

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

|   |   |                          |
|---|---|--------------------------|
| In the Matter of the Protest of           | ) |                          |
|   | ) | DOCKET NO. 1-776-976-896 |
|   | ) |                          |
| Petitioner.                               | ) | DECISION                 |
| <hr style="width: 50%; margin-left: 0;"/> | ) |                          |

On July 11, 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 (Petitioners). Petitioners objected to the Intent letter and Property Tax referred the matter to the Tax Commission’s Appeals unit for administrative review. Appeals sent Petitioners a letter informing them of the options available for redetermining a protested Intent letter. Petitioners responded, requesting an informal hearing which was held on August 31, 2022.

The Tax Commission, having reviewed all information in this matter, issues this final decision. We uphold the Intent letter for the following reasons.

Petitioners filed an application for a property tax reduction benefit with Clearwater county on March 25, 2022. Petitioners’ application was forwarded to the Tax Commission for review and processing. The staff, following Idaho Code section 63-707(6), reviewed Petitioners’ application and sent them a letter advising them of the intent to deny their application because of recent legislative changes.

Petitioners protested the Intent letter, stating they are on a fixed income, Mr. suffered a stroke in 2022 and they need the property tax reduction. Petitioners argue that they have made no improvements to the property, and it is not their fault the assessed value has gone up.

Petitioners also voiced their opinion of the option to apply for property tax deferral stating, “The property tax deferral program is a joke. Who would do that and put a lien on their property?”

### **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 Petitioners’ application and information received from the Clearwater county assessor’s office, Property Tax learned the 2022 assessed value of Petitioners’ home is \$397,381 and 150% of the median value of homes in Clearwater county is \$344,967. With an assessed value of \$397,381 Petitioners’ home exceeds the greater of \$300,000 or 150% of the median value of properties in Clearwater 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*,<sup>79</sup> Idaho 385, 319 P.2d 195 (1957).

### **Conclusion**

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

THEREFORE, the Intent to Deny Property Tax Reduction Benefit letter dated July 11, 2022, is APPROVED 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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