

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-020-743-168
)	
Petitioner.)	DECISION
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On July 12, 2022, the Property Tax Division (Property Tax) of the Idaho State Tax Commission (Tax Commission) issued an Intent to Deny Property Tax Reduction Benefit letter (Intent letter) to _____ (Petitioner). Petitioner objected to the Intent letter and Property Tax referred the matter to the Tax Commission’s Appeals Unit (Appeals) for administrative review. Appeals sent Petitioner a letter informing him of the options available for redetermining a protested Intent letter, but Petitioner did not respond. The Tax Commission reviewed the case, and this is our final decision. We uphold the Intent letter for the following reasons.

Petitioner filed an application for a property tax reduction benefit with Nez Perce county on February 18, 2022. Petitioner’s application was forwarded to the Tax Commission for review and processing. The staff, following Idaho Code section 63-707(6), reviewed Petitioner’s application and sent him a letter advising him of the intent to deny his application because of recent legislative changes. Petitioner protested the Intent letter, stating in part...

...I have worked and paid taxes for over 60 years. I have bought four other houses bigger and nicer than this one. This simple three-bedroom home was \$205,000 when purchased in 2014. During the past one and a half years of inflation and liberals in charge nationally, wars in Europe, COVID-19 etc., the value has increased 30%. At this same time, we have lost \$1,000 on our meager savings accounts. Due to “Legislative change” in football this is like moving the goal posts during the game further back and taking away our (\$730) touchdown. Our overspending Legislature should be ashamed of cancelling an in-place reduction program....

Law and Analysis

During the 2022 Idaho legislative session, House Bill 481 amended Idaho Code section 63-705(b) to read as follows:

On and after January 1, 2022, if the current year's assessed value of the home owned by the individual, according to the current year's assessment notice, exceeds the greater of three hundred thousand dollars (\$300,000) or one hundred fifty percent (150%) of the median assessed valuation for all homes in the county receiving the homestead exemption pursuant to section 63-602G, Idaho Code, then the individual will instead be referred to the property tax deferral program set forth in sections 63-712 through 63-721, Idaho Code. Using the current year's assessed values, each county shall report the median assessed value of all properties receiving the homestead exemption in such county as of that date to the state tax commission no later than the first Monday in June. Provided, however, the provisions of this paragraph do not apply to a veteran with either a service-connected disability of one hundred percent (100%) or a disability rating based on individual unemployability rating that is compensated at the one hundred percent (100%) disability rate, as certified by the United States Department of Veterans Affairs.

During review of Petitioner's application and information received from the Nez Perce county assessor's office Property Tax learned the 2022 assessed value of Petitioner's home was \$506,545 and 150% of the median value of homes in Nez Perce county is \$460,727. With an assessed value of \$506,545 Petitioner's home exceeds the greater of \$300,000 or 150% of the median value of properties in Nez Perce county.

Idaho Code section 63-705(b) describes the requirements, as it relates to current assessment values, for an applicant to qualify for the property tax reduction benefit. The requirements are very specific. The law must be followed as written. If the law is socially or economically unsound, the power to correct it is legislative, not within the powers of the Tax Commission. *John Hancock Mutual Life Insurance Co. v. Neill*, 79 Idaho 385, 319 P.2d 195 (1957).

Conclusion

The Tax Commission must follow the law as written. The 2022 assessed value of Petitioner's home exceeds the greater of \$300,000 or 150% of the median assessed valuation for all homes in Nez Perce county receiving a homestead exemption. His application for a 2022 property tax reduction benefit must be denied.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated July 12, 2022, is APPROVED and MADE FINAL.

An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
a copy of the within and foregoing DECISION was served by sending the same by United States
mail, postage prepaid, in an envelope addressed to:

Receipt No.
