

**626. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY (RULE 626).**

Sections 50-2908, 63-105(A), 63-201, 63-302, 63-308, 63-309, 63-313, 63-602Y, and 63-602KK, Idaho Code.

**01. Effective Date.** ~~This~~ The exemption provided in Section 63-602KK, Idaho Code, shall take effect on January 1, 2013. ~~For 2013, the exemption for newly acquired items of personal property as provided in Section 63-602KK(1), Idaho Code, shall apply only to property otherwise required to be listed and assessed pursuant to Sections 63-602Y and 63-313, Idaho Code, of the following tax year after the state controller certifies to the State Tax Commission that receipts to the General Fund for the fiscal year just ended have exceeded the receipts to the General Fund during fiscal year 2008 by five percent (5%) or more. For example, if the state controller certifies that the receipts to the General Fund for the fiscal year ending June 30, 2010, have exceeded the receipts for fiscal year 2008 by five percent (5%) or more, then this exemption would take effect on January 1, 2011. Once this exemption takes effect, it will remain in effect continuously.~~ (3-29-10)(1-01-13)T

**02. Application Required to Establish Initial Eligibility for the Exemption provided in Section 63-602KK(2), Idaho Code.** (3-29-10)(1-01-13)T

**a.** ~~For 2013, for locally assessed property, in order to establish initial eligibility for this exemption, is established when the taxpayer must files one (1) or more of the lists of taxable personal property as required by Section 63-302, Section 63-313, or Section 63-602Y, Idaho Code, or has taxable personal property that is assessed. The filing of said list(s) shall constitute the filing of an application for exemption. The application will be deemed valid provided the exemption provided in Section 63-602KK, Idaho Code, is granted and not later deemed improperly claimed. If the applicable list is not filed by the taxpayer to initiate the exemption, or if in any subsequent year the taxpayer fails to file either the applicable list(s) or, if permitted, the affidavit provided in Section 63-602KK(6), Idaho Code, the assessor may list and assess the items to be taxed based on his best judgment and information available. The items not listed by the taxpayer but listed and assessed by the assessor will be assessed without deduction of the exemption provided for in Section 63-602KK, Idaho Code.~~ (3-29-10)(1-01-13)T

**i.** For taxpayers with personal property listed in more than one location within any county, application to specify the location of the property for the exemption provided for in Section 63-602KK(2), Idaho Code, for property listed as required by Section 63-302, Idaho Code, must be submitted to the county assessor by May 1, 2013. Said application must specify the location(s) at which the personal property is to be considered for the exemption. (1-01-13)T

**ii.** For taxpayers with personal property required to be listed as provided in Sections 63-602Y and 63-313, Idaho Code, any application specifying the location of the property to which the exemption provided for in Section 63-602KK(2) will apply must be filed by the dates specified for filing the lists required by these Sections. (1-01-13)T

**iii.** Taxpayers wanting to specify the location of their personal property, as provided in Subsection (02)(a)(i) of this rule must use the "Personal Property Exemption Application Form"

available from the State Tax Commission (Commission) for this purpose, which must be submitted to the county assessor by May1, 2013, or, for property to be reported pursuant to Sections 63-602Y and 63-313, Idaho Code, by the date specified for filing the lists required by these Sections.

~~(3-29-10)~~(1-01-13)T

**b.** Any taxpayer appealing his personal property listed on the property roll to the county board of equalization shall qualify for the exemption provided eligible property is ultimately shown on the list received from the taxpayer. For property centrally assessed by the Commission, except for private railcar fleets, the taxpayer must file a list of personal property with the operator's statement filed pursuant to Rule 404 of these rules. The filing of such a list shall constitute the filing of an application for this exemption. Except as provided in Subsection (04)(b) of this rule, for such personal property to be considered for the exemption, the operator's statement must include:

~~(5-8-09)~~(1-01-13)T

i. a description of the personal property, including any tax code area in which the personal property subject to assessment as situs property is located;

(1-01-13)T

ii. cost and depreciated cost of the personal property;

(1-01-13)T

iii. the county in which the personal property is located, if the taxpayer wishes to receive the exemption on property located in more than one county.

(1-01-13)T

**c.** For private railcar fleets subject to assessment by the Commission and having an Idaho taxable value of five hundred thousand dollars (\$500,000) or greater, the application procedure described in Subsection (02)(b) of this rule shall apply. However, the requirements to show specific or county locations, found in (02)(b)(i) and (iii) shall not apply. Instead, the tax commission shall, after using apportionment procedures described in Rule 413 of these rules to apportion the value of these fleets, allow an exemption of up to \$100,000 to be applied to the apportioned value within each county. The remaining taxable and exempt value is to be further apportioned to each taxing district and urban renewal allocation area in accordance with Subsection (06) of this rule.

(1-01-13)T

**d.** For private railcar fleets subject to assessment by the state tax commission and having an Idaho taxable value of less than five hundred thousand dollars (\$500,000), the application procedure described in Subsection (02)(b) of this rule shall apply. However, the property of such fleets is never apportioned to counties, so the exemption amount is limited to one hundred thousand dollars (\$100,000) per company, unless the company provides proof showing the multiple counties in which the personal property is located for the entire tax year, in which case the one hundred thousand dollar (\$100,000) limit shall apply per company per county.

(1-10-13)T

**e.** Beginning in 2014, for locally assessed property, taxpayers establishing initial eligibility for the exemption provided in Section 63-602KK(2), Idaho Code, must, by the date

required for filing any applicable personal property list, pursuant to Sections 63-302, 63-313, and 63-602Y, Idaho Code: (1-01-13)T

i. file any applicable list of otherwise taxable personal property and an application for the exemption, if the total value of such property is greater than one hundred thousand dollars (\$100,000); or (1-01-13)T

ii. file an application attesting to ownership of otherwise taxable personal property having a value of one hundred thousand dollars (\$100,000) or less. In providing such value, personal property exempt pursuant to Section 63-602KK(1), Idaho Code, shall not be included. (1-01-13)T

**03. Procedure During Years Following Year of Initial Eligibility for Exemption.** (3-29-10)

~~a. Unless the exemption has been deemed improper, for all years following the initial establishment of eligibility for the exemption, the taxpayer may continue to file the lists required by Sections 63-302, 63-313, and 63-602Y, Idaho Code, or, if applicable, for property otherwise reportable as required by Section 63-302, Idaho Code, may file the affidavit provided in Section 63-602KK(6), Idaho Code. If the taxpayer chooses to file the affidavit, such filing must conform to the filing date provided in Section 63-302, Idaho Code. . Except as provided in Subsection (03)(b) of this rule, for taxpayers with property subject to local assessment, submittal of lists of personal property or an application in any subsequent year is necessary if:~~(3-29-10)(1-01-13)T

i. the subsequent year is the fifth year following the year of initial eligibility; or (1-01-13)T

ii. the exemption granted in the year of initial eligibility was deemed improper.(1-01-13)T

~~b. If, after receiving the exemption, the taxpayer fails in any subsequent year to timely file the required lists of personal property or, if applicable, the affidavit provided in Section 63-602KK(6), Idaho Code, the taxpayer can re-establish future eligibility for the exemption by means of filing the lists required by Sections 63-302, 63-313 and 63-602Y, Idaho Code. In addition to the requirements in Subsection (03)(a) of this rule, lists of personal property are required annually, as specified in Sections 63-302, 63-313, and 63-602Y, Idaho Code, for taxpayers for whom, in the current tax year, the total value of personal property owned by the taxpayer in any county exceeds \$100,000, excluding any items of personal property acquired since January 1, 2013 at an acquisition price, as defined in Section 63-602KK(1), Idaho Code, of three thousand dollars (\$3,000) per item or less. When such lists are required, the taxpayer must list all otherwise taxable personal property, not just the property constituting value in excess of one hundred thousand dollars (\$100,000).~~ (3-29-19)(1-01-13)T

c. ~~For the duration of the period during which recapture could apply, the affidavit option shall not be available for taxpayers who elect to designate property to be included in the exemption provided for in Section 63-3029B, Idaho Code. For taxpayers whose property is centrally assessed by the Commission, annual application for the exemption provided in Section 63-602KK(2), Idaho Code, is required. To apply for the exemption, the list of personal property for which the exemption is requested must be filed with the operator's statement as provided in Section (02)(b), (c), or (d) of this rule.~~ (3-29-10)(1-01-13)T

**04. Taxpayers' Election of Property Location.** In cases where the taxpayer has personal property located in multiple places within the county, the taxpayer may elect the location of the property to which the exemption will apply. Except for private rail car fleets having an Idaho taxable value of five hundred thousand dollars (\$500,000) or greater, to which the procedures in Subsection (02)(c) of this rule shall apply, in the case of centrally assessed property, subject to assessment by the Commission and owning personal property located in multiple counties, the taxpayer may indicate the county in which the property is located and, if more than one location is chosen within any county, the taxpayer must indicate the tax code area(s) in which the personal property is located. Should the taxpayer not make an election as to where to apply the exemption, or not provide the location of the personal property, the following shall apply: (3-29-10)(1-01-13)T

a. In the case of locally assessed property, the county shall have discretion regarding the property to which the exemption shall apply. If a taxpayer with personal property located in multiple places within the county files one (1) affidavit provided in Section 63-602KK(6), and fails to elect where to apply the exemption, the county shall prorate the exemption to the last known locations of the eligible property based on last lists filed. (3-29-10)(1-01-13)T

b. In the case of centrally assessed property, the exemption shall be limited to one hundred thousand dollars (\$100,000) applied to the Idaho value of the taxpayer prior to apportionment. (1-01-13)T

**05. Valuation Assessment Notice.** The valuation assessment notice required by Section 63-308, Idaho Code, must show the taxable value before granting the exemption provided in Section 63-602KK(2), Idaho Code, gross value, the exempt value pursuant to the exemption provided in Section 63-602KK(2), Idaho Code, and the net taxable value of the personal property. For 2013, such notice is required even if the net taxable value is reduced to zero by the exemption. In subsequent years, provided the personal property is still eligible for the exemption and the net taxable value is zero, no such notice is required. The information shown on the valuation assessment notice may reflect the aggregate value reported by the taxpayer on an affidavit submitted in lieu of the lists required under Section 63-302, Idaho Code. If the items of personal property cannot be identified to the extent necessary to assign them to another of the categories provided in Rule 512 of these rules, the personal property shall be listed in secondary category 68. If the affidavit fails to provide an estimate of value, the assessor shall determine current market value of the property which shall not then be eligible for the exemption provided in Section 63-602KK, Idaho Code. (3-29-10)(1-01-13)T

**06. Reporting Operating Property Exempt Value to Counties.** Except for private railcar fleets having an Idaho taxable value of less than five hundred thousand dollars (\$500,000), for 2013, the Commission shall determine the amount of the exemption applicable to each centrally assessed operating property company in each county. (1-01-13)T

**a.** The value of the exemption in each county shall be determined by the Commission by the fourth Monday in August, 2013. For 2013, the Commission must assign the appropriate portion of this value to each taxing district within the county and must further assign the portion of this value attributed to any increment value within each urban renewal district revenue allocation area to such area in accordance with the procedures used to apportion other operating property. (1-01-13)T

**b.** For 2013, the certification of operating property value provided to each county by the first Monday of September, pursuant to Section 63-111, Idaho Code, must include a report of the value of the exemption provided by Section 63-602KK(2), Idaho Code. The value of the exemption so reported shall be reported by taxing district and the portion of this value attributed to any increment value must be reported for any revenue allocation area, in accordance with the procedure and report provided to each county for taxable operating property value. (01-1-13)T

**c.** The report shall not include exempt value for private railcar fleets having an Idaho taxable value of less than five hundred thousand dollars (\$500,000) before the subtraction of the exemption provided in Section 63-602KK(2), Idaho Code. (1-01-13)T

**0607. Preliminary and Final Personal Property Tax Reduction Lists.** ~~(5-8-09)~~(1-01-13)T

**a.** ~~Except as provided in Paragraph 626.06.e. of this rule, t~~ The preliminary personal property tax reduction list shall include the following information pertaining to the personal property accounts eligible to receive the exemption: ~~(3-29-10)~~(1-01-13)T

**i.** The name of the owner, listed in alphabetical order unless the Commission grants permission for accounts to be listed in an alternate order; (5-8-09)

**ii.** The description of the property ~~item(s)~~ based on the physical location of the property subject to exemption or partial exemption; ~~(5-8-09)~~(1-01-13)T

**iii.** The location(s) of the property ~~item(s)~~ showing the tax code areas; and ~~(5-8-09)~~(1-01-13)T

**iv.** The assessed value of the property ~~item(s)~~ listed as equalized by the state or county boards of equalization-or, if not yet equalized, the current assessed value at the time required for certification of the amount of taxes on the exempt property, pursuant to Section 63-602KK(3), Idaho Code.

~~(3-29-10)~~(1-01-13)T

- v. The tax levy applicable to the personal property; (1-01-13)T
- vi. The tax before the exemption; (1-01-13)T
- vii. The tax after the exemption; (1-01-13)T
- viii. The amount of the exemption; (1-01-13)T
- ix. The aggregate total of the tax and value exempted by taxpayer; and (1-01-13)T

x. The aggregate total of the tax exempted within each taxing district and unit, each revenue allocation area, and a grand total of tax exempted for all taxing districts, units, and revenue allocation areas in the county. (1-01-13)T

b. ~~This preliminary~~ Except for centrally assessed property, the personal property tax reduction list shall be compiled by the assessor, who shall to the extent available include the information described in Subsection (07)(a)(i) through (iv) of this rule, and shall be certified and sent to the county clerk. The county clerk will then include the centrally assessed property and the information described in Subsection (07)(a)(v) through (x) and certify a copy to and the Tax Commission by the fourth third Monday in July November in 2013. The list will be reviewed and, if necessary, corrected by the Tax Commission. The personal property tax reduction list may include personal property of operating property as reported by the Commission, personal property listed as required by Section 63-302, Idaho Code, transient personal property and other personal property listed by the taxpayer and otherwise assessable under Sections 63-313 and 63-602Y, Idaho Code, and personal property otherwise eligible for the exemption provided in Section 63-602KK(2), Idaho Code, but listed and assessed by the assessor. The list will only include those taxpayers who have filed the list of taxable personal property as required by Section 63-302, Idaho Code, or the affidavit permitted by Section 63-602KK, Idaho Code. Transient personal property will not be listed on the preliminary list. (3-29-10)(1-01-13)T

c. ~~Except as provided in Paragraph 626.06.e. of this rule, the final personal property tax reduction list shall include, in addition to the items listed in Paragraph 626.06.a. of this rule, the following information pertaining to the personal property accounts to receive the exemption:~~(3-29-10)

- i. ~~The tax levy applicable to the personal property;~~ (5-8-09)
- ii. ~~The tax before the exemption;~~ (5-8-09)
- iii. ~~The tax after the exemption;~~ (5-8-09)
- iv. ~~The amount of the exemption;~~ (5-8-09)
- v. ~~The aggregate total of the tax exempted; and~~ (5-8-09)
- vi. ~~The aggregate total of the tax exempted within each taxing district and each revenue allocation area. If, after certifying the personal property tax reduction list, the~~

county learns of any erroneous information included in said list, the county clerk will immediately, and not later than the first Monday in May, 2014, notify the Commission of the correction. If the county cancels the tax otherwise due, the county must notify the Commission of the cancellation and the Commission will adjust the replacement money accordingly. In addition to any other errors, corrections may include value and tax changes resulting from actions of the county board of equalization related to property listed and assessed as required in Sections 63-313 and 63-602Y, Idaho Code. Corrections may also include value changes as a result of appeals to the state board of tax appeals or district court, provided however, that the Commission is notified by the county of such changes by the first Monday in May, 2014. Once notified of any correction, the Commission shall adjust the total certified personal property tax reduction amount for any applicable taxing district or urban renewal agency and shall change any payment due to the county in accordance with the correction.

(5-8-09)(1-01-13)T

~~d. This final personal property tax reduction list may include transient personal property and may include personal property otherwise assessable under Section 63-602Y, Idaho Code. This final list shall serve as the certification from the county clerk to the Tax Commission as required by Section 63-602KK (3), Idaho Code. The final certified list shall be filed with the Tax Commission not later than the third Monday of November of each year. For transient personal property and personal property subject to listing under Section 63-602Y, Idaho Code, the prorated value shall be used to fulfill the requirements of Subparagraph 626.067.a.iv. of this rule.~~

~~(3-29-10)(1-01-13)T~~

~~e. If a taxpayer has filed the affidavit permitted by Section 63-602KK(6), Idaho Code, in lieu of the list required by Section 63-302, Idaho Code, some of the information otherwise required to be included on the preliminary and final personal property tax reduction lists may not be available. For any taxpayer for which complete information is not available because of the filing of such an affidavit, requirements found in Subparagraphs 626.06.a.ii., and 626.06.a.iv. for the description and value of items of property shall be waived. In lieu of these requirements, the preliminary and final personal property tax reduction lists must indicate the aggregate equalized value of the taxpayer's property in the county that is eligible for the exemption provided in Section 63-602KK, Idaho Code. Taxpayers who are within a relationship described in Section 267 of the Internal Revenue Code, as defined in Section 63-3004, Idaho Code, are single taxpayers and no such single taxpayer shall be listed on the personal property tax reduction list more than once.~~

~~(3-29-10)(1-01-13)~~

**0708. Tax Commission's Review and Correction of the Personal Property Tax Reduction Lists.** If an entry on the preliminary or final personal property tax reduction list is found to be erroneous, the Tax Commission shall disapprove as much of the claim as necessary and so notify the county clerk.

(5-8-09)(1-01-13)T

a. If the disapproval occurs after the Commission has certified the amount to be paid to the county in December, the Commission shall notify the county as soon as practicable and shall

make all necessary adjustments in the amount to be paid in June of 2014.  
(1-01-13)T

b. If the amount of the disapproval exceeds the amount remaining to be paid to the county, the Commission shall adjust the payment to the county and then the county shall begin proceedings to recover any remaining excessive amounts paid on behalf of any taxpayer, pursuant to the recovery procedures found in Section 63-602KK(7), Idaho Code. Any amount so recovered shall be remitted to the Commission.  
(1-01-13)T

**09. Limitation on Eligibility for the Exemption.** (1-01-13)T

a. Except for taxpayers claiming and receiving the exemption provided for in Section 63-4502, Idaho Code, taxpayers receiving the personal property exemption provided in Section 63-602KK, Idaho Code, may be eligible for, and are not precluded from, other applicable exemptions.  
(1-01-13)T

b. Personal property exempt in accordance with statutes other than Section 63-602KK, Idaho Code, shall not be included in determining when the one hundred thousand (\$100,000) limit provided in Section 63-602KK(2) is reached.  
(1-01-13)T

c. Taxpayers with requirements to annually apply for or list personal property for which other statutorily provided personal property exemptions are sought must continue to comply with the requirements of these statutes.  
(1-01-13)T

d. Improvements, as defined or described in Sections 63-201 and 63-309, Idaho Code, shall not be eligible for the exemption provided in Section 63-602KK. Improvements shall be deemed to include mobile and manufactured homes and float homes, regardless of whether such property is considered personal property. Leasehold real properties and other leasehold improvements that are structures or buildings shall be considered improvements and therefore ineligible for the exemption.  
(1-01-13)T

e. Certain personal property is not eligible to receive the exemption otherwise provided in Section 63-602KK(2), Idaho Code. All taxpayers who are within a relationship described in Section 267 of the Internal Revenue Code, as defined in Section 63-3004, Idaho Code, are treated as single taxpayers for purposes of the Section 63-602KK(2), Idaho Code, exemption and are limited to a maximum exemption of one hundred thousand dollars (\$100,000) in each county.  
(1-01-13)T

**10. Special Rules for the Exemption Provided in Section 63-602KK(1).** (1-01-13)T

a. Newly acquired items of personal property exempt as provided in Section 63-602KK(1) are not to be reported on any list otherwise required pursuant to Sections 63-302, 63-602Y, and 63-313, Idaho Code.  
(1-01-13)T

b. The exemption provided in Section 63-602KK(1), Idaho Code, is in addition to the one hundred thousand dollar (\$100,000) per taxpayer per county exemption provided in Section 63-602KK(2), Idaho Code. (1-01-13)T

c. Personal property subject to the exemption provided in Section 63-602KK(1), Idaho Code, must not be listed on the personal property tax reduction list and cannot be used to generate personal property tax reduction replacement amounts.  
(1-01-13)T

d. No application for the exemption provided in Section 63-602KK(1), Idaho Code, is necessary.  
(1-01-13)T

### **11. Limitation on Replacement Money.**

a. Once the 2013 amount of replacement money for each taxing district and unit and for each urban renewal district revenue allocation area is made final, following corrections, as provided in this rule, there shall be no additions. However, there may be changes and reductions as follow: (1-01-13)T

i. if a taxing district dissolves, the state will make no payment of the amount previously certified for that district and when an urban renewal district revenue allocation area dissolves and is no longer receiving any allocation of property tax revenues, the state will discontinue payment of amounts previously certified for that revenue allocation area, beginning with the next scheduled distribution. (1-01-13)T

ii. if taxing districts or revenue allocation areas within urban renewal districts are consolidated, the amounts of replacement money attributed to each original district or revenue allocation area shall be summed and, in the future, distributed to the consolidated taxing or urban renewal district. (1-01-13)T

iii. No urban renewal district shall receive replacement money based on exempt personal property within any revenue allocation area (RAA) established on or after January 1, 2013, or within any area added to an existing RAA on or after January 1, 2013. (1-01-13)T

b. If otherwise eligible personal property is exempt in 2013 by reason of any property tax exemption other than the exemption found in Section 63-602KK(2), Idaho Code, there shall be no personal property replacement money related to exempt taxes on this property nor shall the amount of replacement money be adjusted if this personal property receives the exemption in Section 63-602KK(2) in the future. (1-01-13)T

**12. Special provisions for exempt personal property within urban renewal revenue allocation areas (RAAs). (1-01-13)T**

a. When personal property subject to the exemption in Section 63-602KK(2), Idaho Code, is within an RAA, any adjustment shall first be to the increment value and there shall be no adjustment to the base value of the RAA unless the remaining taxable value of the parcel is less than the most current base value of the parcel. In that case, the base value shall be reduced. The amount to be subtracted is to be determined on a parcel by parcel basis in accordance with procedures found in Rule 804 of these rules.

(1-01-13)T

b. Only the amount of exempt personal property subtracted from the increment value is to be used to determine personal property replacement money to be distributed to the affected urban renewal agency. This exempt amount must be reported in the personal property tax reduction list provided for in Section (07) of this rule.

(1-01-13)T

c. Taxing district levies to satisfy obligations specified in Subsection (1)(a) through (f), Section 50-2908, Idaho Code, shall be used to determine replacement money to taxing districts, not urban renewal agencies, even when applied to exempt personal property otherwise within the increment value.

(1-01-13)T

**0813. Cross Reference.** ~~For more information on the lists and affidavit option, see Rule 302 of these rules.~~ For information on transient personal property see Rule 313 of these rules.

~~(3-29-10)~~(1-01-13)T