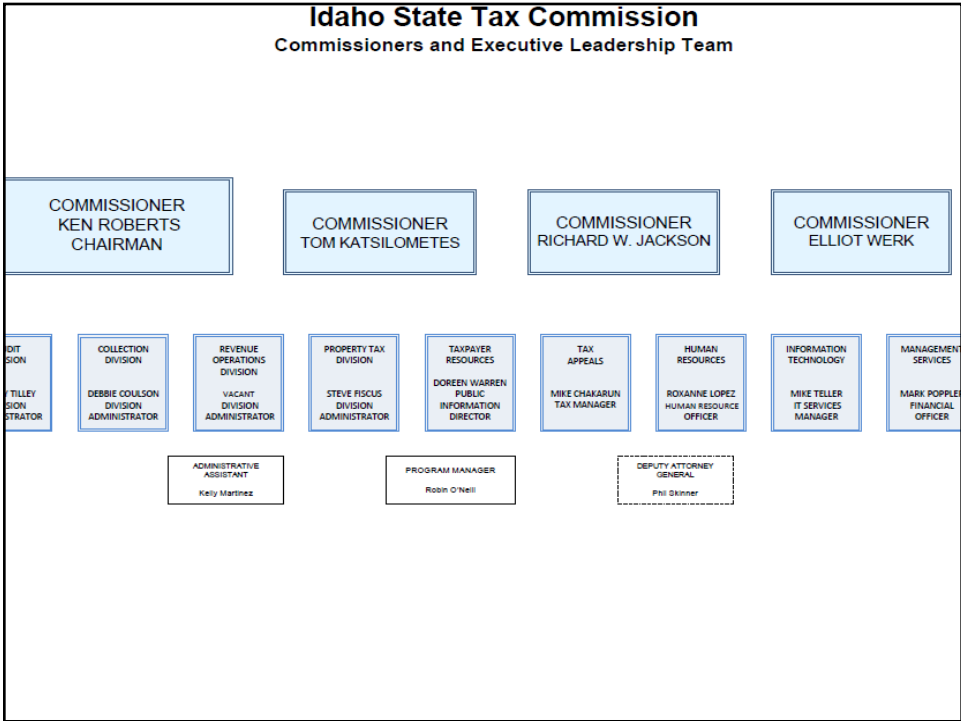
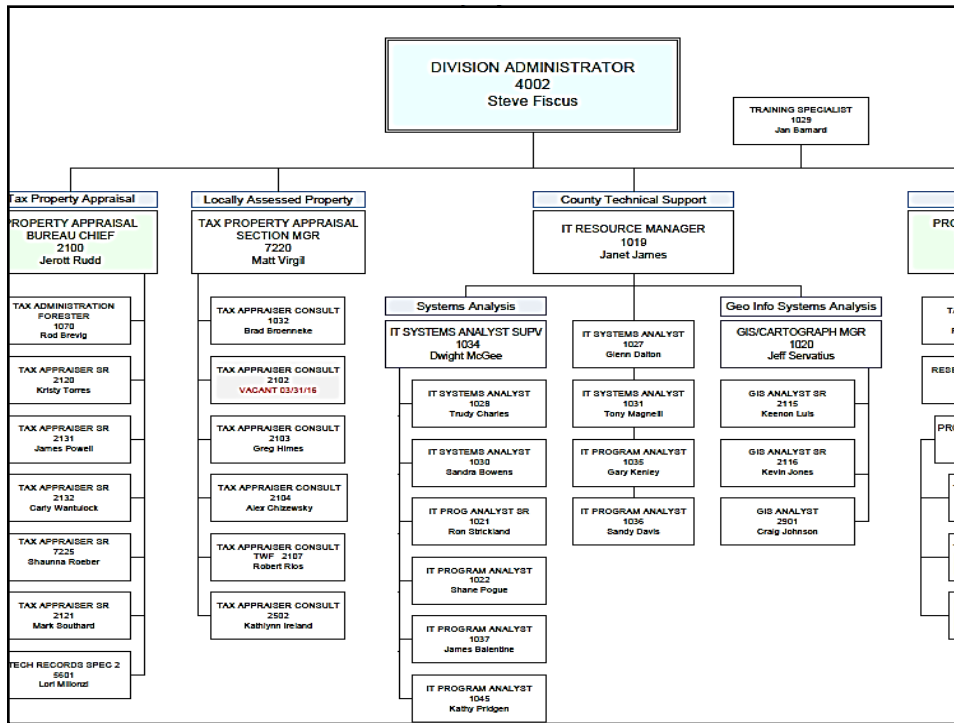


# 2016 Newly Elected County Officials Training

Idaho State Tax Commission  
 Steve Fiscus, Admin., Property Tax Division  
 George Brown, Deputy Attorney General





Statutes in Idaho Code  
 County Government - Title 31  
 General Tax - Title 63  
 Urban Renewal - Title 50

Idaho State Tax Commission (ISTC)  
monitors quantity of appraisals and  
level of assessment.

I.C. 63-314 & Rule 314(frequency)

I.C. 63-208 & Rule 131 & 217

(market value)

I.C. 63-316 & Rule 316(enforcement)

Appraisal – I.C. §63-314

Vs.

Assessment – I.C. §63-301

## Frequency of Assessment

- “All real, personal and operating property subject to property taxation must be assessed annually....” (IC 63-205)
  - County assesses real and personal property
  - STC assesses operating property - (utilities and railroads)
- “Taxable property shall be appraised or indexed annually to reflect current market value.” (IC 63-314)
  - Appraisal includes field inspection (required at least every 5 years).
  - Property not appraised in given year must be indexed to current market value.
  - Current market value this year is the value of the property as of January 1, 2014

## Market Value

Consider all three approaches to value  
(cost, market and income)

Use of Ratio studies to determine equalization

\*you do not have to wait until the annual studies by the STC to utilize ratio analysis

## Enforcement

Idaho Code 63-316 & Rule 316

The Tax Commission withholds sales tax distribution to pay for a reappraisal program to be completed.

Idaho Code 63-109

If the Tax Commission determines that values do not achieve proper assessment levels, the county is subject to State Board of Equalization actions

## Exemptions

- 63-602(3)(a)(b) Idaho Code
- Includes a list of exemptions that **do not** require an application. (Govt., cemeteries, libraries, ag of more than 5 acres)
- For exemptions that do require an application
  - April 15 to file with the County Commissioners
  - Notify the taxpayer and Assessor by May 15
  - Taxpayer may file an appeal with the BOE if they don't agree with the decision.

## Exemptions (cont.)

- 63-602NN Certain Business Property
- “Defined Project”, including a plan
- “Investment in new plant”, 602NN(2)(c)
- At least \$3,000,000 at the project site
- Commissioners may grant all or a portion of the exemption for up to five years
- Property does not qualify if it has ever been on the property rolls

## County Board of Equalization

I.C. §63-501 to 511

(Training in Spring 2017)

The BOE can meet monthly until the fourth Monday in June. At that point they meet daily, if necessary, to complete their business.

Also, meet in November for the sub-roll and in January for the missed roll.

What are the sub-roll and missed roll?

Appeals from the County BOE?

State Board of Tax Appeals

*NOT THE STATE BOARD OF EQUALIZATION*

63-3801 to 63-3814

or

District Court

Tax Commission Appraises

Public Utilities and Railroads

(AKA. Centrally Assessed)

I.C. §63-401

- Apportions to Idaho
- Allocates values to Taxing Districts

The State Board of Equalization hears appeals of Centrally Assessed Properties and equalizes county values in August.

Taxing districts hold budget hearings and set budgets.

I.C. §63-801 to 63- 812



Budgets and levies are sent to the  
Idaho State Tax Commission for  
approval

I.C. §63-809

(Training in May 2017)

Tax Levies are set by the Fourth  
Monday in October, sent to County  
Clerks and Treasurers

Property Tax Bills mailed prior to the  
fourth Monday in November

I.C. §63-902

Payments are due December 20 and  
June 20 **NOT** for ½ year but ½  
payment.

I.C. §63-903

Delinquencies

I.C. §63-1001 – 1015

The Tax Deed Process

Counties may have internal policies

Urban Renewal  
I.C. Title 50 Chapter 20  
URA vs. RAA????

**Any Questions, Consult Your Attorney  
(CYA)**

**Tax Increment Financing**

an economic incentive involving property tax

- Permits allocation of property taxes to urban renewal agency (URA) in specified areas
- Often used to help provide infrastructure:
  - Parking garages
  - Sewer and water lines
  - Street improvements
- Properties within these areas still pay taxes at prevailing rate, but money is not passed on to local taxing districts
  - Beginning in 2008, URAs no longer derive revenue from most voter approved levies and certain judgments against taxing districts.

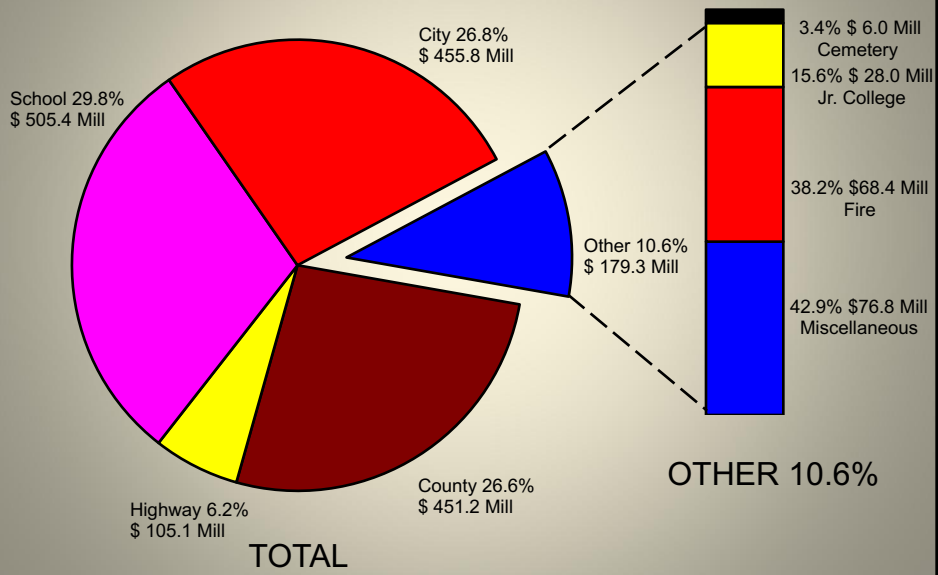
# How do we do the math?

- Not like this

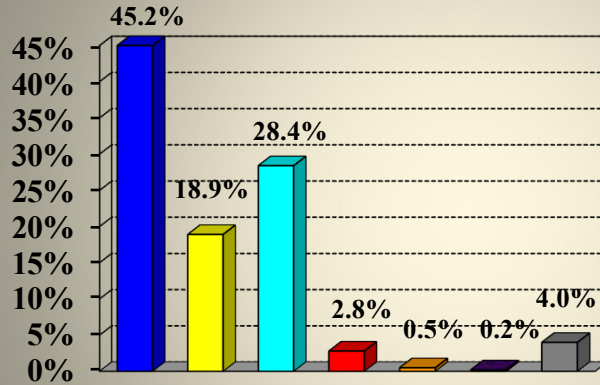


Backcountry Math.wmv

## 2016 Property Tax Use



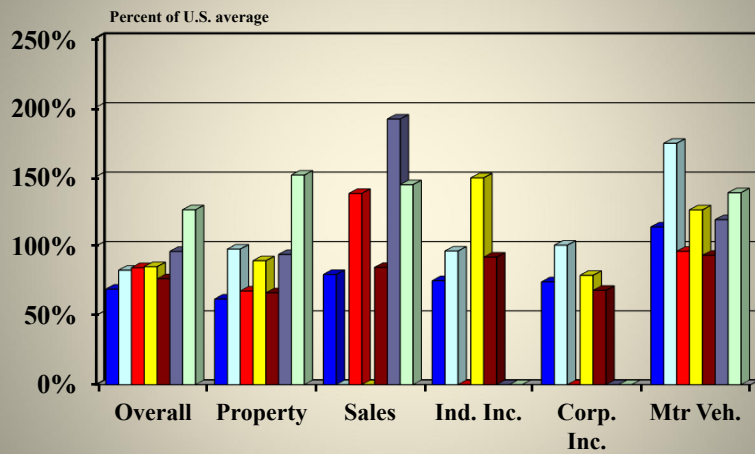
## So, who pays the property tax?



Distribution shown is statewide in Idaho for 2016

- Owner occupied residential
- Non-owner occupied residential
- Commercial / Industrial
- Agricultural
- Timber
- Mining
- Operating (Utilities)

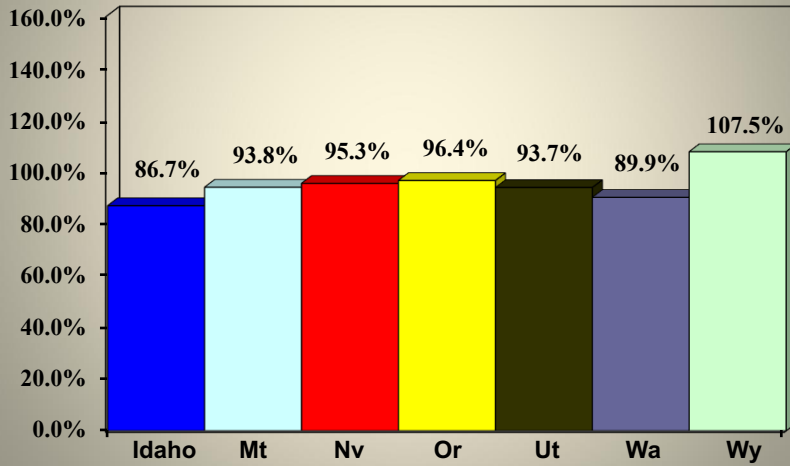
## Fiscal Year 2013 Tax Burden Idaho vs. Neighbor States



- Id
- Mt
- Nv
- Or
- Ut
- Wa
- Wy

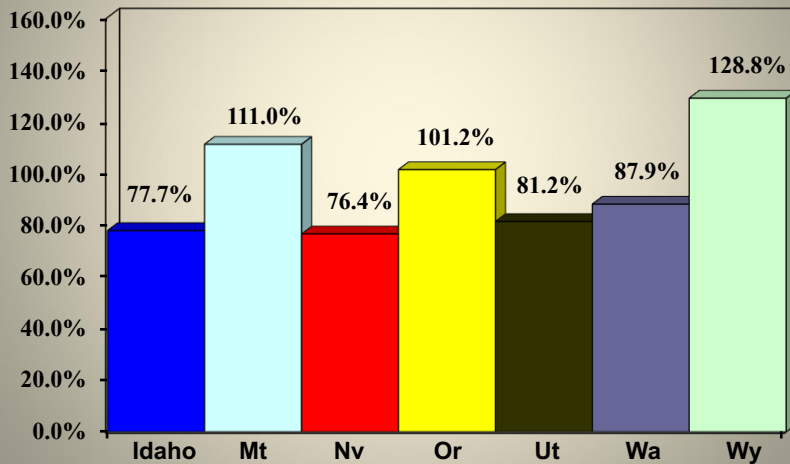
Based on per capita taxes. States compared to U.S. average.

### FY 2013 Overall Tax Burden Idaho vs. Neighbor States



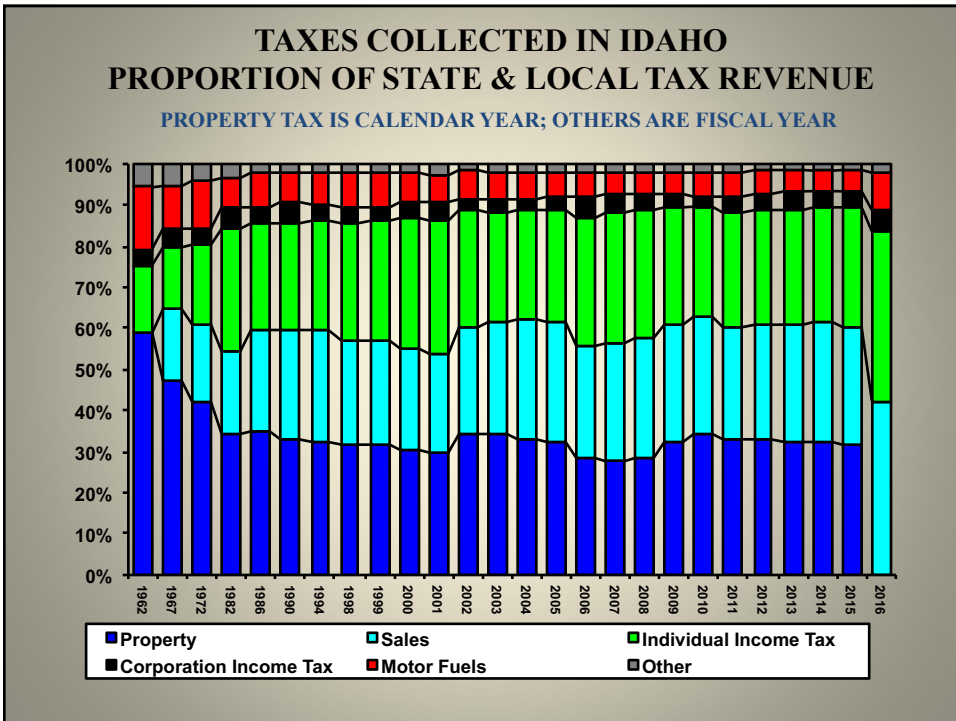
Based on taxes per \$ of income.

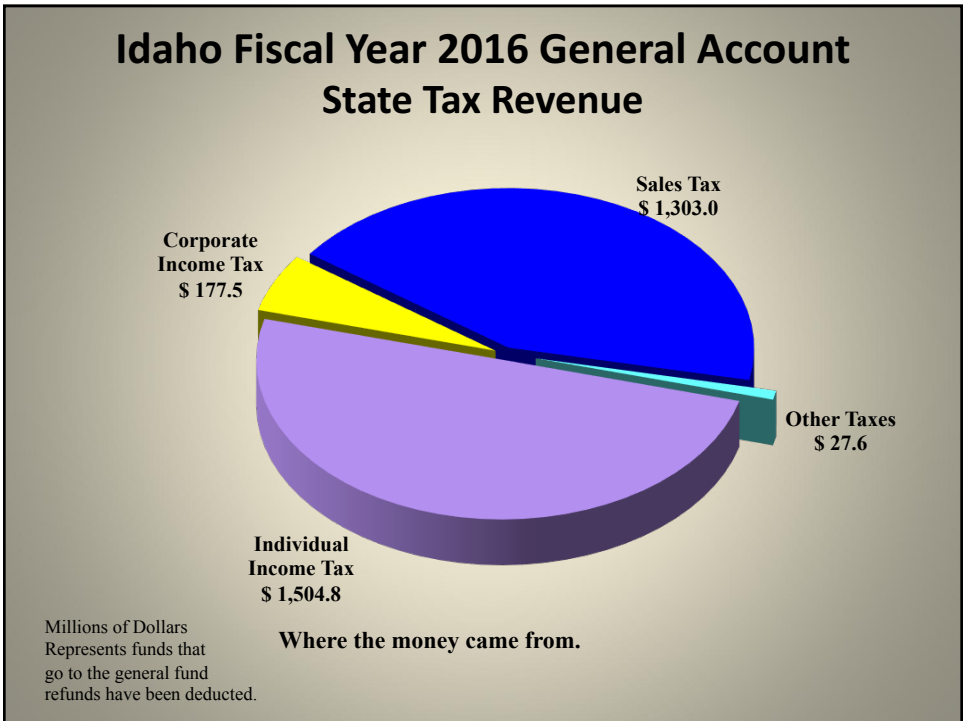
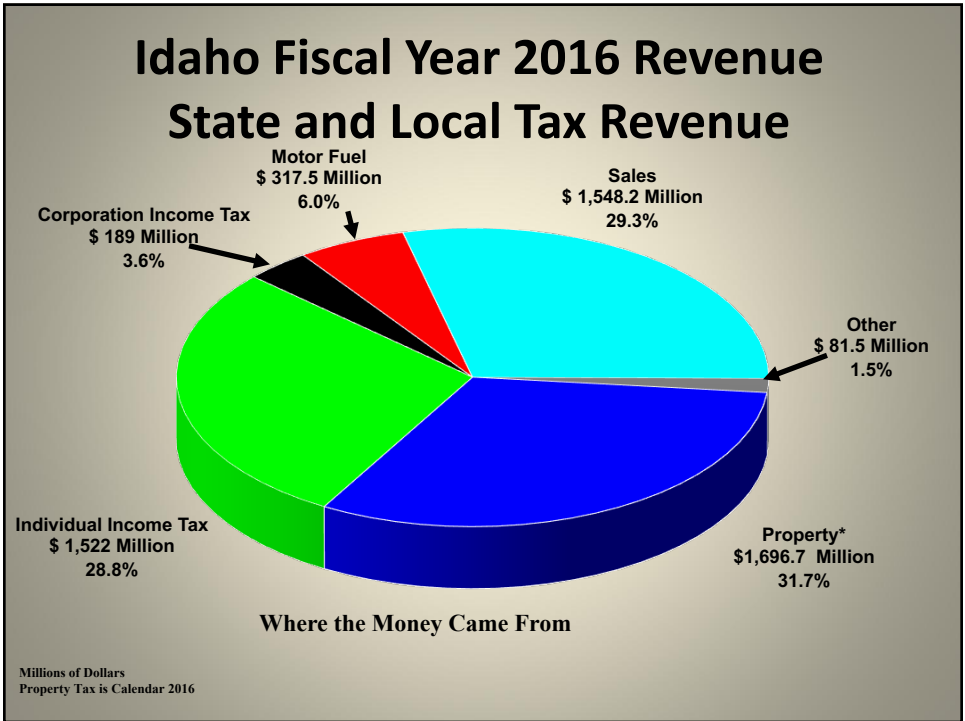
### FY 2013 Property Tax Burden Idaho vs. Neighbor States



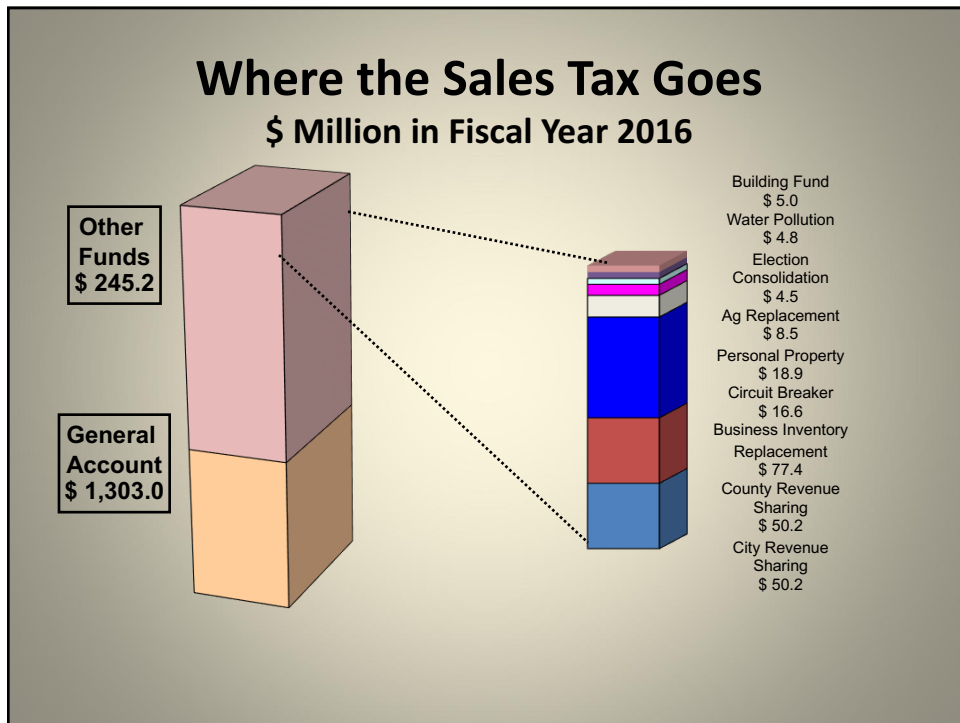
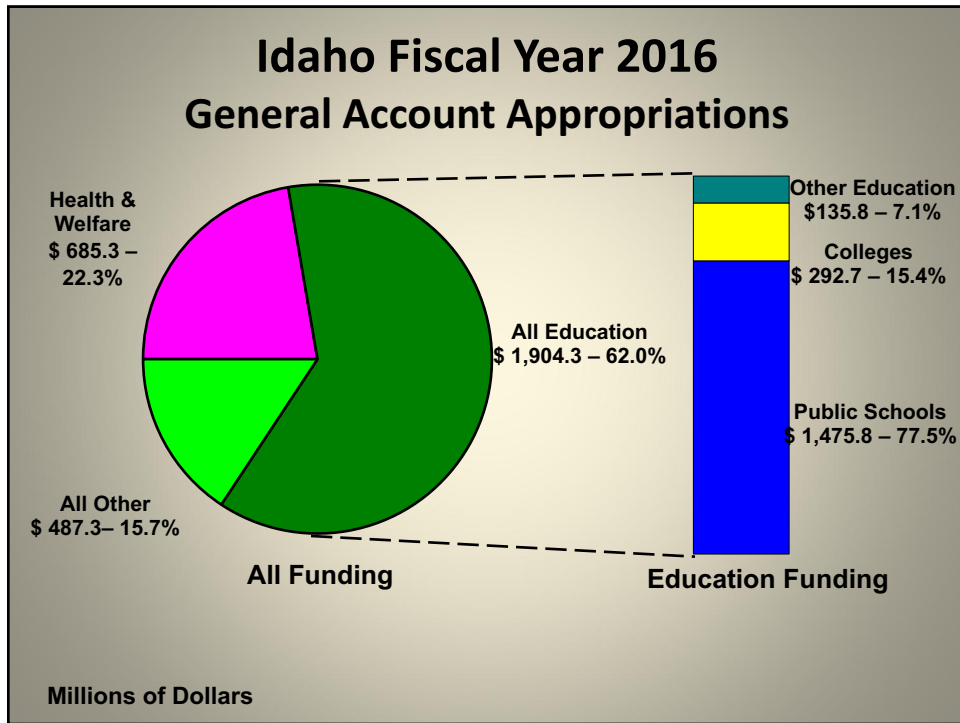
Based on taxes per \$ of income.

# World's Most Accurate Pie Chart









## Sales Tax Distribution Statute and Rule

- Distribution formulas are found in Idaho Code §63-3638 (9)
- Definitions and procedures are found in Property Tax Administrative Rule 995.

## Different Types of Sales Tax Distribution

- Distribution formula found in I.C. §63-3638 (9)
  - 11.5% continuously appropriated
    - Revenue Sharing – counties and cities only:
      - 28.2% paid to various cities,
      - 28.2% paid to various counties,
    - Base and Excess – all but school districts:
      - 35.9% paid to several counties and cities, and
      - 7.7% paid to Special Purpose Taxing Districts (SPTDs)
  - Paid quarterly
    - All but the City Revenue share money paid directly to each county. County then distributes money to each appropriate taxing district.
    - City Revenue Sharing paid directly to each city.

## Revenue Sharing County Only

How does this work?

- 28.2% of the 11.5% paid as follows:
  - \$1,320,000 annually distributed 1/44 to each county. (equals \$7,500 per quarter per county)
  - The balance shall be paid based on each county's proportionate share of total state's population.

## County Revenue Sharing Report

County Revenue Sharing Quarter Ending September 30, 2016 Idaho Code 63-3638(10)(b)					
County 7/12/2016	1/44 330,000	Est. 2015 Population	Population Percent	Population Share	Total Distribution
Ada County	7,500	434,211	26.237%	3,633,886.62	3,641,386.62
Adams County	7,500	3,843	0.232%	32,161.84	39,661.84
Bannock County	7,500	83,744	5.060%	700,848.67	708,348.67
Bear Lake County	7,500	5,922	0.358%	49,560.87	57,060.87
Benewah County	7,500	9,052	0.547%	75,755.66	83,255.66
Bingham County	7,500	44,990	2.719%	376,518.69	384,018.69
Blaine County	7,500	21,592	1.305%	180,702.19	188,202.19
Boise County	7,500	7,058	0.426%	59,067.99	66,567.99
Bonner County	7,500	41,859	2.529%	350,315.54	357,815.54
Bonneville County	7,500	110,089	6.652%	921,328.44	928,828.44
Boundary County	7,500	11,318	0.684%	94,719.68	102,219.68
Butte County	7,500	2,501	0.151%	20,930.72	28,430.72
Camas County	7,500	1,066	0.064%	8,921.29	16,421.29
Canyon County	7,500	207,478	12.537%	1,736,371.32	1,743,871.32

<http://www.tax.idaho.gov/search-reports.cfm?ch=EPB00679>

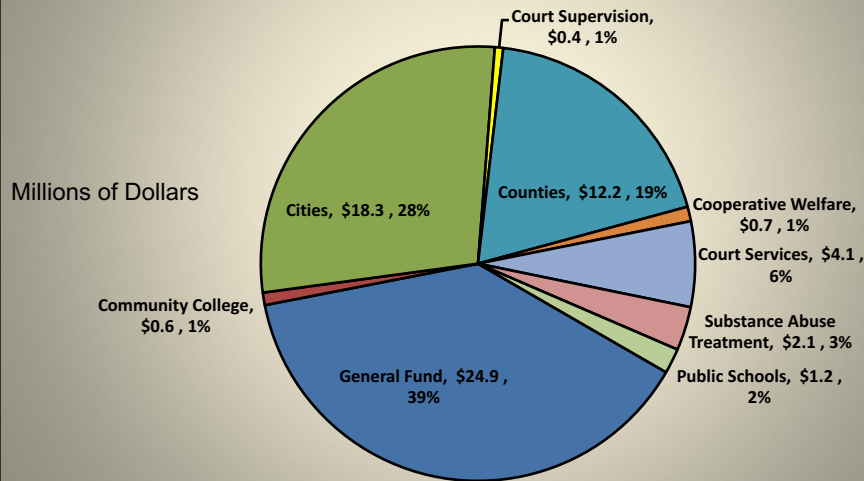
## Liquor Distribution & Community Colleges

- I.C. 23-404 Distribution of Funds  
*FY2013 \$11.9 Million to Counties*
  - I.C. 33-2110A(3) Tuition  
*50% of Liquor Funds*
- I.C. 63-3638A Sales Tax on Liquor  
*Goes into Liquor Fund not Sales Tax*

## Profit Distribution

FY 2015

Total Distribution  
\$64,412,744



## Distribution of Net Funds to the Highway Distribution Account

- Idaho State Police.....5%
- City, County and Highway District Jurisdictions.....38%
- State Highway Account.....57%

## The Personal Property Tax

- Personal property taxes in Idaho were between \$104\* and \$140\* million out of \$1,697 million in total property taxes in 2016 (6% - 8% statewide, but much higher in some counties).
- In addition to furniture, machinery, and equipment, the above figure for personal property tax includes rail cars and certain other portions of operating property.
- Amounts shown reflect 2015 partial exemption

\*Does not include \$11.2 million tax on personal property paid to urban renewal agencies; but includes portion of operating property assumed to be equivalent