

Interest Rate for Agricultural Lands as Required by Idaho Code 63-602K for the 2019 Assessment Year

The statutory interest rate under Idaho Code section 63-602K is 5.94% for assessment of qualifying land on the 2019 assessment roll.

In determining the speculative portion of value of agricultural land, Idaho Code section 63-602K requires the assessor to set a value “established by capitalization of economic rent or long-term average crop rental at a capitalization rate which shall be the rate of interest charged by the Spokane offices of the Farm Credit Service system averaged over the past five (5) years, plus a component for the local tax rate.”

The Farm Credit Service System in Spokane currently provides the State Tax Commission with a five-year history of their 20-year, long term fixed loan rates. The current five-year average, of the 20-year fixed loan rates, is 5.94%.

To get the 2019 capitalization rate for agricultural lands, add the 5.94% rate to the current tax rate selected for the code area where appraisals are made.