

Roadmap to IDAHO PROPERTY TAXES

General Assessment Overview

Idaho state law requires that all nonexempt property be assessed at market value each year as of January 1. Properties are physically inspected every five years. Roughly 20% of the properties within a county are reappraised in any given year. During the other four years of the cycle, values are trended based on market conditions. Idaho law doesn't limit increases or decreases to property value from year to year.

The full market value of every property is determined by the local county assessor using comparative data from recently sold properties and analyzing construction costs. The sales information is gathered from the Multiple Listing Service, property owners willing to disclose their purchase price, realtors, builders, developers, and independent appraisers. In addition to the market approach, the income and cost approaches are also used to assess commercial and agricultural properties.

Assessment notices are typically mailed by the first Monday in June. Idaho is a nondisclosure state. Buyers and sellers of real estate are not required to state the purchase price paid or the terms and conditions of the sale.

New Construction

New construction is prorated from the date first occupied through December 31 of the occupancy year. If assessed after the fourth Monday in May, taxes on new construction may be billed on the subsequent tax roll or the missed tax roll.

Subsequent Tax (Occupancy) Roll

If construction is completed after the property roll assessment deadline in May, the taxpayer will receive a bill for the improvement or structure on the subsequent tax roll. This bill may be in addition to a bill for the property tax roll.

Missed Value

If property is reassessed between the date of ownership change and December 31, the taxpayer will receive a bill for the missed tax roll. This bill may be in addition to a bill for property tax roll and the subsequent tax roll. Once ownership changes, any property developer's exemption no longer applies.

Personal Property

The 2021 Idaho Legislature passed legislation exempting the first \$250,000 of business personal property. Business inventory is also exempt. Personal property declarations must be submitted to the county assessor by March 15. Failure to file timely results in the assessor estimating the value of taxable personal property based on the best information available. Personal property assessment notices are typically mailed by the first Monday in June.

The county treasurer mails most personal property tax bills by the fourth Monday in November. Personal property taxes can be paid in installments. If you pay the first half by December 20, the second half is due by June 20 unless the treasurer demands earlier payment. Failure to pay taxes on time can result in penalty and interest.

Property Tax Appeals

Property owners who feel the assessed value assigned to their property is higher than what it should be can appeal. In Ada and Kootenai counties, an attorney is required to file an appeal and attend hearings.

The first step of the appeal process involves an informal discussion with one of the appraisers in the assessor's office. Property owners will be asked to submit market and income information to support their positions. Market information includes comparative market analysis, copies of independent appraisals, or other pertinent data. Income information includes financial statements and rent rolls for the previous three years of operation. If a property has been recently constructed or has a special use, information regarding replacement cost new, less depreciation, plus land value, may be relevant.

If an agreement on value cannot be reached informally, the next step would be to file an appeal with the Board of Equalization (BOE). According to state law, the deadline to file an assessment appeal to the BOE is the fourth Monday in June. The appeal will only address the property's market value. Additionally, the value of the property as determined by the assessor is presumed to be correct, so the burden of proof is on the taxpayer. Typically, the board meets to hear appeals between the fourth Monday in June and the second Monday in July.

If a property owner disagrees with the Board's decision, the final step is to file an appeal either to the Idaho State Board of Tax Appeals (BTA) or to District Court within 30 days from the date a decision of a County BOE is mailed, or such decision is pronounced at hearing to file an appeal.

Many choose to file an appeal with the BTA because there are no filing fees, and the BTA's proceedings are less formal than district court. In addition, a final decision of the BTA, which changes a property's valuation, is effective for the current tax year and the subsequent tax year, unless a physical change

has occurred to the property or annual trending is applied to all properties of the same class or category in a defined area.

However, please also note that the BTA is not bound by the decision of the County BOA. The BTA has jurisdiction over the entire assessment, even if only one part is being challenged. Depending on the facts, the BTA may raise, lower, or leave unchanged the values previously assigned to the land or improvements.

Tax Bills

Property taxes are calculated by taking the property's assessed value, minus any applicable exemptions, and multiplying that by the local levy rate.

Property owners can pay Idaho property taxes in two installments. The first installment is due December 20, and the second installment is due June 20. First-half tax bills are mailed out the fourth Monday of November. If the first-half of the tax amount is not paid by the December 20 due date, a late charge equal to 2% of the delinquent first-half amount is added to the first-half tax amount. Interest at the rate of 1% per month will accrue on the delinquent first-half tax beginning on January 1.

Second-half tax bills are typically mailed in the third week of May. If the second half of the tax amount is not paid on or before June 20 of the following year, that half becomes delinquent, and a 2% late charge is added. Interest on delinquent second-half taxes is calculated at the rate of 1% per month dating back to January 1 of that year. Late charges, interest, and warrant fees, etc., must be paid even if the bill is not received by the property owner.

There's no legal limit to how much any property's tax bill can increase or decrease. Each taxing district can raise the property tax portion of its budget by no more than 3%, unless voters approve an increase to property tax revenue or the taxing districts apply new construction or new annexations.

Idaho Tax Calendar

Real Estate Property Roll

Assessment Date	January 1
Value Notices Issued	First Monday in June
Appeal Deadline	Fourth Monday in June
Tax Bills Due	December 20 (First Installment) June 20 (Second Installment)

Subsequent Roll

Assessment Date	Property assessed between fourth Monday in May and October 31
Value Notices Issued	January
Appeal Deadline	Identified on the notice of value. Typically, within two weeks of the print by date of the notice of value.
Tax Bills Due	December 20 (First Installment) June 20 (Second Installment)

Missed Roll

Assessment Date	Property assessed between November 1 and December 31
Value Notices Issued	February
Appeal Deadline	Identified on the notice of value. Typically, within two weeks of the print by date of the notice of value.
Tax Bills Due	March 20 (First Installment) June 20 (Second Installment)

Personal Property

Deadline for Declarations	March 15
Value Notices Issued	First Monday in June
Tax Bill Due	December 20 (First Installment) June 20 (Second Installment)
There is a personal property exemption on the first \$250,000.	