

GUIDANCE MEMORANDUM

April 7, 2026

TO: All County Assessors and Treasurers

FROM: Idaho State Tax Commission
Property Tax Division

RE: Homestead Exemption changes enacted during 2026 Legislative Session under House Bill 843

The 2026 Legislature passed House Bill 843 and it has been signed into law by the Governor. The Bill amends Idaho Code §63-602G by enacting the following changes:

- The definition of “primary dwelling place” is copied from Idaho Code 63-701(8)(a) (property tax reduction qualifications). This merely maintains the definition that has been in use via the previous cross reference.
- There is to be no proration of the exemption, regardless of when the application is filed during the calendar year.
 - To be eligible, the claimant must file before the close of business on the last business day of the year – such a filing, if approved, would make the property eligible for the full exemption of 50% of the value up to a maximum exemption of \$125,000.
 - If the exemption is applied for after the second Monday in July, the full assessed value would be retained on the property roll or subsequent or missed rolls, but there would be a tax cancellation equivalent to granting the full exemption for which the property would have been eligible had the application been made earlier.
 - If the same taxpayer had a homestead exemption on a different property for the prior tax year, that exemption would be removed the year following the year the new exemption is granted (assuming the prior exemption had not already been removed).

The new law is in effect beginning January 1, 2026 and all other provisions related to the homestead exemption remain in force. These include: no need to reapply annually (provided there is no evidence that the qualifying conditions for eligibility have changed) and the limitation of no more than 1 acre of land combined with the primary dwelling.

The Idaho State Tax Commission’s Property Tax Division is issuing this guidance for the purpose of insuring consistent administration of the new law. Please feel free to contact Garin Evans at 208-332-6624 or Alan Dornfest at 208-334-7742 if you have any questions concerning this Guidance Memorandum.