BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of [redacted] Petitioner.	)	DOCKET NO. 1-101-779-968
	)	DECISION

[redacted] (Petitioner) protested the Idaho State Tax Commission's (Tax Commission) Property Tax Division's (Division) Intent to Deny 100% Service-Connected Veterans Property Tax Benefit letter dated March 27, 2026. The Tax Commission reviewed the matter and upholds the denial.

BACKGROUND

Petitioner filed an application with the [redacted] County Assessor's office for the 2026 100% Service-Connected Veterans Property Tax Benefit. Petitioner indicated by checking a box that she was eligible for the benefit as a widower of a qualifying veteran with a 100% service-connected disability. The Assessor's office processed her application then forwarded it to the Tax Commission for review and final determination.

The Division reviewed the application and determined that Petitioner did not meet the eligibility requirements for the benefit. The Division sent Petitioner an Intent to Deny letter stating that she would not receive the special property tax reduction benefit for 2026.

Petitioner protested the denial, arguing that she is entitled to the benefit because her spouse remained on the loan for the property, he lived at the residence until his death in November 2025, and she is the surviving spouse of a 100% service-connected disabled veteran.

The Division acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review. Appeals sent Petitioner a letter

informing her of the options available for redetermining the Intent to Deny letter. Petitioner requested an informal hearing which was held on May 19, 2026.

LAW AND ANALYSIS

Idaho Code section 63-705A, in pertinent part, reads as follows:

> 63-705A. Special Property Tax or Occupancy Tax Reduction for Disabled Veterans.
> **(3) In the event that a qualified veteran applies for the special tax reduction in this section but then dies, the veteran's surviving spouse is entitled to receive the special tax reduction in that year and subsequent years, until such time as the surviving spouse remarries, dies, or no longer has property tax levied on the homestead.**

Petitioner's spouse applied for the 100% Service-Connected Veterans Property Tax Benefit in 2024. The benefit was awarded, but it was later discovered that he had not been an owner of the property since 2020, when he quit claimed the property to Petitioner. A person must be an owner of the property to receive the benefit; therefore, a Notice was issued and the benefit was repaid. Because the statutory right to the special property tax reduction never vested, there is no benefit for the surviving spouse to receive.

Idaho Code section 63-705A clearly defines the eligibility requirements for the special property tax reduction benefit. 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

Petitioner is the surviving spouse of a 100% Service-Connected disabled veteran. However, because her spouse was not the property owner when he applied for the benefit, he did not qualify

for the special property tax reduction. Therefore, Petitioner is ineligible for this benefit. The Tax Commission properly denied her the Veteran's Property Tax Reduction Benefit.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated March 27, 2026, directed to [redacted] is hereby AFFIRMED and MADE FINAL.

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

DATED this _____ day of _____ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2026, 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.

[redacted]

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