

TITLE 63
REVENUE AND TAXATION

CHAPTER 6
EXEMPTIONS FROM TAXATION

63-601. ALL PROPERTY SUBJECT TO TAXATION. All property within the jurisdiction of this state, not expressly exempted, is subject to assessment and taxation.

[63-601 added 1996, ch. 98, sec. 7, p. 348.]

63-602. PROPERTY EXEMPT FROM TAXATION. (1) Property shall be exempt from taxation as provided in titles 21, 22, 25, 26, 31, 33, 39, 41, 42, 49, 50, 67 and 70, Idaho Code, and in chapters 6, 24, 30, 35 and 45, [title 63](#), Idaho Code; provided, that no deduction shall be made in assessment of shares of capital stock of any corporation or association for exemptions claimed under this section, and provided further, that the term "full cash value" wherever used in this act shall mean the actual assessed value of the property as to which an exemption is claimed.

(2) The use of the word "exclusive" or "exclusively" in this chapter shall mean used exclusively for any one (1) or more, or any combination, of the exempt purposes provided hereunder and property used for more than one (1) exempt purpose, pursuant to the provisions of sections [63-602A](#) through [63-60200](#), Idaho Code, shall be exempt from taxation hereunder as long as the property is used exclusively for one (1) or more or any combination of the exempt purposes provided hereunder.

(3) All exemptions from property taxation claimed shall be approved annually by the board of county commissioners or unless otherwise provided:

(a) Exemptions pursuant to sections [63-602A](#), [63-602F](#), [63-602I](#), [63-602J](#), [63-602L](#)(1), [63-602M](#), [63-602N](#), [63-602R](#), [63-602S](#), [63-602U](#), [63-602V](#), [63-602W](#), [63-602Z](#), [63-602DD](#)(1), [63-602EE](#), [63-60200](#), [63-2431](#), [63-3502](#), [63-3502A](#) and [63-3502B](#), Idaho Code, do not require application or approval by the board of county commissioners. For all other exemptions in [title 63](#), Idaho Code, the process of applying is as specified in the exemption statutes or, if no process is specified and application is necessary to identify the property eligible for the exemption, annual application is required. Exemptions in other titles require no application.

(b) For exemptions that require an application, provided such exemptions are for property otherwise subject to assessment by the county assessor, the application must be made to the county commissioners by April 15 and the taxpayer and county assessor must be notified of any decision by May 15, unless otherwise provided by law. The decision of the county commissioners and any subsequent assessment notices sent to the taxpayer may be appealed to the county board of equalization pursuant to sections [63-501](#) and [63-501A](#), Idaho Code.

(c) For exemptions that require an application, provided such exemptions are for property otherwise subject to assessment by the state tax commission, application for exemption shall be included with the annual operator's statement as required pursuant to section [63-404](#), Idaho Code. Notice of the decision and its effect on the assessment will be provided in accordance with procedures specified in [chapter 4, title](#)

[63](#), Idaho Code. Appeals shall be made to the state tax commission in accordance with section [63-407](#), Idaho Code.

(4) An owner of property that is intended for a tax-exempt purpose may apply to the board of county commissioners for a provisional property tax exemption, pursuant to section [63-1305C](#), Idaho Code.

[63-602 added 1996, ch. 98, sec. 7, p. 348; am. 2010, ch. 133, sec. 1, p. 283; am. 2012, ch. 4, sec. 3, p. 7; am. 2014, ch. 20, sec. 1, p. 26; am. 2018, ch. 194, sec. 3, p. 434; am. 2020, ch. 313, sec. 3, p. 890; am. 2023, ch. 149, sec. 1, p. 403.]

63-602A. PROPERTY EXEMPT FROM TAXATION -- GOVERNMENT PROPERTY. (1) The following property is exempt from taxation: property belonging to the United States, except when taxation thereof is authorized by the congress of the United States; property belonging to the state of Idaho; property belonging to a federally recognized Indian tribe, as defined in section [67-4001](#), Idaho Code, which property is situated within the boundaries of the reservation of the Indian tribe; and property belonging to any county or municipal corporation or school district within this state.

(2) However, inventory property acquired under agricultural credit programs of the consolidated farm service agency of the United States department of agriculture shall be subject to taxation as other property in the county.

(3) However, unimproved real property of more than ten (10) contiguous acres owned in fee simple by the department of fish and game shall be subject to a fee in lieu of property taxes contingent upon the following conditions and requirements:

(a) The fee in lieu of property taxes shall not exceed the property tax for the property at the time of acquisition by the department of fish and game, unless the property tax rate for the property shall have been increased.

(b) The department shall determine and identify the parcels of property and their current use as qualified under the provisions of this chapter. The department shall consult with the appropriate county treasurer and determine the fee to be paid on the property and credited continuously to the county current expense fund. The fee shall be an amount equal to the property tax the property would generate if assessed as agricultural property.

(c) Any future increase in the fee paid in lieu of property taxes shall be determined by the amount of property taxes the property would generate if assessed as agricultural property. The increase may be determined by the department working cooperatively with the appropriate county assessor. The method used for determining the fee that would be due on department property is to be used only under this subsection and has no other application in any other section of the Idaho Code.

(d) The department shall then provide to the assessor of the county where the parcels are located on or before the second Monday of March each year, a listing identifying each parcel of unimproved property by legal description, size and amount of the fee for the preceding calendar year. The treasurer shall prepare and submit a billing for payment based on this information to the department. Once the fee has been determined, payment shall be made by June 20 of that year from moneys appropriated for that purpose. However, if the fees exceed the moneys appropriated for that purpose, the director of the department of fish

and game shall calculate the percent reduction that must be made and certify the proportionate reduction to each county treasurer.

(e) For the purpose of this section only, unimproved real property shall mean property on which no homesite or improved site is located, and homesite or improved site shall mean any buildings, structures, or fixtures which have been erected or affixed to the land and the necessary acreage required to utilize the homesite or improved site as determined by the county assessor shall be exempt. For purposes of this subsection only, roads or fences shall not be considered as improvements.

[63-602A added 1996, ch. 98, sec. 7, p. 348; am. 2003, ch. 8, sec. 2, p. 16; am. 2013, ch. 134, sec. 1, p. 306.]

63-602B. PROPERTY EXEMPT FROM TAXATION -- RELIGIOUS LIMITED LIABILITY COMPANIES, CORPORATIONS OR SOCIETIES. (1) The following property is exempt from taxation: property belonging to any religious limited liability company, corporation or society of this state, used exclusively for and in connection with any combination of religious, educational, or recreational purposes or activities of such religious limited liability company, corporation or society, including any and all residences used for or in furtherance of such purposes.

(2) If the entirety of any property belonging to any such religious limited liability company, corporation or society is leased by such owner, or if such religious limited liability company, corporation or society uses the entirety of such property for business or commercial purposes from which a revenue is derived, then the same shall be assessed and taxed as any other property. If any such property is leased in part or used in part by such religious limited liability company, corporation or society for such business or commercial purposes, the assessor shall determine the value of the entire exempt property, and the value of the part used or leased for such business or commercial purposes, and that part used or leased for such business or commercial purposes shall be taxed as any other property. The Idaho state tax commission shall promulgate rules establishing a method of determining the value of the part used or leased for such business or commercial purposes. If the value of the part used or leased for such business or commercial purposes is determined to be three percent (3%) or less of the value of the entirety, the whole of said property shall remain exempt. If the value of the part used or leased for such business or commercial purposes is determined to be more than three percent (3%) of the value of the entirety, the assessor shall assess such proportionate part of such property, and shall assess the trade fixtures used in connection with the sale of all merchandise for such business or commercial purposes, provided however, that the use or lease of any property by any such religious limited liability company, corporation or society for athletic or recreational facilities, residence halls or dormitories, meeting rooms or halls, auditoriums, or club rooms for and in connection with the purposes for which such religious limited liability company, corporation or society is organized, shall not be deemed a business or commercial purpose, even though fees or charges be imposed and revenue derived therefrom.

[63-602B added 1996, ch. 98, sec. 7, p. 349; am. 2007, ch. 38, sec. 1, p. 95; am. 2008, ch. 50, sec. 1, p. 122.]

63-602C. PROPERTY EXEMPT FROM TAXATION -- FRATERNAL, BENEVOLENT, OR CHARITABLE LIMITED LIABILITY COMPANIES, CORPORATIONS OR SOCIETIES. The following property is exempt from taxation: property belonging to any fraternal, benevolent, or charitable limited liability company, corporation or society, the World War veteran organization buildings and memorials of this state, used exclusively for the purposes for which such limited liability company, corporation or society is organized; provided, that if any building or property belonging to any such limited liability company, corporation or society is leased by such owner or if such limited liability company, corporation or society uses such property for business purposes from which a revenue is derived which, in the case of a charitable organization, is not directly related to the charitable purposes for which such charitable organization exists, then the same shall be assessed and taxed as any other property, and if any such property is leased in part or used in part by such limited liability company, corporation or society for such purposes the assessor shall determine the value of the entire building and the value of the part used or leased for commercial purposes. If the value of the part used for commercial purposes is determined to be three percent (3%) or less than the value of the entirety, the whole of said property shall remain exempt. If the value of the part used for commercial purposes is determined to be more than three percent (3%) of the value of the entirety, the assessor shall assess such proportionate part of such building including the value of the real estate as is so leased or used for such purposes, and shall assess the trade fixtures used in connection with the sale of all merchandise; provided however, that the lease or use of any property by any such limited liability company, corporation or society for athletic or recreational facilities, residence halls or dormitories, meeting rooms or halls, auditoriums or club rooms within the purposes for which such limited liability company, corporation or society is organized, shall not be deemed a business or commercial purpose, even though fees or charges be imposed and revenue derived therefrom.

[63-602C added 1996, ch. 98, sec. 7, p. 349; am. 2003, ch. 8, sec. 3, p. 17; am. 2008, ch. 50, sec. 2, p. 123.]

63-602D. PROPERTY EXEMPT FROM TAXATION -- CERTAIN HOSPITALS. (1) For the purposes of this section, "hospital" means a hospital as defined by [chapter 13, title 39](#), Idaho Code, and includes one (1) or more acute care, outreach, satellite, outpatient, ancillary or support facilities of such hospital whether or not any such individual facility would independently satisfy the definition of hospital.

(2) The following property is exempt from taxation: the real property owned and personal property, including medical equipment, owned or leased by a hospital corporation or a county hospital or hospital district that is operated as a hospital and the necessary grounds used therewith.

(3) If real property, not currently exempt from taxation, is being prepared for use as a hospital, the value of the bare land only shall be taxed while the property is being prepared for use as a hospital. All improvements to and construction on the real property, while it is being prepared for use as a hospital, shall be exempt from taxation. For purposes of this section, property is being "prepared for use as a hospital" if the corporation has begun construction of a hospital project as evidenced by obtaining a building permit that will, on completion, qualify such property for an exemption and, as of the assessment date, has not abandoned the construction. Construc-

tion shall not be considered abandoned if it has been delayed by causes and circumstances beyond the corporation's control or when delay is caused by an event that has occurred in the absence of the corporation's willful neglect or intentional acts, omissions or practices engaged in by the corporation for the purpose of impeding progress. Notwithstanding the foregoing, in no event shall improvements to property that is being prepared for use as a hospital qualify for an exemption from ad valorem property tax under this subsection for more than three (3) consecutive tax years; upon completion of construction and obtaining a certificate of occupancy, the entire real property shall be exempt from taxation if the corporation meets the requirements of subsection (4) of this section; provided, property already exempt or eligible for exemption shall not be affected by the provisions of this subsection.

(4) The corporation must show that the hospital:

(a) Is organized as a nonprofit corporation pursuant to [chapter 30, title 30](#), Idaho Code, or pursuant to equivalent laws in its state of incorporation;

(b) Has received an exemption from taxation from the internal revenue service pursuant to section 501(c)(3) of the Internal Revenue Code.

(5) The board of equalization shall grant an exemption to the property of: (a) a county hospital; (b) a hospital district; or (c) any hospital corporation meeting the criteria provided in subsection (4) of this section.

(6) If a hospital corporation uses property for business purposes from which a revenue is derived that is not directly related to the hospital corporation's exempt purposes, then the property shall be assessed and taxed as any other property. If property is used in part by a hospital corporation for such purposes, then the assessor shall determine the value of the entire property and the value of the part used that is not directly related to the hospital corporation's exempt purposes. If the value of the part that is not directly related to the hospital corporation's exempt purposes is determined to be three percent (3%) or less than the value of the entire property, then the property shall remain exempt. If the value of the part that is not directly related to the hospital corporation's exempt purposes is determined to be more than three percent (3%) of the value of the entire property, then the assessor shall assess the proportionate part of the property, including the value of the real estate used for such purposes.

(7) A hospital corporation issued an exemption from property taxation pursuant to this section and operating a hospital having one hundred fifty (150) or more patient beds shall prepare a community benefits report to be filed with the board of equalization by December 31 of each year. The report shall itemize the hospital's amount of unreimbursed services for the prior year (including charity care, bad debt, and underreimbursed care covered through government programs); special services and programs the hospital provides below its actual cost; donated time, funds, subsidies and in-kind services; additions to capital such as physical plant and equipment; and indication of the process the hospital has used to determine general community needs that coincide with the hospital's mission. The report shall be provided as a matter of community information. Neither the submission of the report nor the contents shall be a basis for the approval or denial of a corporation's property tax exemption.

[63-602D added 1996, ch. 98, sec. 7, p. 350; am. 1999, ch. 126, sec. 1, p. 366; am. 2006, ch. 319, sec. 1, p. 1016; am. 2017, ch. 58, sec. 32, p. 127.]

63-602E. PROPERTY EXEMPT FROM TAXATION -- PROPERTY USED FOR SCHOOL OR EDUCATIONAL PURPOSES. (1) The following property is exempt from taxation: all property used exclusively for nonprofit school or educational purposes, property used for charter school purposes, and all property from which no profit is derived and which is held or used exclusively for endowment, building or maintenance purposes of schools or educational institutions.

(2) If property is used primarily for nonprofit school purposes or charter school purposes and for business purposes from which a revenue is derived, which revenue is not related to the educational purpose for which the nonprofit school or charter school exists, the assessor shall determine the value of the entire property, of the part used for nonprofit school purposes or charter school purposes, and of the part used for such unrelated business purposes. The portion of the building used for nonprofit school purposes or charter school purposes and for business and administration of the nonprofit school or charter school shall be exempt from taxation.

(3) Possessory interests in improvements on state college or state university owned land used exclusively for student housing, college or university operated dining, or other education related purposes approved by the state board of education and board of regents of the university of Idaho as proper for the operation of such state college or university shall be exempt from taxation.

[63-602E, added 1996, ch. 98, sec. 7, p. 350; am. 2003, ch. 222, sec. 1, p. 574; am. 2006, ch. 366, sec. 1, p. 1104; am. 2010, ch. 254, sec. 2, p. 645.]

63-602F. PROPERTY EXEMPT FROM TAXATION. The following property is exempt from taxation:

- (1) Possessory rights to public lands;
- (2) Mining claims not patented;
- (3) All public cemeteries;
- (4) All public libraries.

[63-602F added 1996, ch. 98, sec. 7, p. 350.]

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

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

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

(b) The state tax commission has certified to the board of county commissioners that all properties in the county subject to appraisal by the

county assessor have, in fact, been appraised uniformly so as to secure a just valuation for all property within the county; and

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

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

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

(iii) He has not made application in any other county for the exemption and has not made application for the exemption on any other homestead in the county.

(d) For the purpose of this section, the definition of "owner" shall be the same definition set forth in section [63-701](#)(7), Idaho Code. When an "owner," pursuant to the provisions of section [63-701](#)(7), Idaho Code, is any person who is the beneficiary of a revocable or irrevocable trust, or who is a partner of a limited partnership, a member of a limited liability company, or shareholder of a corporation, he or she may provide proof of the trust, limited partnership, limited liability company, or corporation in the manner set forth in section [63-703](#)(4), Idaho Code.

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

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

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

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

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

(b) The owner or beneficiary, partner, member or shareholder, as appropriate, still occupies the same homestead for which the owner made application.

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

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

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

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

(ii) Upon discovery of evidence, facts or circumstances indicating any exemption allowed by this section was improperly claimed or approved, the county assessor shall decide whether the exemption claimed should have been allowed and, if not, notify the taxpayer in writing, assess a recovery of property tax and notify the county treasurer of this assessment. If the county assessor determined that an exemption was improperly approved as a result of county error, the county assessor shall present the discovered evidence, facts or circumstances from the improperly approved exemption to the board of county commissioners, at which time the board may waive a recovery of the property tax, and notify such taxpayer in writing.

(b) Upon request by a county assessor conducting an investigation under paragraph (a) of this subsection, or when information indicating that an improper claim for the exemption allowed by this section is discovered by the state tax commission, the state tax commission shall disclose relevant information to the appropriate county assessor, board of county commissioners, county clerk, and county treasurer and to the secretary of state. Information disclosed to county officials and the secretary of state by the state tax commission under this subsection:

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

(ii) Shall, as necessary, be used to determine a person's residence for voting purposes under [title 34](#), Idaho Code; and

(iii) Is not otherwise subject to public disclosure pursuant to [chapter 1, title 74](#), Idaho Code.

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

(d) (i) An applicant for an exemption under this section may appeal to the county board of equalization the county assessor's refusal to grant an exemption pursuant to paragraph (a) of this subsection within thirty (30) days of the date the county assessor sent notice of the refusal.

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

(e) For purposes of calculating the tax, the amount of the recovered property tax shall be for each year the exemption allowed by this section was improperly claimed or approved, up to a maximum of seven (7) years. The amount of the recovery of property tax shall be calculated using the product of the amount of exempted value for each year multiplied by the levy for that year plus costs, late charges, and interest for each year at the rates equal to those provided for delinquent property taxes during that year.

(f) Any recovery of property tax shall be due and payable no later than the date provided for property taxes in section [63-903](#), Idaho Code, and if not timely paid, late charges and interest, beginning the first day

of January in the year following the year the county assessor sent the notice to the taxpayer pursuant to this section, shall be calculated at the current rate provided for property taxes.

(g) Recovered property taxes shall be billed, collected and distributed in the same manner as property taxes, except each taxing district or unit shall be notified of the amount of any recovered property taxes included in any distribution.

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

(i) Any unpaid recovered property taxes shall become a lien upon the real property in the same manner as provided for property taxes in section [63-206](#), Idaho Code, except such lien shall attach as of the first day of January in the year following the year the county assessor sent the notice to the taxpayer pursuant to this section.

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

(6) The legislature declares that this exemption is necessary and just.

(7) A homestead, having previously qualified for exemption under this section in the preceding year, shall not lose such qualification due to: the owner's, beneficiary's, partner's, member's or shareholder's absence in the current year by reason of active military service or because the homestead has been leased because the owner, beneficiary, partner, member or shareholder is absent in the current year by reason of active military service. An owner subject to the provisions of this subsection must apply for the exemption with the county assessor every year on or before a deadline date as specified by the county assessor for the county in which the homestead is claimed. If an owner fails to apply on or before the established deadline, the county may, at its discretion, discontinue the exemption for that year.

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

(9) The amount by which each exemption approved under this section exceeds one hundred thousand dollars (\$100,000) may, in the discretion of the governing board of a taxing district, be deducted from the new construction roll for the following year prepared by the county assessor in accordance

with section [63-301A](#), Idaho Code, but only to the extent that the amount exceeds the same deduction made in the previous year.

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

(a) Multiple active exemptions have not been claimed by the same person; and

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

[63-602G, added 1996, ch. 98, sec. 7, p. 350; am. 1997, ch. 358, sec. 1, p. 1059; am. 1999, ch. 382, sec. 1, p. 1047; am. 2001, ch. 69, sec. 1, p. 129; am. 2001, ch. 166, sec. 1, p. 576; am. 2004, ch. 156, sec. 1, p. 495; am. 2004, ch. 190, sec. 1, p. 597; am. 2005, ch. 283, sec. 1, p. 919; am. 2006, ch. 429, sec. 1, p. 1313; am. 2007, ch. 39, sec. 1, p. 96; am. 2009, ch. 7, sec. 1, p. 7; am. 2012, ch. 214, sec. 1, p. 581; am. 2013, ch. 21, sec. 4, p. 37; am. 2014, ch. 324, sec. 1, p. 802; am. 2015, ch. 141, sec. 159, p. 501; am. 2016, ch. 94, sec. 1, p. 287; am. 2020, ch. 248, sec. 1, p. 727; am. 2021, ch. 360, sec. 1, p. 1110; am. 2022, ch. 81, sec. 4, p. 230; am. 2022, ch. 92, sec. 1, p. 258.]

63-602H. VALUE OF RESIDENTIAL PROPERTY IN CERTAIN ZONED AREAS. (1) Residential property located in an area which was previously zoned residential but has been changed to a zone other than residential shall be appraised, assessed and taxed as if such property were in an area zoned residential as long as such property is continuously used by the owner thereof solely for residential purposes.

(2) "Residential property" as used herein is defined as any tract of three (3) acres or less which is used by the owner thereof solely for residential purposes.

[63-602H added 1996, ch. 98, sec. 7, p. 352.]

63-602I. PROPERTY EXEMPT FROM TAXATION -- HOUSEHOLD GOODS, WEARING APPAREL AND OTHER PERSONAL EFFECTS IN CERTAIN CASES. The following property is exempt from taxation: all household goods, furniture and furnishings actually in use by the owner in his private home or dwelling place, or temporarily in storage pending delivery by a vendor to him for his personal use, and not for sale or in commercial use, and all wearing apparel and other personal effects held by any person for the exclusive use and benefit of himself or family and not for sale or commercial use.

[63-602I added 1996, ch. 98, sec. 7, p. 352.]

63-602J. PROPERTY EXEMPT FROM TAXATION -- MOTOR VEHICLES AND VESSELS PROPERLY REGISTERED. The following property is exempt from taxation: motor vehicles properly registered and for which the required fee has been paid under the provisions of the laws of the state of Idaho, recreational vehicles for which the fees imposed by law have been paid and vessels for which the certificate of registration fees imposed by law have been paid.

[63-602J added 1996, ch. 98, sec. 7, p. 352.]

63-602L. PROPERTY EXEMPT FROM TAXATION -- INTANGIBLE PERSONAL PROPERTY. (1) The following intangible personal property is exempt from taxation: capital stock and bonds. The deposits in national banks, state banks, and savings and loan associations. Shares and accounts of savings and loan associations, credit unions or associations organized under the laws of the state of Idaho for the purpose of accumulating the savings and funds of their members and lending the same to their members. Goodwill, customer lists, contracts and contract rights, patents, trademarks, custom computer programs as defined in section [63-3616](#), Idaho Code, copyrights, trade secrets, franchises, licenses, rights-of-way which are possessory only and not accompanied by title.

(2) The commission shall promulgate rules which shall provide for the exclusion of exempt intangible personal property from taxable value of operating property. Such rules shall allow each taxpayer the right to elect one (1) of the following three (3) methods for exclusion of exempt intangible personal property from its taxable value:

- (a) Separate exclusion of the exempt intangible personal property at the system level value; or
- (b) Separate exclusion of the exempt intangible personal property at the state allocated value; or
- (c) Exclusion of the exempt intangible personal property by valuation of only tangible personal property and nonexempt intangible personal property using valuation models which do not impound or include values of the exempt intangible personal property.

[63-602L, added 1996, ch. 98, sec. 7, p. 353; am. 1998, ch. 400, sec. 4, p. 1254.]

63-602M. PROPERTY EXEMPT FROM TAXATION -- CERTAIN SECURED DUES AND CREDITS. The following property is exempt from taxation: all dues and credits secured by mortgage, trust deed or other liens except as otherwise provided by law.

[63-602M added 1996, ch. 98, sec. 7, p. 353.]

63-602N. PROPERTY EXEMPT FROM TAXATION -- IRRIGATION WATER AND STRUCTURES -- CERTAIN PROPERTY OF IRRIGATION DISTRICTS OR CANAL COMPANIES. (1) Water rights for the irrigation of lands are exempt from taxation.

(2) Canals, ditches, pipelines, flumes, aqueducts, reservoirs, dams, and any other necessary facility used primarily for the conveyance, storage, or providing of water for the irrigation of lands, are exempt from taxation to the extent irrigation water is thereby conveyed, stored or diverted; provided that if any portion of such property is used for purposes other than irrigation of lands or the conveyance, storage, or providing of water to a nonprofit irrigation company or irrigation district, the assessor shall determine the entire value of such property so used and assess the proportionate part of such property that is devoted to such use.

(3) All real and personal property is exempt that is owned, used, operated or occupied:

- (a) Primarily for the maintenance and operation of any irrigation project or irrigation works or system in conducting the business of furnishing water to landowners, members or shareholders; or

(b) By any organization, whether incorporated or unincorporated, heretofore organized or which shall hereafter be organized, for the operation, maintenance, or management of an irrigation project or irrigation works or system and for the purpose of furnishing water to landowners, members or shareholders, the control of which is actually vested in those entitled to the use of the water from such irrigation works or system for the irrigation of lands to which the water from such irrigation works or system is appurtenant, including all title and interest in such property as owner, lessee, or otherwise.

Provided, that if any portion of such property is used for commercial purposes by others than its landowners, members or shareholders, the assessor shall determine the entire value of such portion of the property so used and assess the proportionate part of the property that is used for commercial purposes.

[63-602N added 1996, ch. 98, sec. 7, p. 353; am. 2016, ch. 189, sec. 16, p. 522.]

63-602O. PROPERTY EXEMPT FROM TAXATION -- PROPERTY USED FOR GENERATING AND DELIVERING ELECTRICAL POWER FOR IRRIGATION OR DRAINAGE PURPOSES AND PROPERTY USED FOR TRANSMITTING AND DELIVERING NATURAL GAS ENERGY FOR IRRIGATION OR DRAINAGE PURPOSES. The following property is exempt from taxation: property used for generating or delivering electrical power to the extent that such property is used for furnishing power for pumping water for irrigation or drainage purposes on lands in the state of Idaho, and property used for transmitting or delivering natural gas energy to the extent that such property is used for furnishing natural gas energy for pumping water for irrigation or drainage purposes on lands in the state of Idaho. This exemption shall accrue to the benefit of the consumer of such power, or the consumer of such natural gas energy, except in cases where the water so pumped is sold or rented to irrigate lands, in which event the property used for generating or delivering power, and property used for transmitting or delivering natural gas energy, shall be assessed for taxation to the extent that such water is so sold or rented.

[63-602O added 1996, ch. 98, sec. 7, p. 354.]

63-602P. PROPERTY EXEMPT FROM TAXATION -- FACILITIES FOR WATER OR AIR POLLUTION CONTROL. (1) The following property is exempt from taxation: facilities, installations, machinery or equipment, attached or unattached to real property, and designed, installed and utilized in the elimination, control or prevention of water or air pollution, or, in event such facilities, installations, equipment or machinery shall also serve other beneficial purposes and uses, such portion of the assessed valuation thereof as may reasonably be calculated to be necessary for and devoted to elimination, control or prevention of water or air pollution. The state tax commission or county assessor shall determine such exempt portion, and shall not include as exempt any portion of any facilities which have value as the specific source of marketable byproducts.

(2) If any water corporation, as defined by section [61-125](#), Idaho Code, regulated by the Idaho public utilities commission is or has been ordered by the state board of health [and welfare] or the Idaho public utilities commission to install equipment designed and utilized in the elimination, control or prevention of water pollution, the Idaho public utilities commission

shall notify the Idaho state tax commission of the percentage such property bears to the total invested plant of the company and said portion shall be exempt from property taxation. Said percentage reported to the Idaho state tax commission by the Idaho public utilities commission may be contested by any person or party at a public hearing held before the Idaho state tax commission.

[63-602P added 1996, ch. 98, sec. 7, p. 354.]

63-602Q. PROPERTY EXEMPT FROM TAXATION -- CERTAIN COOPERATIVE TELEPHONE LINES. The following property is exempt from taxation: cooperative telephone lines from which no profit is derived and upon or over which no fees or tolls are charged or collected. This exemption shall only apply to any cooperative telephone system having twenty-five (25) or less subscribers or users.

[63-602Q added 1996, ch. 98, sec. 7, p. 354.]

63-602R. PROPERTY EXEMPT FROM TAXATION -- AGRICULTURAL CROPS. The following property is exempt from property taxation: agricultural crops, whether growing or held for use or sale, while the legal or equitable title remains with the producer, and fruit and nut-bearing trees and grapevines; provided that nothing herein contained shall be construed to exempt timber, forest, forest land, or forest products from the provisions of [chapter 17, title 63](#), Idaho Code.

[63-602R added 1996, ch. 98, sec. 7, p. 355.]

63-602S. PROPERTY EXEMPT FROM TAXATION -- FRUITS AND VEGETABLES HELD FOR HUMAN CONSUMPTION, AND SEEDS, SHIPPED OUT OF THE STATE. (1) Any person, firm or corporation engaged in the storing or processing of fruits or vegetables held for human consumption or shipment of seeds out of the state must file a full declaration of such property as of the assessment date with the county assessor. On any assessment made on fruits and vegetables held for sale for human consumption, or any processed product, thereof, or seeds, in the hands of farmers, producers, or of a processor, or while being transported to or held in storage in a public or private warehouse structure, the board of equalization of the county in which the assessment was made, at its meeting on the first Monday of December as provided by law for equalizing the assessments of personal property on the subsequent personal property assessment roll, shall cancel such assessments in whole or proportionate part on receipt of sufficient documentary proof that the personal property so assessed was actually sold and transported or shipped to another point outside the state of Idaho on or before December 1 of the current year of assessment. No such cancellation shall be made unless such proof be furnished to said board on or before such meeting in such year.

(2) Public warehousing is the storing of personal property by any person, firm or corporation regularly engaged in the business of storing such property for hire.

(3) Private warehousing is the storage of personal property by any person, firm or corporation which is carrying on the activity of warehousing or storing such property only in the operation of his or its own business.

(4) This exemption shall only apply to private storage from and after a notice, describing by address and physical premises, is filed with the county assessor, which notice shall be filed annually.

[63-602S added 1996, ch. 98, sec. 7, p. 355.]

63-602T. PROPERTY EXEMPT FROM TAXATION -- PERSONAL PROPERTY MANUFACTURED OR PROCESSED IN THIS STATE AND ACTUALLY SOLD AND SHIPPED OUT OF STATE. (1) Any person, firm, or corporation engaged in the manufacture or processing of personal property in this state which property is stored in a public or private warehouse structure or area must file a full declaration of such property as of the assessment date with the county assessor. On any assessment made on personal property manufactured or processed in this state by person [persons], firms or corporations having a domicile or place of business in Idaho, being stored in a public or private warehouse structure or area, the board of equalization of the county in which such assessment was made, at its meeting on the first Monday of December as provided by law for equalizing the assessments of personal property on the subsequent personal property assessment roll, shall cancel such assessments in whole or proportionate part on receipt of sufficient documentary proof that the personal property so assessed was actually sold and transported or shipped to another point outside the state of Idaho on or before December 1 of the current year of assessment. No such cancellation shall be made unless such proof be furnished to said board on or before such meeting in such year. The term "manufactured" or "processed" as used herein refers to personal property which has been fabricated, constructed, assembled, milled or converted into a finished product and is not intended to include any personal property undergoing a stage of manufacture or process prior to the end finished product.

(2) Public warehousing is the storing of personal property by any person, firm or corporation regularly engaged in the business of storing such property for hire.

(3) Private warehousing is the storage of personal property by any person, firm or corporation which is carrying on the activity of warehousing or storing such property only in the operation of his or its own business.

(4) Private or public warehouse area is intended to mean for purposes of this act open storage or place properly identified which is normally used to store personal property by any person, firm or corporation.

(5) This exemption shall only apply to a private warehouse, private and public warehousing area from and after a notice, describing by address and physical premises, is filed with the county assessor, which notice shall be filed annually.

[63-602T added 1996, ch. 98, sec. 7, p. 355.]

63-602U. PROPERTY EXEMPT FROM TAXATION -- PERSONAL PROPERTY SHIPPED INTO THE STATE AND STORED IN A PUBLIC OR PRIVATE WAREHOUSE STRUCTURE, AND DESIGNATED FOR SHIPMENT OUT OF THE STATE TO BE CONSIDERED IN TRANSIT. (1) Personal property shipped into this state and stored in a public or private warehouse structure, which property is not offered for sale in Idaho and designated for reshipment outside of the state, is considered to be "in transit" and shall be exempt from taxation. Such property shall not be deprived of exemption because while in storage, awaiting such further shipment, such personal property is labeled, packaged, disassembled, divided, broken in

bulk, relabeled, or repackaged, or because the personal property is held for resale to customers outside the state of Idaho. Provided that all personal property claimed to be exempt "in transit" be labeled as such and shall be designated immediately upon receipt as being in transit upon the books and records of the warehouse, whether public or private, wherein the same is located. The books and records of such storage warehouse shall contain a full, true and correct inventory of all such property, together with the date of receipt of same, the point of origin, the date of its withdrawal, and, if known, the ultimate destination thereof. The books and records pertaining to the storage of any such in transit property shall be opened to inspection by any taxing authority in the state of Idaho having jurisdiction thereof upon reasonable demand having been made.

(2) Public warehousing is the storing of personal property by any person, firm or corporation regularly engaged in the business of storing such property for hire.

(3) Private warehousing is the storage of personal property by any person, firm or corporation which is carrying on the activity of warehousing or storing such property only in the operation of his or its own business. This exemption shall only apply to private storage from and after a notice, describing by address and physical premises, is filed with the county assessor, which notice shall be filed annually.

[63-602U added 1996, ch. 98, sec. 7, p. 356.]

63-602V. PROPERTY EXEMPT FROM TAXATION -- PERSONAL PROPERTY SHIPPED INTO THE STATE AND STORED IN THE ORIGINAL PACKAGE. Personal property of any person, firm or corporation, having neither domicile nor place of business in this state, which property upon being brought or shipped into this state is forthwith stored in the original package in a warehouse operated for public use and for hire, shall, while so stored, be deemed in transit and shall be exempt from taxation.

[63-602V added 1996, ch. 98, sec. 7, p. 357.]

63-602W. BUSINESS INVENTORY EXEMPT FROM TAXATION -- BUSINESS INVENTORY THAT IS A COMPONENT OF REAL PROPERTY THAT IS A SINGLE FAMILY DWELLING. The following property is exempt from property taxation: business inventory. For the purpose of this section, "business inventory" means all items of tangible personal property or other property, including site improvements, described as:

(1) All livestock, fur-bearing animals, fish, fowl and bees.

(2) All nursery stock, stock-in-trade, merchandise, products, finished or partly finished goods, raw materials, and all forest products subject to the provisions of [chapter 17, title 63](#), Idaho Code, supplies, containers and other personal property that is held for sale or consumption in the ordinary course of the taxpayer's manufacturing, farming, wholesale jobbing, or merchandising business.

(3) Residential improvements never occupied. Once residential improvements are occupied as defined in section [63-317](#), Idaho Code, they shall be subject to the tax provided by section [63-317](#), Idaho Code. The provisions of section [63-602Y](#), Idaho Code, shall not apply to the exemption provided by this subsection. The exemption provided by this subsection applies only to improvements to real property, and only until first occupied. For purposes of this section, the term "residential improvements" means only:

- (a) Single family residences; or
- (b) Residential townhouses; or
- (c) Residential condominium units.

The nonresidential portion of an improvement to real property that is used or is to be used for residential and nonresidential purposes does not qualify for the exemption provided by this section. If an improvement contains multiple residential units, each such unit shall lose the exemption provided in this section when it becomes occupied.

(4) Site improvements that are associated with land, such as roads and utilities, on real property held by the land developer, either as owner or vendee in possession under a land sale contract, for sale or consumption in the ordinary course of the land developer's business until other improvements, such as buildings or structural components of buildings, are completed or the real property is conveyed to a third party. For purposes of this subsection, a transfer of title to real property to a legal entity of which at least fifty percent (50%) is owned by the land developer, the land developer's original entity or the same principals who owned the land developer's original entity shall not be considered a conveyance to a third party. For purposes of this subsection, the amount of the exemption shall be the difference between the market value of the land with site improvements and the market value of the land without site improvements as shall be determined by a comparative market analysis of a similarly situated parcel or parcels of real property that have not been improved with such site improvements contemplated by this subsection. In the case the market value of land without site improvements cannot be reasonably assessed because of the absence of comparable sales, an exemption value of seventy-five percent (75%) of the market value of land with site improvements shall be granted to that parcel. An application is required for the exemption provided in this subsection in the first year the exemption is claimed; in subsequent consecutive years no new application is required. The application must be made to the board of county commissioners by April 15 and the taxpayer and county assessor must be notified of any decision and assessment of property by May 15. The decision or assessment of property, or both, of the board of county commissioners may be appealed to the county board of equalization no later than the fourth Monday in June. The applicant shall notify the board of county commissioners in writing of any change in eligibility for the parcel by April 15.

[63-602W, added 1996, ch. 98, sec. 7, p. 357; am. 1997, ch. 242, sec. 1, p. 703; am. 1998, ch. 95, sec. 1, p. 341; am. 2012, ch. 192, sec. 1, p. 517; am. 2013, ch. 276, sec. 1, p. 714; am. 2021, ch. 360, sec. 3, p. 1115.]

63-602X. PROPERTY EXEMPT FROM TAXATION -- CASUALTY LOSS. (1) The following property is exempt from taxation: real and personal property which has been damaged by an event causing casualty loss to all or a portion of the property. The board of equalization on a case-by-case basis shall determine whether to grant an exemption.

An exemption granted under this section shall be for the year in which the real or personal property has been damaged or destroyed. Claimants seeking exemption under this section must apply to the county board of equalization. The application must be in writing on a form provided by the county and must identify the claimant, the date of the casualty loss, and the property that has been damaged or destroyed. The application must be filed on

or before the end of the county's normal business hours on the fourth Monday of June of the year in which the casualty loss occurred. If an exemption is granted, the value of the property subject to taxation shall be calculated by dividing the number of days in the year prior to the casualty loss by the number of days in the year and multiplying the resulting quotient by the market value of the property less any applicable exemptions, as of 12:01 a.m. on the first day of January of the tax year.

(2) The county board of equalization shall decide whether to grant such claim for exemption on or before the second Monday of July of the year in which the claim is filed. If granted, either in whole or in part, the county board of equalization shall order all necessary adjustments made in the property roll.

[63-602X, added 1996, ch. 98, sec. 7, p. 357; am. 1997, ch. 117, sec. 20, p. 320.]

63-602Y. PROPERTY EXEMPT FROM TAXATION -- EFFECT OF CHANGE OF STATUS. (1) If any property, real or personal, which is exempted from taxation on the first day of January shall thereafter have a changed status during the year, either by change in ownership or otherwise, in a manner that if the changed status had existed on the first day of January the property would have been taxable at that time, then the property shall be assessed in the following manner: If the status changed before the first day of April, then for its full market value for assessment purposes; if on the first day of April and before the first day of July, then for three-fourths (3/4) of its full market value for assessment purposes; if on the first day of July and before the first day of October, then for one-half (1/2) of its full market value for assessment purposes; and if the status changed on or after the first day of October, then for one-fourth (1/4) of its full market value for assessment purposes. However, if the changed status results from the leasing or rental of property normally constituting business inventory, the same shall be subject to property tax only for the period it is so leased or rented and upon its return to business inventory shall again be exempt. Each owner of such property shall, on the first Monday of November of each year, file with the assessor for the home county of the owner with a copy for every other county involved, a statement listing and sufficiently identifying such property, the counties where it was situated and the periods of the preceding twelve (12) calendar months during which the property was leased or rented within each county.

(2) At the time of filing such statement with the assessor of his home county, the owner of such leased or rented property shall provide such assessor with a copy for every other county involved.

(3) The assessor of such home county shall ascertain the portion of said preceding twelve (12) calendar months during which such property was leased or rented in the home county and shall enter such property upon the subsequent or missed property roll and the tax collector of the home county shall compute and collect the property tax thereon. The assessor shall indorse the full market value for assessment purposes of each item of such property upon copies of the statement and the owner of the property shall, within five (5) days, furnish an indorsed copy of the owner's statement to the assessor of each county of the state wherein such property was located during the lease or rental period, and each such other county assessor shall likewise assess and the tax collector shall collect the property taxes due for the portion of

the preceding twelve (12) calendar months the leased or rented property was situate in their county.

(4) The property taxes due thereon shall be a first and prior lien upon such property and all real and personal property of the owner thereof within the state until all property taxes due have been paid.

[63-602Y added 1996, ch. 98, sec. 7, p. 358.]

63-602Z. EXEMPTION FROM OCCUPANCY TAX. Any improvement to real property exempt from property taxation under the laws of this state or under the laws of the United States shall be exempt from occupancy taxation.

[63-602Z added 1996, ch. 98, sec. 7, p. 358.]

63-602AA. PROPERTY EXEMPT FROM TAXATION -- EXCEPTIONAL SITUATIONS. (1) The following property is exempt or partially exempt from taxation: real and personal property belonging to persons who, because of unusual circumstances that affect their ability to pay the property tax, should be relieved from paying all or part of said tax in order to avoid undue hardship, which undue hardship must be determined by the board of equalization.

(2) An exceptional value exemption granted under this section shall be for the current tax year only and property exempted hereunder shall continue to be listed and assessed for the ensuing tax years as other property.

(3) Claimants seeking exemption under this section must apply each year to the board of equalization and such claim must be submitted by the fourth Monday of June of the current year. The board of equalization must consider and act on all such claims no later than the second Monday of July.

(4) Each person claiming such exemption shall give a sworn statement containing full and complete information of his financial status to such board and shall make true answers to all questions propounded in writing, or otherwise, touching such person's right to the exemption claimed. The chairman of the board shall have authority to administer oaths to each person appearing as a claimant for such exemption and, in addition to such examination, each claimant shall subscribe to and swear that his answers to questions propounded on written forms to be prescribed by the state tax commission are true, and which sworn statement shall be kept and filed by the clerk of the county board of equalization. The board may, in its discretion and for good cause shown, allow an agent or some person acting for and on behalf of the claimant to make the claim for exemption for any claimant in the manner herein provided, or where a person is unable to make such sworn statement, the person's spouse, surviving spouse, guardian or personal representative, or other person having knowledge of the facts, may make such sworn statement in his stead.

(5) The county board of equalization shall decide and determine from each examination and from each written claim for exemption whether or not such person is entitled to the exemption claimed or to any part thereof, and shall make a record thereof accordingly.

[63-602AA added 1996, ch. 98, sec. 7, p. 359; am. 2016, ch. 10, sec. 1, p. 10.]

63-602BB. PARTIAL EXEMPTION FOR REMEDIATED LAND. (1) During the tax year 1997 and each year thereafter, a site as defined in section [39-7203](#),

Idaho Code, and qualifying under [chapter 72, title 39](#), Idaho Code, shall be eligible for property tax exemption not to exceed seven (7) years.

(2) "Remediated value" shall mean market value for assessment purposes of the land on January 1, less the market value for assessment purposes of the land on the January 1 prior to the year in which the remediation was completed.

(3) The exemption shall amount to fifty percent (50%) of the remediated land value. The exempted value assessed under this formula shall remain constant throughout the period of the exemption.

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

(a) The covenant not to sue as provided in section [39-7207](#), Idaho Code, remains in full force and effect for the entire period of exemption;

(b) The site remains in the possession of the owner for the entire exemption period.

(5) The exemption allowed by this section may be rescinded if:

(a) The covenant not to sue as provided in section [39-7207](#), Idaho Code, is rescinded by the department;

(b) The site is transferred to a new owner.

(6) The owner need only make application for the exemption described in this section once over the course of the seven (7) year period.

(7) No owner of a site shall be granted the exemption provided in this section if said site has been:

(a) Previously granted the exemption provided in this section regardless of whether the entire seven (7) years of the exemption have been used;

(b) Denied by the department as a qualifying site pursuant to [chapter 72, title 39](#), Idaho Code.

(8) The legislature declares this exemption to be necessary and just.

[63-602BB, added 1997, ch. 117, sec. 21, p. 321.]

63-602CC. PROPERTY EXEMPT FROM TAXATION -- QUALIFIED EQUIPMENT UTILIZING POSTCONSUMER WASTE OR POSTINDUSTRIAL WASTE. (1) The following property is exempt from taxation: qualified equipment utilizing postconsumer waste or postindustrial waste used to manufacture products. This exemption shall be granted only if the list of all taxable personal property as described in section [63-302](#), Idaho Code, is submitted by the property owner or the agent thereof to the assessor not later than March 15 of each year. Additionally, the requirements of subsection (3) of this section shall be met.

(2) As used in this section:

(a) "Postconsumer waste" or "postindustrial waste" means only those products and materials consisting of metals, paper, glass or plastic generated by businesses or consumers which have served their intended end use or usefulness and either have been or would normally be disposed of as solid waste except for the fact that they are separated from solid waste for purposes of collection, recycling or reuse. "Postconsumer waste" or "postindustrial waste" shall not include radioactive waste, as defined in subsection (4)(g) of section [63-3029D](#), Idaho Code, or hazardous waste, as defined in [chapter 44, title 39](#), Idaho Code.

(b) "Product" means any material resulting from a manufacturing process and offered for sale to the private or public sector which is composed of at least fifty percent (50%) postconsumer waste or postindustrial waste. "Product" does not include any shredded mate-

rial unless such shredded material is incorporated directly into the manufacturing process.

(c) "Qualified equipment" means machinery or equipment located within Idaho which has at least an estimated three (3) years useful life and at least ninety percent (90%) of the total actual production from the equipment during the previous calendar year utilized postconsumer waste or postindustrial waste. "Qualified equipment" shall not include any machinery or equipment which is used for the collection, as defined herein, of postconsumer waste or postindustrial waste. As used in this section "collection" means:

(i) The acquisition of materials from businesses or the general public through purchase or donation, including the organization of systems for such acquisitions;

(ii) The preparation of materials for over-the-road transportation through cleaning, densification by shredding, baling, or any other method, or coalescence, including the organization of systems for such preparation; or

(iii) The transportation of postconsumer waste or postindustrial waste between separate geographical locations, including the movement of materials around the manufacturing site.

(3) On the list of taxable personal property required by subsection (1) of this section, the property owner, or agent thereof, shall identify all qualified equipment, and all machinery and equipment that does not meet the definitions of qualified equipment.

The property owner, or agent thereof, shall also report use of all qualified equipment, on forms prescribed by the state tax commission.

(4) The county assessor may request additional information of the company to verify the basis of the exemption claimed in this section.

(5) The legislature declares that this exemption is necessary and just.

[63-602CC, added 1997, ch. 117, sec. 22, p. 321.]

63-602DD. MANUFACTURED HOMES USED UNDER A DEALER'S PLATE OR AS A SHEEP AND COW CAMP. The following property is exempt from taxation: Manufactured homes that are:

(1) Manufactured homes eligible to be used under a dealer's license plate; or

(2) Manufactured homes designated as sheep and cow camps.

[63-602DD, added 2004, ch. 27, sec. 3, p. 44.]

63-602EE. PROPERTY EXEMPT FROM TAXATION -- CERTAIN TANGIBLE PERSONAL PROPERTY. The following property is exempt from taxation: class 2 property that is agricultural machinery and equipment and exclusively used in agriculture during the immediately preceding tax year. For purposes of this section:

(1) "Agricultural machinery and equipment" shall mean any machinery and equipment that is used in:

(a) Production or harvest of field crops including, but not limited to, grains, feed crops, fruits and vegetables, or the production of or caring for nursery stock as defined in section [22-2302](#), Idaho Code; or

(b) The grazing, feeding or raising of livestock, fur-bearing animals, fish, fowl and bees, or harvest of their production, to be sold or used as part of a net profit-making agricultural enterprise or dairy.

(2) "Harvest" shall include all activities necessary for a raw agricultural commodity to be put into its most basic salable form and shall also include on-farm storage of the commodity before it is first handled in the primary channels of trade.

(3) Buildings shall not be considered to be agricultural machinery and equipment.

(4) The provisions of this section shall be broadly interpreted in favor of granting the exemption.

[63-602EE, added 2018, ch. 297, sec. 3, p. 702; am. 2019, ch. 53, sec. 4, p. 142.]

63-602GG. PROPERTY EXEMPT FROM TAXATION -- LOW-INCOME HOUSING OWNED BY NONPROFIT ORGANIZATIONS. (1) As provided in this section, low-income housing owned by nonprofit organizations shall be exempt from taxation.

(2) In order to qualify as a nonprofit organization under this section, an organization must demonstrate that:

(a) It is organized as a nonprofit corporation pursuant to [chapter 30, title 30](#), Idaho Code, or pursuant to equivalent laws in the applicable state of incorporation; and

(b) It has received an exemption from taxation from the internal revenue service pursuant to section 501(c)(3) of the Internal Revenue Code; and

(c) No proceeds or tax benefits of the organization or from the low-income housing property owned by the organization shall inure to any individual or for-profit entity other than normal employee compensation.

(3) In order to qualify for the exemption provided in this section, the low-income housing property shall meet the following qualifications:

(a) Both legal and equitable title to the property is solely owned by the nonprofit organization seeking the exemption and is managed by the owner or a related nonprofit organization qualifying for the exemption set forth in section [63-602C](#), Idaho Code; and

(b) Tenants shall not be evicted based upon their inability to pay for a period of three (3) months if such inability is due to a catastrophic event that is not under the tenant's control. For purposes of this subsection, "catastrophic event" means a medical condition or injury in which sudden, serious and unexpected symptoms of illness or injury are sufficiently severe to render the tenant unable to participate in employment and such illness or injury has been certified by one (1) or more licensed physicians and/or psychiatrists or psychologists. The term "catastrophic event" does not apply to individuals who voluntarily remove themselves from the workforce; and

(c) Except for a manager's unit, all of the housing units in the low-income housing property are dedicated to low-income housing in the following manner: Fifty-five percent (55%) of the units shall be rented to those earning sixty percent (60%) or less of the median income for the county in which the housing is located; twenty percent (20%) of the units shall be rented to those earning fifty percent (50%) or less of the median income of the county in which the housing is located; and twenty-five percent (25%) of the units shall be rented to those earning thirty percent (30%) or less of the median income for the county in which the housing is located.

(4) The exemption provided in this section shall not apply:

(a) If the project is financed after the effective date of this act and applicable law permits the payment of property taxes with federal or state funds, grants, loans or subsidies; or

(b) If the property is receiving federal project-based assistance, as provided by 42 U.S.C. sections 1437f(d)(2), 1437f(f)(6) and 1437f(o)(13); or

(c) To any property used by a taxpayer to qualify for tax credits under the provisions of 26 U.S.C. chapter 42 or any successor programs until such time as the property is solely owned by a nonprofit organization as defined in this section and is no longer utilized to receive federal tax credits.

(5) Notwithstanding any other provision of this section, a low-income housing property shall be exempt from taxation due to undue hardship if:

(a) The property was financed prior to the effective date of this act; and

(b) Such financing was dependent upon the tax-exempt status of the property; and

(c) The law does not allow additional federal or state revenues to be available for the payment of property taxes.

(6) Nothing in this section shall affect the qualification of properties for tax-exempt status under other provisions of [title 63](#), Idaho Code.

[(63-602GG) 63-602FF, added 2002, ch. 341, sec. 2, p. 959; am. and redesig. 2003, ch. 16, sec. 16, p. 65; am. 2017, ch. 58, sec. 33, p. 128.]

63-602HH. PROPERTY EXEMPT FROM TAXATION -- SIGNIFICANT CAPITAL INVESTMENTS. (1) The net taxable value of all property of a taxpayer in excess of eight hundred million dollars (\$800,000,000) located within a single county in Idaho shall be exempt from property taxation and any special assessment.

(2) The property included in the calculation of the exemption set forth in this section shall include all real property owned, and all personal property owned, leased, or rented that would otherwise be subject to property tax; provided however, with respect to leased or rented personal property, only that portion of the property which a taxpayer is contractually liable for payment of property taxes thereon shall be included in the calculation of the exemption.

(3) Leased or rented personal property, included in the calculation of the exemption provided by this section shall not be assessable against the owner of such property.

(4) The exemption set forth in this section shall apply first to owned real and personal property and, if exhausted, shall then apply to leased or rented personal property.

(5) The taxpayer owning, leasing, or renting the property included in the calculation of the exemption shall designate the property to which the exemption applies.

(6) The exemption set forth in this section shall not be available to any taxpayer with respect to a given year who, in the immediately preceding calendar year, failed to make significant capital investments of at least twenty-five million dollars (\$25,000,000), by the acquisition or improvement of real or personal property located within the county referred to in subsection (1) of this section.

(7) The exemption set forth in this section shall not be available to any taxpayer with respect to a given year who, as of the first day of such year, did not employ or engage on a regular full-time basis, or the equiva-

lent thereof, at least one thousand five hundred (1,500) workers within the county referred to in subsection (1) of this section.

(8) Except for the exemption provided for in subsection (4) of section [63-3029B](#), Idaho Code, no other exemption from property tax or any special assessment provided by the statutes of this state shall be applicable to any property described in subsection (2) of this section with respect to a year in which the exemption set forth in subsection (1) of this section applies to any of the same property.

(9) Property exempted under this section shall not be included on any new construction roll prepared by the county assessor in accordance with section [63-301A](#), Idaho Code.

(10) The state tax commission shall adopt all rules that may be necessary to implement this section.

[63-602HH, added 2005, ch. 284, sec. 1, p. 922; am. 2006, ch. 59, sec. 1, p. 183.]

63-602II. PROPERTY EXEMPT FROM TAXATION -- UNUSED INFRASTRUCTURE. (1) It is the intent of this section to preserve infrastructure and encourage economic development in the limited circumstances when a business or other commercial entity ceases to operate on property within a county.

(2) Following notice as prescribed in section [31-710](#), Idaho Code, and public hearings, the board of county commissioners of any county shall have the authority to exempt from taxation the unused infrastructure of a business, provided that the business states that such infrastructure is nonoperational under penalty of perjury.

(3) The exemption shall be for a period of up to five (5) years, provided that the board of county commissioners may vote to extend the exemption for a period not exceeding five (5) additional years.

(4) The board of county commissioners shall publish in its minutes any decision to grant or deny the exemption provided in this section and shall notify the county assessor and state tax commission of any exemption and the duration of such exemption. It shall be the responsibility of the assessor to return the property valuation of the unused infrastructure to the tax rolls upon the expiration of the exemption.

(5) The exemption provided in this section shall not be granted for any portion of an operating public utility.

(6) As used in this section, "unused infrastructure" means installed utilities including, but not limited to, rail, water, natural gas and electrical lines.

[(63-602II) 63-602HH, added 2005, ch. 279, sec. 1, p. 877; am. and redesig. 2006, ch. 16, sec. 25, p. 60.]

63-602JJ. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PROPERTY OF PRODUCER OF ELECTRICITY BY MEANS OF WIND, SOLAR OR GEOTHERMAL ENERGY. Real estate, fixtures or personal property is exempt from taxation if it is:

(1) Owned, controlled, operated or managed by an electrical or natural gas association or producer of electricity by means of wind energy, solar energy or geothermal energy, excluding entities that are regulated by the Idaho public utilities commission as to price;

(2) Held or used in connection with or to facilitate the generation, transmission, distribution, delivery or measuring of electric power, natural gas or electrical energy generated, manufactured or produced by means

of wind energy, solar energy or geothermal energy, and all conduits, ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used for the transmission, distribution and delivery of electric power, natural gas or electric energy generated, manufactured or produced by means of wind energy, solar energy or geothermal energy, including construction tools, materials and supplies; and

(3) Subject to the taxes on gross wind, solar or geothermal energy earnings pursuant to [chapter 35, title 63](#), Idaho Code.

[63-602JJ, added 2016, ch. 189, sec. 2, p. 513.]

63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

(1) (a) An item of taxable personal property purchased on or after January 1, 2013, shall be exempt from property taxation if the item of taxable personal property has an acquisition price of three thousand dollars (\$3,000) or less.

(b) For purposes of this section, the term "acquisition cost" means all costs required to put an item of taxable personal property into service and includes:

- (i) The purchase price of a new or used item;
- (ii) The cost of freight and shipping;
- (iii) The cost of installation, engineering, erection or assembly; and
- (iv) Sales and use taxes.

(c) For purposes of this subsection, an "item of taxable personal property" means equipment, machinery, furniture or other personal property that is functioning at its highest and best use for the purpose it was designed and constructed and is generally capable of performing that function without being combined with other items of personal property. An item of taxable personal property is not an individual component part of a piece of equipment, machinery, furniture or other personal property as a whole. An item of taxable personal property does not include an improvement to real property, a part that will become an improvement, or anything defined as a fixture.

(2) (a) On and after January 1, 2015, except as provided in subsection (8) of this section, each person's personal property, located in the county, and not otherwise exempt, shall be exempt to the extent of one hundred thousand dollars (\$100,000).

(b) On and after January 1, 2022, except as provided in subsection (8) of this section, each person's personal property, located in the county, and not otherwise exempt, shall be exempt to the extent of an additional amount of one hundred fifty thousand dollars (\$150,000). The combined exemption under this paragraph and paragraph (a) of this subsection shall not exceed a total amount of two hundred fifty thousand dollars (\$250,000).

(c) For the purposes of this section, a person includes two (2) or more people using the property in a common enterprise who are within a relationship described in section 267 of the Internal Revenue Code, as defined in section [63-3004](#), Idaho Code.

(d) On and after January 1, 2022, any locally assessed personal property is exempt from taxation if it is:

- (i) Self-propelled, self-powered, or pull-type equipment and machinery;

(ii) Primarily employed for the use of construction, logging, or mining of salable minerals as defined in section [47-701A](#), Idaho Code; and

(iii) Designed to travel to various job sites.

(3) (a) No later than the third Monday of November 2013, the county clerk of each county shall certify to the state tax commission the amount of exemption from property taxes under subsection (2) (a) of this section in that county for that year. No later than the third Monday of November 2022, the county clerk of each county shall certify to the state tax commission the amount of exemption from property taxes under subsection (2) (b) of this section in that county for that year. The certification shall identify the property receiving tax reductions, the value of the property, the property's location, the amount of the tax levy applicable to personal property in the location, and the tax before and after the exemption allowed in subsection (2) of this section. The certification shall be in the form prescribed by the state tax commission and shall include such additional information as the commission may require by rule as needed to implement the purpose of this section. The certification shall be reviewed and, if necessary, corrected by the state tax commission.

(b) Except as provided in subsection (7) of this section, a taxing district created prior to January 1, 2013, shall be eligible for reimbursement for the exemptions granted under subsection (2) (a) and (b) of this section. A taxing district created on and after January 1, 2013, and prior to January 1, 2022, shall be eligible for reimbursement of property taxes exempted only under subsection (2) (b) of this section. A taxing district created on or after January 1, 2022, shall not be eligible for reimbursement of any property taxes exempted under this section. The amount of annual replacement of property tax on personal property exempted pursuant to subsection (2) of this section shall be the amount approved by the state tax commission pursuant to paragraph (a) of this subsection.

(4) (a) Subject to the limitations of this section, the state tax commission shall reimburse from the amount appropriated for personal property tax replacement in section [63-3638](#), Idaho Code, the county treasurer of each county for the reduction on the certifications provided in subsection (3) of this section. The county treasurer shall reimburse from the amount received to each taxing district within the county an amount in proportion to the amount of reduction shown on the certifications in subsection (3) of this section as corrected. The amount that would otherwise be attributable to tax revenues derived from tax levies on personal property exempted by this section within an existing revenue allocation area as defined in section [50-2903](#)(15), Idaho Code, shall be paid directly by the county treasurer to such public body or agency entitled thereto, equal to the amounts that would have been distributed in accordance with the formula for such distribution set forth in section [50-2908](#), Idaho Code.

(b) The state tax commission shall pay one-half (1/2) of the reimbursement provided in this section no later than December 20 of each year, and the second one-half (1/2) shall be paid by no later than June 20 of the following year. The money received by the county tax collector under the provisions of this section may be considered by counties and other taxing districts and budgeted against at the same time, and in the same

manner, and in the same year as revenues from taxation. The total amount paid to the county treasurers shall not exceed the amount certified to the state tax commission under subsection (3) of this section.

(c) For purposes of the limitation provided by section [63-802](#), Idaho Code, moneys received from distributions pursuant to section [63-3638](#), Idaho Code, as property tax replacement for the taxable value of property exempt from taxation pursuant to this section shall be treated as property tax revenues.

(5) (a) Nothing contained in this section shall affect the taxation of forest lands or forest products pursuant to [chapter 17, title 63](#), Idaho Code, or the taxation of the net profits of mines pursuant to [chapter 28, title 63](#), Idaho Code.

(b) The exemption from personal property tax provided for in subsection (2) of this section shall not apply to motor vehicles, recreational vehicles, aircraft and boats that are not registered with the state of Idaho and for which required registration fees have not been paid.

(6) (a) The application for the exemption provided for in subsection (2) of this section shall be in the form prescribed by the state tax commission and shall include such information as the state tax commission may require by rule as needed to implement the purpose of this section including, but not limited to, a list of each item of personal property, the purchase date of each item of personal property, the unit cost of each item of personal property if more than the exemption allowed in subsection (1) of this section, and the total cost of the items of personal property.

(b) The application for this exemption, if the county is capable of so providing, may be transmitted by the county assessor electronically, as that term is defined in section [63-115](#), Idaho Code, when requested by the taxpayer, or mailed by the county assessor to the taxpayer, or his agent or representative at the taxpayer's last known post office address, no later than March 1 of each year. The transmission or mailing of the application shall also include the taxpayer's application for the exemption allowed by this section for the last year in which the taxpayer filed an application.

(c) A taxpayer need only make application for the exemption in this section once as long as all of the following conditions are met:

(i) The taxpayer has received the exemption during the previous year as a result of him making a valid application as defined in this section.

(ii) The amount of the exemption allowed by this section is more than the taxable value of personal property owned by the taxpayer.

(iii) The taxpayer has not made purchases of personal property, excluding items of taxable personal property exempted pursuant to subsection (1) of this section, that would cause the taxable value of the personal property owned by the taxpayer to exceed the maximum amount allowed as an exemption by this section.

(d) Knowingly failing to report changes in the taxable value of personal property that exceed the amount of the exemption allowed pursuant to this section shall subject the taxpayer to a fine not in excess of ten thousand dollars (\$10,000) in addition to other penalties set forth in this chapter.

(7) Recovery of property tax exemptions allowed by this section but improperly claimed:

(a) Upon discovery of evidence, facts or circumstances indicating any exemption allowed by this section was improperly claimed, the county assessor shall decide whether the exemption claimed should have been allowed and, if not, notify the board of county commissioners, at which time the board may waive a recovery of the property tax and notify such taxpayer in writing.

(b) The assessment and collection of the recovery of property tax must begin within the seven (7) year period beginning on the date the assessment notice reflecting the improperly claimed exemption was required to be mailed to the taxpayer.

(c) The taxpayer may appeal to the board of tax appeals the decision by the board of county commissioners to assess the recovery of property tax within thirty (30) days of the date the county assessor sent the notice to the taxpayer pursuant to this section.

(d) For purposes of calculating the tax, the amount of the recovered property tax shall be for each year the exemption allowed by this section was improperly claimed or approved, up to a maximum of seven (7) years. The amount of the recovery of property tax shall be calculated using the product of the amount of exempted value for each year multiplied by the levy for that year plus costs, late charges and interest for each year at the rates equal to those provided for delinquent property taxes during that year. In cases of fraud, the fine set forth in subsection (6) (d) of this section shall be assessed for each tax year.

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

(f) Recovered property taxes shall be billed, collected and distributed in the same manner as property taxes. If the recovery is for property tax for which the state provided replacement money, the amounts recovered shall be reported and remitted to the state tax commission, which shall reimburse the general fund. The state tax commission will then notify each affected taxing district or unit of its proportionate share of the recovered property tax, which amount shall be deducted from future payments to be made pursuant to subsection (3) of this section.

(g) Thirty (30) days after the taxpayer is notified, as provided in paragraph (a) of this subsection, the assessor shall record a notice of intent to attach a lien. Upon the payment in full of such recovered property taxes prior to the attachment of the lien as provided in paragraph (h) of this subsection, or upon the successful appeal by the taxpayer, the county assessor shall record a rescission of the intent to attach a lien within seven (7) business days of receiving such payment or within seven (7) business days of the county commissioners' decision granting the appeal.

(h) Any unpaid recovered property taxes shall become a lien upon the taxpayer's personal property in the same manner as provided for property taxes in section [63-206](#), Idaho Code, except such lien shall attach as of the first day of January in the year following the year the county treasurer sent the notice to the taxpayer pursuant to this section.

(i) For purposes of the limitation provided by section [63-802](#), Idaho Code, moneys received pursuant to this subsection as recovery of property tax shall be treated as property tax revenue.

(8) For operating property with values apportioned to more than one (1) county, the personal property exemption shall be subtracted from the Idaho allocated value prior to apportionment and, for private railcar companies, prior to determining whether their values are to be apportioned. Notwithstanding amounts calculated as provided in subsection (1) of this section, the amount of the exemption otherwise provided in subsection (2) of this section shall be calculated as follows:

(a) Take the lesser amount of:

(i) The number of counties in which a company has operating property multiplied by two hundred fifty thousand dollars (\$250,000); or

(ii) The total statewide value of eligible personal property reported by the company.

(b) Reduce the amount calculated in paragraph (a) of this subsection by the value of any nonoperating personal property granted the exemption otherwise found in subsection (2) of this section, as reported by county assessors.

[63-602KK, added 2008, ch. 400, sec. 2, p. 1093; am. 2009, ch. 42, sec. 1, p. 119; am. 2013, ch. 243, sec. 1, p. 581; am. 2014, ch. 357, sec. 4, p. 890; am. 2015, ch. 96, sec. 1, p. 233; am. 2021, ch. 360, sec. 9, p. 1122; am. 2022, ch. 225, sec. 2, p. 740.]

63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS PROPERTY. (1) Provided that there is a plant investment that meets all tax incentive criteria as defined in subsection (2) of this section, the board of county commissioners may exempt all or a part of the change from the base value attributable directly to the plant investment.

(2) As used in this section:

(a) "Base value" means the assessed value on the county's property rolls of property associated with the plant investment from the year immediately preceding the year representing the beginning of the project period during which a plant investment pursuant to this section occurs.

(b) "Building or structural components of buildings" means real property improvements to land as defined in section [63-201](#)(11), Idaho Code, that are owned or leased by the taxpayer and located in Idaho within the boundaries of the project site.

(c) "Defined project" means a written plan presented to the county commissioners by a taxpayer outlining projected investment in new plant for new plant and building facilities during a project period and located at a project site.

(d) "Plant investment" means investment in new or existing plant and building facilities. Such plant and building facilities include buildings or structural components of buildings, related parking facilities, food service facilities, business office facilities and other building facilities directly related to the business making the plant investment. Plant investment also includes investments in the personal property associated with the plant and its facilities.

(e) "Project period" means the period of time beginning at the earlier of a physical change to the project site or the first employment of new

employees or contractors located in Idaho who are related to the activities at the project site.

(f) "Project site" means an area or areas at which the affected plant and building facilities are located and at which the tax incentive criteria have been or will be met and which are either:

(i) A single geographic area located in this state at which the affected plant and building facilities owned or leased by the taxpayer are located; or

(ii) One (1) or more geographic areas located in this state if eighty percent (80%) or more of the plant investment is made at one (1) of the areas.

(g) "Tax incentive criteria" means the following conditions:

(i) The board of county commissioners shall by ordinance establish an investment amount not less than five hundred thousand dollars (\$500,000) at all project sites within the county for which the exemption and all exemptions thereafter granted shall apply, thereby providing uniformity to all taxpayers;

(ii) The plant investment will bring significant economic benefits to the county; and

(iii) The plant or building facilities will be for nonretail purposes that are either commercial or industrial.

(3) The board of county commissioners may grant the property tax exemption for the defined project for a period of up to five (5) years. The agreement shall be considered a contract arrangement between the county and the taxpayer for the exemption time period granted by the board of county commissioners and the annual approval provision contained in subsection (3) of section [63-602](#), Idaho Code, shall not apply to the exemption provided in this section as long as the contract enumerated in this section is valid and in force and effect. If, within the project period, the use or nature of the defined project or investment in the new plant changes such that the project would no longer qualify for the tax exemption, the board of county commissioners may unilaterally terminate the agreement and withdraw the tax exemption.

(4) When considering whether to grant the property tax exemption, the board of county commissioners may consider trade secrets, as defined in section [74-107](#)(1), Idaho Code, in executive session as allowed in section [74-206](#)(1)(d), Idaho Code.

(5) Before granting a property tax exemption under this section, the board of county commissioners shall hold a public meeting regarding whether to grant the exemption. The board of county commissioners shall provide a summary of the application under consideration, a written notice of the time, date and location of the public meeting, and an invitation to participate in the meeting to all affected taxing districts, urban renewal agencies and the Idaho department of commerce at least five (5) calendar days before the meeting.

(6) Property exempted under this section shall not be included on any new construction roll prepared by the county assessor in accordance with section [63-301A](#), Idaho Code, until the exemption ceases.

(7) The legislature declares this exemption necessary and just.

[63-602NN, added 2008, ch. 327, sec. 1, p. 897; am. 2010, ch. 133, sec. 2, p. 284; am. 2017, ch. 263, sec. 1, p. 655.]

63-60200. PROPERTY EXEMPT FROM TAXATION -- OIL OR GAS RELATED WELLS. The following property is exempt from taxation: wells drilled for the production of oil, gas or hydrocarbon condensate.

[63-60200, added 2013, ch. 109, sec. 1, p. 259.]

63-603. ELECTRIC, OR GAS, PUBLIC UTILITIES PUMPING WATER FOR IRRIGATION OR DRAINAGE -- REDUCTION OF ASSESSMENT IN ACCORDANCE WITH EXEMPTION -- CREDIT ON CUSTOMERS' BILLS OR PAYMENT TO CONSUMERS. (1) The state tax commission shall, at the time of assessment of the property of any electrical, or gas, public utility, cooperative organized under the rural electrification administration act of the United States congress, or other company distributing electrical power ("utility"), determine the amount of the exemption under section [63-6020](#), Idaho Code, and shall reduce such assessment so that any such utility shall not be required to pay any property taxes upon that portion of its property so exempted.

The amount of such exemption or reduction by the state tax commission shall be as nearly as practicable, such as would yield the amount of property taxes included in the rates of such utility under the tariff schedule(s) applicable to the furnishing of such electricity or gas.

(2) The full amount of property taxes which would have been due from such utility if such exemption had not been made, shall be credited or paid annually, for the year in which the exemption is made, on the electric or gas bill, to the consumer by the utility furnishing such electricity or gas for irrigation purposes.

(3) If the consumer is not a customer of the deliverer of electrical power or natural gas energy, the full amount of property taxes which would have been due from such utility if such exemption had not been made, shall be paid annually, for the year in which the exemption is made, directly to the consumer by the utility delivering such electricity or gas for irrigation purposes. To qualify for credit or direct payment the person or organization at the point of delivery must also be the person or organization pumping water for irrigation purposes and not a distributor or redistributor of electrical power or natural gas energy.

(4) For the purposes of determining the benefit to which each consumer is entitled by virtue of this exemption, the following procedure is provided.

To receive the benefit of the exemption under section [63-6020](#), Idaho Code, and this section, each consumer who is not a customer of the deliverer of electrical power or gas energy must file an application with the state tax commission on or before April 30 each year except that for the year 1993, only such application may be filed on or before June 15. The state tax commission shall prescribe by rule the form and information necessary for such application.

On or before the fifteenth day of November each year, the tax collector of each county shall transmit to the state tax commission, duplicate tax statements of each utility, showing the property taxes payable by such utility in his county. The state tax commission shall as soon as practicable thereafter, certify to each utility, the aggregate saving in property taxes effected in the several counties to each utility by reason of this exemption. On or before the fifteenth day of December of each year, each utility shall file with the state tax commission of Idaho, a statement showing the revenues which were or are to be collected from each irrigation or drainage pumping consumer, and the ratio between the aggregate savings in property taxes cer-

tified to it by the state tax commission and the aggregate revenues which were or are to be collected from these consumers. The utility shall determine the credit to which each consumer is entitled by virtue of this exemption and shall certify to the state tax commission that it has refunded or credited against the consumer's bills, the amounts due each consumer. This refund or credit shall equal each consumer's bill for the year multiplied by the ratio calculated pursuant to the provisions of this paragraph. The public utilities commission shall have jurisdiction under the public utilities law to insure utility compliance with the provisions of this statute.

[63-603 added 1996, ch. 98, sec. 7, p. 359.]

63-604. LAND ACTIVELY DEVOTED TO AGRICULTURE DEFINED. (1) For property tax purposes, land actively devoted to agriculture shall be eligible for appraisal, assessment, and taxation as agricultural property each year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture, which means:

(i) It is used to produce field crops including, but not limited to, grains, feed crops, fruits and vegetables; or

(ii) It is used to produce nursery stock as defined in section [22-2302](#) (11), Idaho Code; or

(iii) It is used by the owner for the grazing of livestock to be sold as part of a for-profit enterprise or is leased by the owner to a bona fide lessee for grazing purposes; or

(iv) It is in a cropland retirement or rotation program.

(b) The area of such land is five (5) contiguous acres or less and such land has been actively devoted to agriculture within the meaning of subsection (1) (a) of this section during the last three (3) growing seasons; and

(i) It agriculturally produces for sale or home consumption the equivalent of fifteen percent (15%) or more of the owner's or lessee's annual gross income; or

(ii) It agriculturally produced gross revenues in the immediately preceding year of one thousand dollars (\$1,000) or more. When the area of land is five (5) contiguous acres or less, such land shall be presumed to be nonagricultural land until it is established that the requirements of this subsection have been met.

(2) Land that is contiguous to land qualifying under subsection (1) of this section shall also be appraised, assessed, and taxed as land actively devoted to agriculture if the land:

(a) Consists of pivot corners for a center pivot-irrigated crop, provided such pivot corners are not used for a commercial or residential purpose; or

(b) Is used primarily to store agricultural commodities or agricultural equipment, or both.

(3) Land shall not be classified or valued as agricultural land which is part of a platted subdivision with stated restrictions prohibiting its use for agricultural purposes, whether within or without a city.

(4) Land utilized for the grazing of a horse or other animals kept primarily for personal use or pleasure rather than as part of a bona fide for-profit enterprise shall not be considered to be land actively devoted to agriculture.

(5) Land actively devoted to agriculture, having previously qualified for exemption under this section in the preceding year, or that would have qualified under this section during the current year, shall not lose such qualification due to the owner's or lessee's absence in the current year by reason of active military service in a designated combat zone, as defined in section 112 of the Internal Revenue Code. If an owner fails to timely apply for exemption as required in this section solely by reason of active duty in a designated combat zone, as defined in section 112 of the Internal Revenue Code, and the land would otherwise qualify for exemption under this section, then the board of county commissioners of the county in which the land actively devoted to agriculture is located shall refund property taxes, if previously paid, in an amount equal to the exemption that would otherwise have applied.

(6) If the land qualified for exemption pursuant to section [63-602FF](#), Idaho Code, in 2005, then the land will qualify in 2006 for the exemption pursuant to section [63-602K](#), Idaho Code, upon the filing of a statement by the owner with the board of county commissioners that the land will be actively devoted to agriculture pursuant to this section in 2006.

(7) For purposes of this section, the act of platting land actively devoted to agriculture does not, in and of itself, cause the land to lose its status as land being actively devoted to agriculture if the land otherwise qualifies for the exemption under this section.

(8) As used in this section:

(a) "Contiguous" means being in actual contact or touching along a boundary or at a point, except no area of land shall be considered not contiguous solely by reason of a roadway or other right-of-way.

(b) "For-profit" means the enterprise will, over some period of time, make or attempt to make a return of income exceeding expenses.

(c) "Platting" means the filing of the drawing, map or plan of a subdivision or a replatting of such, including certification, descriptions and approvals with the proper county or city official.

[63-604, added 1996, ch. 98, sec. 7, p. 360; am. 2001, ch. 12, sec. 1, p. 14; am. 2002, ch. 93, sec. 1, p. 255; am. 2005, ch. 271, sec. 1, p. 835; am. 2006, ch. 233, sec. 2, p. 692; am. 2021, ch. 270, sec. 1, p. 820.]

63-605. LAND USED TO PROTECT WILDLIFE AND WILDLIFE HABITAT. (1) For the tax year commencing January 1, 2007, an application for appraisal, assessment and taxation under this section as land actively devoted to agriculture pursuant to section [63-604](#), Idaho Code, shall be filed in the office of the county assessor on or before the fourth Monday in June 2007. For the tax year commencing January 1, 2008, and for each and every year thereafter, an application for appraisal, assessment and taxation under this section as land actively devoted to agriculture pursuant to section [63-604](#), Idaho Code, shall be filed in the office of the county assessor between January 1 and April 15 of each year for which the requested tax status is to apply. Land eligible for this tax status is land which is either:

(a) Owned and used for wildlife habitat by a private, nonprofit corporation which corporation has a recognized tax exempt status under section 501(c)(3) of the Internal Revenue Code, and which corporation qualifies for exemption status under section [63-602C](#), Idaho Code, and which corporation is dedicated to the conservation of wildlife or wildlife habitat; or

(b) Being managed pursuant to a conservation easement or a conservation agreement, as defined in this section and which easement or agreement has been entered into with a private, nonprofit corporation which has a tax exempt status under section 501(c)(3) of the Internal Revenue Code, which corporation qualifies for exemption status under section [63-602C](#), Idaho Code, and which land qualified, for three (3) consecutive years immediately preceding management of the land pursuant to a conservation easement or a conservation agreement, as land actively devoted to agriculture pursuant to section [63-604](#), Idaho Code.

(2) As used in this section, "conservation agreement" means a written document between a private, nonprofit corporation enumerated in subsection (1) of this section and the landowner which defines wildlife, flora or fauna or freshwater biota to be protected and outlines a minimum of a ten (10) year management plan to protect target species and to control noxious weeds in accordance with Idaho noxious weed law in [chapter 24, title 22](#), Idaho Code. Progress in managing the target species and controlling noxious weeds shall be monitored and an annual progress report shall be submitted each year along with the application filed as required in this section.

(3) The conservation agreement or a copy of the document creating the conservation easement shall be filed with the county assessor by April 15 of the year for which application for the tax status is made. Following initial approval of an application in any tax year, for each subsequent, consecutive year in which application is made and the tax status is claimed, it shall not be necessary to resubmit the conservation agreement or a copy of the document creating the conservation easement unless the agreement or easement document has been amended. In the event the document is amended, the amended version shall be submitted with that year's application.

(4) Failure to file an application for each year that tax status under this section is claimed, or failure to annually document progress in managing the target species and controlling noxious weeds as required in subsection (2) of this section, shall result in loss of the tax status provided in this section.

[63-605 added 1996, ch. 98, sec. 7, p. 361; am. 2000, ch. 215, sec. 1, p. 603; am. 2007, ch. 168, sec. 1, p. 496.]

63-606A. SMALL EMPLOYER GROWTH INCENTIVE EXEMPTION. (1) The county board of equalization of any county in which any property, the investment in which qualifies for the income tax credits described in sections [63-4403](#) and [63-4404](#), Idaho Code, is located may exempt all or a portion of the value of such property from property taxation. The board may grant the exemption when it finds that the investments in such property benefit the citizens within the county and taxing districts within the county in a manner and to such a degree that to grant the exemption is necessary and just.

(2) Property exempted under this section shall not be included on any new construction roll prepared by the county assessor in accordance with section [63-301A](#), Idaho Code.

(3) Applications for the exemption under this section shall be considered by the board as other applications for exemption under section [63-501](#), Idaho Code. Upon request of the board, the state tax commission may disclose to the board or county official designated by the board information necessary to identify and determine the property upon which the exemption may be granted.

[63-606A, added 2005, ch. 370, sec. 2, p. 1185.]