

December 21, 2020

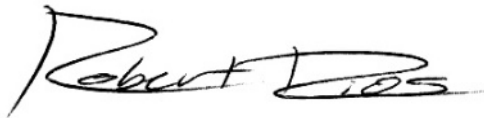
To: All County Assessors and Consulting Appraisers  
From: Robert Rios, Consulting Appraiser  
Subject: **Interest Rate for Agricultural Lands as Required by Idaho Code 63-205C, for the 2021 Assessment Year.**

Idaho Code 63-205C (1), requires the Assessor to determine the market value of land actively devoted to agriculture by calculating its actual use value. “Actual use value shall be established by capitalization of economic rent or long-term average crop rental at a capitalization rate that shall be either the rate of interest charged by lenders in the local area for agricultural property loans or by the Spokane office of the Farm Credit Service each averaged over the immediate past five (5) yeas, whichever is higher, plus the local tax rate.”

The Farm Credit Service System in Spokane currently provides the Idaho 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 **6.05%**.

**Pursuant to Idaho Code 63-205C (1), please add your counties local tax rate to the 5-year average of either the Farm Credit Service rate or a local ag lending rate, whichever is higher. This is the combined rate that will be used to capitalize your net income.**

Sincerely,



Robert Rios, Consulting Appraiser  
Idaho State Tax Commission

pc: George Brown, Division Administrator  
Tom Katsilometes, Commissioner