

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
 [REDACTED]) DOCKET NO. 1-591-010-304
 [REDACTED])
)
 Petitioner.) DECISION
)
 _____)

[REDACTED] (Petitioner) protested the Intent to Deny Property Tax Reduction (PTR) Benefit letter dated July 15, 2024. Petitioner disagreed that property values should be a consideration in determining the PTR benefit. The Idaho State Tax Commission (Tax Commission) reviewed the matter and issues its decision upholding the Intent to Deny the PTR Benefit letter.

BACKGROUND

Petitioner submitted an application for the PTR benefit for the benefit year 2024. The Property Tax Division (Property Tax) of the Tax Commission reviewed the application and found Petitioner does not qualify for the benefit because the assessed value of his home is greater than the amount allowed by statute. Property Tax sent Petitioner an Intent to Deny letter informing him that he would not receive a benefit for 2024.

Petitioner protested, arguing that he was denied the PTR due to something which he has no control over. Petitioner stated in his letter that he is 92 years old, can no longer work and must make his limited income stretch during this time of high inflation. Petitioner also argues that he purchased his home in 1965 for \$11,000 and he can't control the assessed value or the inflated market value. Petitioner provided a calculation showing the assessed value of his home has

increased 8567% since the date of purchase.¹ Petitioner stated his home is far from a mansion as it's old and currently doesn't have a functioning bathroom. Petitioner understands that he can sign up for a property tax deferral program but doesn't want his family to pay back taxes to continue owning the property. Petitioner asked that the Tax Commission reconsider and approve his property tax reduction benefit.

Property Tax referred the matter to the Tax Commission's Appeals Unit (Appeals). Appeals sent Petitioner a letter giving him the options for redetermining a protested Intent to Deny letter. Petitioner did not respond.

LAW AND ANALYSIS

During the 2023 Idaho legislative session, House Bill 292 amended Idaho Code section 63-705(b)(2) to read as follows:

On and after January 1, 2023, 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 four hundred thousand dollars (\$400,000) or two hundred percent (200%) 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 Bonner County Assessor's office, Property Tax learned the 2024 assessed value of Petitioner's home is

¹ Purchase price \$11,000 and current assessed value of \$953,420. $((953,420-11,000)/11,000) * 100 = 8567.45\%$

\$953,420 and 200% of the median value of homes in Bonner County receiving the homestead exemption is \$883,244. With an assessed value of \$953,420, Petitioner's home exceeds the greater of \$400,000 or 200% of the median value of properties in Bonner County with a homestead exemption.

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 extremely specific.

The Tax Commission is sympathetic with Petitioner's predicament and those like him. However, the Tax Commission must follow the law 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 2024 assessed value of Petitioner's home exceeds the greater of \$400,000 or 200% of the median assessed valuation for all homes in Bonner County receiving the homestead exemption. Petitioner's application for the 2024 PTR benefit must be denied.

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated July 15, 2024, 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 _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024,
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.
