

PROPERTY TAX LEGISLATION PROPOSED FOR 2016 - ISTC

Two Technical Corrections

- ▣ The first technical correction
 - removes a reference error in section 63-3638(10)(d)(i).
 - The reference to 63-3638(e) is incorrect because this subsection was removed by HB 468 in 2000, while the substance was retained.
 - The technical change will point back to the statute as it existed before the effective date of HB 468.
- ▣ The second technical correction relates to reporting requirements that are no longer needed.
 - The Tax Commission is required to report to the Idaho State Department of Education and State Board of Education certain findings or calculations.
 - The Department of Education has informed the Tax Commission that in neither case does the Department of Education or the State Board of Education use the information.
 - This legislative idea is to amend Idaho Code Section 63-1312 (1) and Idaho Code Section 63-315(6) to delete the reporting requirements.

Community Infrastructure Districts

- ▣ Section 50-3108, Idaho Code, excludes community infrastructure districts from the January first deadline that other taxing districts must follow to form and still levy property tax in a particular year.
- ▣ Community infrastructure districts are allowed to levy upon formation which may result in levy calculation errors and mapping and tax code area inconsistencies.
- ▣ The change would be to eliminate language in 63-807, Idaho Code that allows exceptions from the January 1 annual formation deadline.

Property Tax Appeal Rights

- ▣ Section 63-1703, Idaho Code requires the assessor to bill within 30 days for deferred property taxes subject to recapture by reason of change in ownership or use that results in loss of designation as timber land.
- ▣ If the change is initiated by the assessor and the timing does not match that of the assessment notice, there is no appeal mechanism in place if the taxpayer disagrees with the decision.
- ▣ The legislative change would establish an appeals procedure and delay deferred property tax billing until the appeals process is completed.

Hardship Application Date

- ▣ To avoid undue hardship, a taxpayer may request relief from all or part of their real and personal property tax under section 63-602AA, Idaho Code.
- ▣ The taxpayer requesting relief must submit a claim to the County board of equalization (BOE) by June 20 and the BOE must act on such claim by the second Monday in July. The date to submit other exemption claims is the fourth Monday in June.
- ▣ This legislative idea would change the current 602AA submission date to the fourth Monday in June to synchronize with other exemption claim filing deadlines.

Property Tax Apportionment

- ▣ Since 2008 property tax statutes define operating property as including real and personal property.
- ▣ Levy statutes have always been interpreted such that operating property (whether real or not) is not apportioned to flood control, community infrastructure, watershed improvement, herd, and levee districts because they levy taxes only on real property.
- ▣ To avoid any other interpretation, the proposal will clarify that operating property is not apportioned to the aforementioned taxing districts.