

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-012-630-528
	)	
Petitioners.	)	DECISION
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(Petitioners) protested the Intent to Deny Property Tax Reduction Benefit letter dated July 25, 2022. Petitioners disagreed that property values should be a consideration in determining the Property Tax Reduction (PTR) benefit. The Tax Commission reviewed the matter and issues its decision upholding the intent to deny the PTR benefit. Petitioners are not eligible for the benefit for 2022.

**BACKGROUND**

On March 17, 2022, the Ada County Assessor (Assessor) received Petitioners’ application for the PTR benefit for the benefit year 2022. Assessor reviewed the application and found Petitioners do not qualify for the benefit because of the value of their home. Assessor processed Petitioners’ application and sent their application to the Tax Commission to review for final determination of Petitioners’ benefit.

The Property Tax Division (Staff) of the Tax Commission reviewed Petitioners’ application and agreed with Assessor’s finding. The assessed value of Petitioners’ home is greater than the amount allowed by statute. Staff sent Petitioners an intent to deny letter stating that they would not receive a benefit for 2022.

Petitioners protested stating that assessed property values should not be used in the determination of the PTR benefit. It should only be based on the individual’s income. Petitioners stated the assessed values raise every year. Petitioners stated it appears like the state does not want

to help seniors on limited income. Petitioners stated if this is the way the program is determined, “end the program and quit pretending your trying to help because you’re not”.

Staff acknowledged Petitioners’ protest and referred the matter to the Tax Commission’s Appeals Unit (Appeals). Appeals sent Petitioners a letter stating why the PTR benefit was denied and told them about their option to apply for the property tax deferral program. Appeals also told Petitioners about the methods available for redetermining the intent to deny letter if they wished to continue their protest. Petitioners did not respond. Seeing that Petitioners did not withdraw their protest but had the opportunity to further argue their position, the Tax Commission reviewed the information available and makes its decision as follows.

### **LAW AND ANALYSIS**

All property within the borders of this state is subject to property tax. Idaho Code, Title 63, Chapter 7 provides for property tax relief on a homestead for certain qualifying owners of the homestead. Qualifying owners or claimants cannot have income above a certain amount. For tax year 2022, the maximum allowed income is \$32,230.

In addition to the income qualification, the Idaho legislature put a cap on the property’s value. The property on which the property tax relief is being sought cannot have an assessed value over the greater of \$300,000 or 150 percent of the median value of properties in the county where the property is located. See Idaho Code section 63-705(b). Idaho Code section 63-705(b) was amended and signed into law with this provision on March 25, 2022. The law was effective on the date of signing and retroactive to January 1, 2022.

Petitioners filed their application on March 17, 2022, prior to the amendment of Idaho Code section 63-705(b). Petitioners filed out their application in accordance with the law at the time. Under the provisions of the new law, county assessors were charged with determining the median

value of all the properties in their respective counties with the homestead exemption, and then calculating a 150 percent of that value. In addition to not knowing the new law, Petitioners had no way to determine 150 percent of the median assessed value of the properties in Ada County. Without the knowledge of the new law, Petitioners completed their application under the existing law at the time. The existing law had no cap on property value.

Petitioners' property has an assessed value of \$896,700. The median assessed value of all properties with the homestead exemption for Ada County is \$534,000. The property value cap for the PTR benefit for Ada County is \$801,000 ( $\$534,000 \times 150\%$ ). Petitioners' assessed value is over the property value cap. Therefore, under the new law, Petitioners do not qualify for the benefit.

### **CONCLUSION**

Petitioners applied for the Property Tax Reduction Benefit with the Ada County. The law governing the benefit changed less than 30 days before the deadline for applying for the benefit. Assessor reviewed Petitioners' application and found their property's assessed value was over the cap established by the new law. The Tax Commission also reviewed Petitioners' application, as required by law, and agreed with Assessor's finding. Petitioners are not eligible for the benefit for 2022.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated July 25, 2022, directed to \_\_\_\_\_ is hereby AFFIRMED and MADE FINAL.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2022,  
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.

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