association to the state tax commission pursuant to section 67-6211, Idaho Code, in each year is continuously appropriated and shall be paid to any capital reserve fund established by the Idaho housing and finance association pursuant to section 67-6211, Idaho Code. Such amounts, if any, as may be appropriated hereunder to the capital reserve fund of the Idaho housing and finance association shall be repaid for distribution under the provisions of this section, subject to the provisions of section 67-6215, Idaho Code, by the Idaho housing and finance association, as soon as possible, from any moneys available therefor and in excess of the amounts the association determines will keep it self-supporting.

(5) An amount equal to the sum required by the provisions of sections 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated by section 63-718(3), Idaho Code, is continuously appropriated and shall be paid as provided by sections 63-709 and 63-717, Idaho Code.

(6) An amount required by the provisions of chapter 53, title 33, Idaho Code.

(7) An amount required by the provisions of chapter 87, title 67, Idaho Code.

(8) For fiscal year 2011 and each fiscal year thereafter, four million one hundred thousand dollars (\$4,100,000), of which two million two hundred thousand dollars (\$2,200,000) shall be distributed to each of the forty-four (44) counties in equal amounts and one million nine hundred thousand dollars (\$1,900,000) shall be distributed to the forty-four (44) counties in the proportion that the population of the county bears to the population of the state. For fiscal year 2012 and for each fiscal year thereafter, the amount distributed pursuant to this subsection shall be adjusted annually by the state tax commission in accordance with the consumer price index for all urban consumers (CPI-U) as published by the U.S. department of labor, bureau of labor statistics, but in no fiscal year shall the total amount allocated for counties under this subsection be less than four million one hundred thousand dollars (\$4,100,000). Any increase resulting from the adjustment required in this section shall be distributed to each county in the proportion that the population of the county bears to the population of the state. Each county shall establish a special election fund to which shall be deposited all revenues received from the distribution pursuant to this subsection. All such revenues shall be used exclusively to defray the costs associated with conducting elections as required of county clerks by the provisions of section 34-1401, Idaho Code.

(9) One dollar (\$1.00) on each application for certificate of title or initial application for registration of a motor vehicle, snowmobile, all-terrain vehicle or other vehicle processed by the county assessor or the Idaho transportation department, excepting those applications in which any sales or use taxes due have been previously collected by a retailer, shall be a fee for the services of the assessor of the county or the Idaho

transportation department in collecting such taxes and shall be paid into the current expense fund of the county or state highway account established in section 40-702, Idaho Code.

(10) Eleven and five-tenths percent (11.5%) is continuously appropriated and shall be distributed to the revenue-sharing account, which is hereby created in the state treasury, and the moneys in the revenue-sharing account will be paid in installments each calendar quarter by the state tax commission as follows:

(a) Forty-five and two-tenths percent (45.2%) shall be paid to the various cities as follows:

(i) Beginning in fiscal year 2025 and each fiscal year thereafter, four million dollars (\$4,000,000) shall be transferred each quarter to the state public defense fund created in section 57-827, Idaho Code.

(ii) After the distribution required by subparagraph (i) of this paragraph, the revenue-sharing amount calculated by the state tax commission for the various cities for each quarter of fiscal year 2020 shall be the base amount for current quarterly revenue distribution amounts. The state tax commission shall calculate the per capita distribution for each city resulting from the previous fiscal year's distributions.

(iii) If there is no change in the amount of the revenue-sharing account from the same quarter of the previous fiscal year, then the various cities shall receive the same amount received for the same quarter of the previous fiscal year.

(iv) If the balance of the revenue-sharing account for the current quarter is greater than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then:

1. If the distributions made to the cities during the same quarter of the previous fiscal year were below the base amount established in fiscal year 2020, then the various cities shall first receive a proportional increase up to the base amount for each city and up to a one percent (1%) increase over such base amount. Any remaining moneys shall be distributed to cities with a below-average per capita distribution in the proportion that the population of that city bears to the population of all cities with below-average per capita distributions within the state.

2. If the distributions made to the cities during the same quarter of the previous fiscal year were at or above the base amount established in fiscal year 2020, then the cities shall receive the same distribution they received during the same quarter of the previous fiscal year plus a proportional increase up to one percent (1%). Any remaining moneys shall be distributed to the cities with a below-average per capita distribution in the proportion that the population of that city bears to the population of all cities with a below-average per capita distribution within the state.

(v) If the balance of the revenue-sharing account for the current quarter is less than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then the cities shall first receive a proportional reduction down to the base amount established in fiscal year 2020. If further reductions are necessary, the cities shall receive reductions based on the proportion that each city's population bears to the population of all cities within the state.

(b) Forty-seven and one-tenth percent (47.1%) shall be paid to the various counties as follows:

(i) Beginning in fiscal year 2025, five million dollars (\$5,000,000) shall be transferred each quarter to the state public defense fund created in section 57-827, Idaho Code. The growth percentage distributed pursuant to this subparagraph shall be recalculated each quarter beginning in fiscal year 2026 and in each fiscal year thereafter through fiscal year 2030. If the growth is positive and is calculated over the same period from the previous fiscal year, a proportional increase in the initial transfer amount of up to five percent (5%) annually shall be transferred to the state public defense fund. After fiscal year 2030, an amount equal to one-fourth (1/4) of the total amount transferred to the state public defense fund in fiscal year 2030 pursuant to this subparagraph shall be transferred quarterly to the state public defense fund;

(ii) Following the distribution required by subparagraph (i) of this paragraph, fifty-nine and eight-tenths percent (59.8%) of the amount to be distributed under this paragraph (b) of this subsection shall be distributed as follows:

1. One million three hundred twenty thousand dollars (\$1,320,000) annually shall be distributed one forty-fourth (1/44) to each of the various counties; and
2. The balance of such amount shall be paid to the various counties, and each county shall be entitled to an amount in the proportion that the population of that county bears to the population of the state; and

(iii) Following the distribution required by subparagraph (i) of this paragraph, forty and two-tenths percent (40.2%) of the amount to be distributed under this paragraph (b) of this subsection shall be distributed as follows:

1. Each county that received a payment under the provisions of section 63-3638(e), Idaho Code, as that subsection existed immediately prior to July 1, 2000, during the fourth quarter of calendar year 1999, shall be entitled to a like amount during succeeding calendar quarters.
2. If the dollar amount of money available under this subsection (10)(b)(iii) in any quarter does not equal the amount paid in the fourth quarter of calendar year 1999, each county's payment shall be reduced proportionately.
3. If the dollar amount of money available under this subsection (10)(b)(iii) in any quarter exceeds the amount paid in the fourth quarter of calendar year 1999, each county shall be entitled to a proportionately increased payment, but such increase shall not exceed one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999.
4. If the dollar amount of money available under this subsection (10)(b)(iii) in any quarter exceeds one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such one hundred five percent (105%) shall be paid to the various counties in the proportion that the population of the county bears to the population of the state; and

(c) Seven and seven-tenths percent (7.7%) of the amount appropriated in this subsection shall be paid to the several counties for distribution to special purpose taxing districts as follows:

(i) Each such district that received a payment under the provisions of section 63-3638(e), Idaho Code, as such subsection existed immediately prior to July 1, 2000, during the fourth quarter

of calendar year 1999, shall be entitled to a like amount during succeeding calendar quarters.

(ii) If the dollar amount of money available under this subsection (10) (c) in any quarter does not equal the amount paid in the fourth quarter of calendar year 1999, each special purpose taxing district's payment shall be reduced proportionately.

(iii) If the dollar amount of money available under this subsection (10) (c) in any quarter exceeds the amount distributed under paragraph (c) (i) of this subsection, each special purpose taxing district shall be entitled to a share of the excess based on the proportion each such district's current property tax budget bears to the sum of the current property tax budgets of all such districts in the state. The state tax commission shall calculate district current property tax budgets to include any unrecovered forgone amounts as determined under section 63-802(1) (e), Idaho Code. When a special purpose taxing district is situated in more than one (1) county, the state tax commission shall determine the portion attributable to the special purpose taxing district from each county in which it is situated.

(iv) If special purpose taxing districts are consolidated, the resulting district is entitled to a base amount equal to the sum of the base amounts received in the last calendar quarter by each district prior to the consolidation.

(v) If a special purpose taxing district is dissolved or discontinued, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or discontinuation. The board of county commissioners shall determine any redistribution of moneys so received.

(vi) Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this paragraph (c) of this subsection.

(vii) For purposes of this paragraph (c) of this subsection, a special purpose taxing district is any taxing district that is not a city, a county, or a school district.

(11) Amounts calculated in accordance with section 2, chapter 356, laws of 2001, for annual distribution to counties and other taxing districts beginning in October 2001 for replacement of property tax on farm machinery and equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool districts, the state tax commission shall distribute one-fourth (1/4) of this amount certified quarterly to each county. For school districts, the state tax commission shall distribute one-fourth (1/4) of the amount certified quarterly to each school district. For nonschool districts, the county auditor shall distribute to each district within thirty (30) calendar days from receipt of moneys from the state tax commission. Moneys received by each taxing district for replacement shall be utilized in the same manner and in the same proportions as revenues from property taxation. The moneys remitted to the county treasurer for replacement of property exempt from taxation pursuant to section 63-602EE, Idaho Code, may be considered by the counties and other taxing districts and budgeted at the same time, in the same manner and in the same year as revenues from taxation on personal property which these moneys replace. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts received in the last calendar quarter by each district pursuant to this subsection prior to the consolidation. If a taxing district is dissolved or discontinued, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or discontinuation. The board of county commissioners shall determine any redistribution of moneys so received. If

a taxing district annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection. School districts shall receive an amount determined by multiplying the sum of the year 2000 school district levy minus .004 times the market value on December 31, 2000, in the district of the property exempt from taxation pursuant to section 63-602EE, Idaho Code, provided that the result of these calculations shall not be less than zero (0). The result of these school district calculations shall be further increased by six percent (6%). For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602EE, Idaho Code, shall be treated as property tax revenues.

(12) Amounts necessary to pay refunds as provided in section 63-3641, Idaho Code, to a developer of a retail complex shall be remitted to the demonstration pilot project fund created in section 63-3641, Idaho Code.

(13) Amounts calculated in accordance with section 63-602KK(4), Idaho Code, for annual distribution to counties and other taxing districts for replacement of property tax on personal property tax exemptions pursuant to section 63-602KK(2), Idaho Code, which amounts are continuously appropriated unless the legislature enacts a different appropriation for a particular fiscal year. For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602KK, Idaho Code, shall be treated as property tax revenues. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts that were received in the last calendar year by each district pursuant to this subsection prior to the consolidation. If a taxing district or revenue allocation area annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts and revenue allocation areas formed after January 1, 2022, are not entitled to a payment under the provisions of this subsection.

(14) For fiscal years 2023 and 2024 only, a sum of thirty-four million dollars (\$34,000,000) shall be distributed each year by the state tax commission to the forty-four (44) counties in the proportion that the expenditures of each county for indigent defense services during county fiscal year 2021, excluding any state funding or grants, bear to the expenditures of all counties in the state for indigent defense services during county fiscal year 2021, excluding any state funding or grants. No later than July 1, 2022, the state public defense commission shall certify to the state tax commission each county's proportionate share of all counties' indigent defense expenses in county fiscal year 2021, excluding any state funding or grants.

(15) Any moneys remaining over and above those necessary to meet and reserve for payments under other subsections of this section shall be distributed to the general fund.

(16) (a) Four and five-tenths percent (4.5%), but not less than eighty million dollars (\$80,000,000), is continuously appropriated and shall be distributed to the transportation expansion and congestion mitigation fund established in section 40-720, Idaho Code.

(b) Any portion of the four and five-tenths percent (4.5%) provided for in paragraph (a) of this subsection that exceeds eighty million dollars (\$80,000,000) is continuously appropriated and shall be apportioned to local units of government for local highway projects in the same percentages provided for in section 40-709(1) through (3), Idaho Code. Local units of government may pool funds allocated to them pursuant to this paragraph for local highway projects.

(c) The distribution provided for in this subsection must immediately follow the distribution provided for in subsection (10) of this section.

(17) Beginning in fiscal year 2024 and each fiscal year thereafter, three hundred thirty million dollars (\$330,000,000) shall be distributed annually to the public school income fund created in section 33-903, Idaho Code, and eighty million dollars (\$80,000,000) shall be distributed annually to the in-demand careers fund established in section 33-4305, Idaho Code. The state tax commission shall make such transfers in quarterly installments. The distributions required by this subsection must immediately follow the distributions provided for in subsection (16) of this section.

SECTION 13. That Chapter 43, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-4305, Idaho Code, and to read as follows:

33-4305. IN-DEMAND CAREERS FUND. (1) There is hereby established in the state treasury the in-demand careers fund.

(2) Moneys in the in-demand careers fund are subject to legislative appropriation and shall consist of the following:

- (a) Legislative appropriations;
- (b) Donations and contributions made to the fund; and
- (c) Interest earned on idle moneys in the fund.

SECTION 14. The Legislature finds and declares that responding to the effects of inflation is of importance to the citizens of the State of Idaho. As a representative body, members of the Legislature desire to be responsive and responsible to these citizens. For this reason, the Legislature herewith submits an advisory question to the electors of Idaho on the 2022 general election ballot. The results will guide the Legislature as to whether the ongoing elements of this act shall continue.

The Secretary of State shall have the question below placed on the 2022 general election ballot and shall take necessary steps to have the results on the question tabulated. The question shall be as follows:

"Do you approve or disapprove of the State of Idaho using the record budget surplus to refund \$500 million back to hardworking Idaho taxpayers, cut ongoing income taxes by more than \$150 million, and put more money in our classrooms by increasing education and student funding by a record \$410 million?

Your approval of this effort would combat historic inflation by returning money to taxpayers, creating a simple flat tax, and making the single largest investment in public education in Idaho history."

The advisory question provided for in this act is hereby declared to be a measure for the purposes of Chapter 66, Title 67, Idaho Code, and the provisions of Chapter 66, Title 67, Idaho Code, shall apply thereto. The advisory question shall be included to the extent practicable in the voters' pamphlet as provided in Section 34-1812C, Idaho Code. Notwithstanding any other provision of law, the Secretary of State shall cause this advisory question to be placed on the 2022 Idaho general election ballot immediately following Senate Joint Resolution 102 and preceding all other ballot measures. The ballot shall require each voter to answer the advisory question by selecting "approve" or "disapprove."

SECTION 15. An emergency existing therefor, which emergency is hereby declared to exist, Sections 1, 2, 3, 12, 13, and 14 of this act shall be in full force and effect on and after passage and approval. Sections 4 through 11 of this act shall be in full force and effect on and after January 3, 2023.

CERTIFICATE OF SECRETARY OF STATE

UNITED STATES OF AMERICA)
) ss.
 STATE OF IDAHO)

I, LAWRENCE DENNEY, Secretary of the State of Idaho, do hereby certify that the foregoing printed pages contain true, full, and correct and literal copies of all the general laws and resolutions passed by the Sixty-sixth Legislature of the State of Idaho, First Extraordinary Session thereof, which convened on September 1, 2022, and which adjourned on September 1, 2022, as they appear in the enrolled acts and resolutions on file in this office, all of which are published by authority of the Laws of the State of Idaho.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Idaho. Done at Boise City, the Capital of Idaho, this second day of September, 2022.

A handwritten signature in black ink, which reads "Lawrence Denney".

Secretary of State

When errors appear in the enrolled bills received from the Legislature at the office of the Secretary of State, this office has no authority to correct them.

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Approp = Appropriation	Assn = Association
Bd = Board	Com = Commission
Comm = Committee	Dept = Department
DEQ = Department of Environmental Quality	
Dist = District	Div = Division
F&G = Fish and Game	Govt = Government
H&W = Health and Welfare	PUC = Public Utilities Commission
PERSI = Public Employee Retirement System of Idaho	
UCC = Uniform Commercial Code	Univ = University

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