

**PROPERTY TAX RULES COMMITTEE  
AGENDA**

The Committee convenes on Tuesday, June 23, 2015, at **9:00 a.m.** at:

Idaho State Tax Commission  
Room 1CR5 / Plaza IV / 800 Park Ave / Boise, Idaho

Welcome & Introductions  
Approval of Minutes – May 21 Meeting  
Rules Status Report

*Committee Chair Alan Dornfest*  
*Committee Chair Alan Dornfest*  
*Rick Anderson*

**Rules Discussion (Property Tax Rules)**

Rule 006 – Incorporation by Reference.....	5
Rule 315(NR) – Use of Ratio Study to Equalize Boise School District.....	7
Rule 626(NR) – Property Exempt from Taxation – Certain Personal Property....	11
Rule 632 – Property Exempt from Taxation – Oil and Gas Related Wells.....	16

**Misc. Matters for Discussion**

Community infrastructure districts – Levy in year of formation.

Set Next meeting date:

Meeting adjourned

*For more information, please contact the Committee Chair, or the Rules Coordinator at [sherry.briscoe@tax.idaho.gov](mailto:sherry.briscoe@tax.idaho.gov) or at 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.*

# DRAFT

Idaho State Tax Commission  
**PROPERTY TAX RULES COMMITTEE**  
Meeting Minutes  
May 21, 2015  
9:30 am -Room 1CR5

**ATTENDEES:**

<b>Committee Members:</b>	Alan Dornfest, Rick Anderson, Betty Dressen, Christopher Rich, Dwayne Hines, Glenna Young, Jan Barnard, Sharon Worley
<b>Commissioners:</b>	
<b>Rules Coordinator:</b>	
<b>State Tax Commission Staff:</b>	Carly Wantulok, George Brown, Jan Barnard, Mat Cundiff, Pam Waters, Phil Skinner, Chris Herzinger, Mat Cundiff
<b>Guests:</b>	Ben Davenport, Bob McQuade, Georgia Plischke, June Fullmer, Katrina Basye, Rick Johnston, Ron Fisher, Terry Accordino and John Davidson via phone

Minutes from the April 14, 2015 meeting were approved.

Alan reviewed the three Temporary Rules (626, 803, 804) which are all to conform with statute changes this past year. These were all presented to the Commission on May 20, 2015 and approved. The Resolution was adopted effective July 1, 2015.

**STATUS REPORT:** Rick presented a brief status report on the rules

<b>006</b>	<b>Adopt by reference – updates standard reference manuals and guides</b>	<b>Effective date Jan 1, not negotiated. Tabled until June.</b>
<b>312</b>	Partial Year Assessment of Real and Personal Property	Tabled indefinitely
<b>626</b>	Property Exempt from Taxation – Certain Personal Property	Temp & proposed negotiated rule
<b>627</b>	Property Exempt from Taxation – Ownership Clarification	Previously approved
<b>632</b>	Property Exempt From Taxation – Oil or Gas Related	Will be on the June agenda
<b>645</b>	Land Actively Devoted to Agriculture Defined	Previously approved
<b>802</b>	Budget Certification Relating to New Construction	Not negotiated, previously approved
<b>803</b>	Budget Certification – Dollar Certification Form (L-2)	Temp & proposed
<b>804</b>	Tax Levy – Certification – Urban Renewal Districts	Temp & proposed, previously approved

The three Temporary Rules were approved by DFM.

Sharon sent out a notice to all assessors with the packet to get feedback on a date change. She has not heard anything back yet.

# DRAFT

## **OLD BUSINESS:**

### **Rule 315: USE OF RATIO STUDY TO EQUALIZE BOISE SCHOOL DISTRICT.**

Negotiated rule. This only affects the Boise School District. The rule needs to address the statute change, and needs structure regarding dates. Discussion was held on actual and adjusted values. Alan will make a slight change to this rule draft and present it again at the June meeting.

**Rule 626: PROPERTY EXEMPT FROM TAXATION – CERTAIN PERSONAL PROPERTY.** Negotiated rule. Two changes to the rule draft were discussed, and will be reviewed again at the June meeting.

### **Rule 803: BUDGET CERTIFICATION – DOLLAR CERTIFICATION FORM (L-2).**

Discussed one change where the ‘subtracted’ language was deleted. This is not a negotiated rule. The committee voted to approve this rule draft with the minor amendments for publication. No further discussion was held.

## **MISC. MATTERS FOR DISCUSSION:**

- **Community infrastructure Districts** – The issue is if they can levy in the year they form. Discussion was held on the levy against real property, not operating property. George felt there was a problem identifying what’s real, personal and operating property. Should legislation be sought for this issue on uniformity grounds? Alan would like some feedback from the county in the next two weeks.

**Next Meeting Date:** Tuesday, June 23, 2015, 9:00 a.m. in 1CR5

*Alan Dornfest*  
Chairman

*Sherry Briscoe*  
Rules Coordinator

**2015-2016  
Property Tax Rules Status Report  
June 23, 2015**

<b>Rule #</b>	<b>Date PARF Approved By Agency</b>	<b>Date Sent to DFM (ISTC Number)</b>	<b>Date Approved By DFM</b>	<b>Rule Status</b>	<b>Date of Draft</b>	<b>Comments</b>	<b>Date Sent For Publication</b>
006	5/19/15	5/26/15	6/11/15	On today's agenda; Draft 2 includes a Jan. 1, 2016 effective date	Draft 2a, June 5, 2015	Adopt by reference – updates standard reference manuals and guides	
315(NR)	5/19/15	5/26/15	6/11/15	On today's agenda	Draft 1b, May 21, 2015	Raa dissolution, increment value and the Boise School District; Nancy Landon has been contacted.	
626(NR) {Temp}	5/19/15 5/13/15	5/26/15 5/13/15	6/11/15 5/18/15	On today's agenda; HB 29 clarifications	Draft ,5B May 21 , 2015	No location report necessary for PP, Small railcar process outlined	6/4/15
627	5/19/15	5/26/15	6/11/15	Approved by committee April 14, 2015	Draft 1a, April 14, 2015	HB 29 Change taxpayer to person	
632	5/19/15	5/26/15	6/11/15	On today's agenda	Draft 1, Jan. 27, 2015	Conforms rule to law (SB 1213, 2014) 63-602 by deleting application requirement	
645	5/19/15	5/26/15	6/11/15	Approved by committee April 14, 2015	Draft 1a, April 15, 2015	Change due date to conform with application due date	
802	5/19/15	5/26/15	6/11/15	Approved by committee April 14, 2015	Draft 2a, April 14, 2015	New Construction reported to counties by tax commission	
803 {Temp}	5/13/15 5/13/15	5/13/15 5/13/15	5/18/15 5/18/15	Approved by committee May 21, 2015	Draft 4b, May 21, 2015	HB 28 – Adds back Pers. Prop. exemption amount when computing hypothetical levy to be applied to new construction.	6/4/15
804 {Temp}	5/13/15 5/13/15	5/13/15 5/13/15	5/18/15 5/18/15	Approved by committee April 14, 2015	Draft 1, April 14, 2015	HB76 – no funds for urban renewal from levy for School Emergency Fund levy	6/4/15

**Discussion Issues**

<b>Issue</b>	<b>Comments</b>
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Community infrastructure districts may levy in the year of formation??

Open - On April 14, May 21 and June 23 agenda for discussion

**006. INCORPORATION BY REFERENCE (RULE 006).**

Unless provided otherwise, any reference in these rules to any document identified in Rule 006 of these rules shall constitute the full incorporation into these rules of that document for the purposes of the reference, including any notes and appendices therein. The term “documents” includes codes, standards, or rules adopted by an agency of the state or of the United States or by any nationally recognized organization or association. (5-3-03)

**01. Availability of Reference Material.** Copies of the documents incorporated by reference into these rules are available at the main office of the State Tax Commission as listed in Rule 005 of these rules or can be electronically accessed as noted in Subsection 006.02 of this rule. (5-8-09)

**02. Documents Incorporated by Reference.** The following documents are incorporated by reference into these rules: (5-3-03)

**a.** “Standard on Ratio Studies” published in 2013, “Standard on Digital Cadastral Maps and Parcel Identifiers” published in 2012~~5~~, “Standard on Mass Appraisal of Real Property” published in 2013, “Standard on Verification and Adjustment of Sales” published in 2010, all published by the International Association of Assessing Officers. These documents can be electronically accessed at <http://www.iaao.org/documents/index.cfm?Category=23>  
[http://www.iaao.org/wcm/Resources/Publications\\_access/Technical\\_Standards/wmc/Resources\\_Content/Pubs/Technical\\_Standards.aspx?hkey=93ba7851-659f-4d02-80a2-9a52ef21f995](http://www.iaao.org/wcm/Resources/Publications_access/Technical_Standards/wmc/Resources_Content/Pubs/Technical_Standards.aspx?hkey=93ba7851-659f-4d02-80a2-9a52ef21f995) which was last accessed and verified on June 14~~22~~, 2013~~5~~. (3-20-14)(    )

**b.** “Recreation Vehicle Guide of the National Automobile Dealers Association” published in 2013~~5~~ for the September through December period by the National Appraisal Guides Incorporated. (3-20-14)(    )

**c.** “Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association” published in 2013~~5~~ for the September through December period by the National Appraisal Guides Incorporated. (3-20-14)(    )

**d.** “Official Railway Equipment Register” published for the last three (3) quarters in 2012~~5~~ and the first quarter in 2014~~6~~ by R. E. R. Publishing Corporation, Agent as a publication of UBM Global Trade. (3-20-14)(    )

**e.** “Forest Habitat Types of Northern Idaho: A Second Approximation” published by the Government Printing Office for the U. S. Forest Service in 1991, General Technical Report INT-236, written by Cooper, Stephen V., Neiman, Kenneth E., Rev, David W., and Roberts, Kenneth E. (4-6-05)

**f.** “Forest Habitat Types of Central Idaho” published by the Government Printing Office for the Intermountain Forest and Range Experimentation Station of the U. S. Forest Service in 1981, General Technical Report INT-114, written by Kittams, Jay A., Pfister, Robert D., Ryker, Russell A., and Steele, Robert. (5-3-03)

**g.** “Yield of Even-Aged Stands of Ponderosa Pine” published by the Government

Printing Office for the U. S. Department of Agriculture in 1938, Technical Bulletin No. 630.  
(5-3-03)

**h.** “Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type” published by the Government Printing Office for the U. S. Department of Agriculture in 1932, Technical Bulletin No. 323. (5-3-03)

**i.** “Manual of Surveying Instructions” published by the Federal Bureau of Land Management and the Public Land Survey System Foundation in 2009. (4-04-13)

**03.** **Effective Date.** The effective date of this rule is January 1, 2016. ( )

**315. USE OF RATIO STUDY TO EQUALIZE BOISE SCHOOL DISTRICT (RULE 315).**

Sections 63-315, 33-802(6) Idaho Code. (3-30-07)

**01. Procedures for Boise School District Ratio Studies.** The ratio study conducted by the State Tax Commission to comply with the requirements of Section 63-315, Idaho Code, shall be conducted in accordance with the “Standard on Ratio Studies” referenced in Rule 006 of these rules. The following specific procedures will be used. (4-2-08)

**a.** Information on property sales, which meet the requirements of arm’s length and market value sales, will be obtained and assembled into samples representing various primary categories, described in Subsections 130.02 through 130.06 of these rules, and secondary categories, described in Rules 510, 511, and 512 of these rules, within designations defined in Subsection 315.02 of this rule in the Boise School District. Except when sales or appraisals must be added or deleted to improve representativeness, sales used will be those occurring within the Boise School District between October 1 of the year preceding the year for which adjusted market value is to be computed and September 30 of the year for which adjusted market value is to be computed. Each sale price is to be adjusted for time and compared to market value for assessment purposes for the year for which adjusted market value is to be computed, to compute ratios to be analyzed. The State Tax Commission may use sales from extended time periods and may add appraisals when data is lacking. The State Tax Commission may delete sales when necessary to improve representativeness. (4-2-08)

**b.** A ratio will be determined for each sale by dividing the market value for assessment purposes of the property by the adjusted sale price or appraised value. (7-1-98)

**c.** A statistical analysis is to be conducted for the sales and any appraisals in each property designation described in Subsection 315.02 of this rule in the Boise School District and appropriate measures of central tendency, uniformity, reliability, and normality computed. (4-2-08)

**d.** With the exception of any property designations with extended time frames or added appraisals, if fewer than five (5) sales and appraisals are available, no adjustment to the taxable value of the designation will be made. (7-1-98)

**e.** If there are five (5) or more sales and appraisals and it is determined with reasonable statistical certainty that the property designation is not already at market value for assessment purposes, an adjusted market value will be computed for the Boise School District by dividing the taxable value for the year for which adjusted market value is to be determined by the appropriate ratio derived from the ratio study. The appropriate ratio to be used shall be the weighted mean ratio calculated from the sample for each designation, unless it can be clearly demonstrated that this statistic has been distorted by nonrepresentative ratios. In this case the median may be substituted: (4-2-08)

**f.** Within the Boise School District, adjusted market value or taxable value for each primary and each applicable secondary category of real, personal and operating property will be

summed to produce the total adjusted market value for the Boise School District. The Boise School District taxable value will then be divided by this adjusted market value to produce the overall ratio of assessment in the Boise School District. Statewide totals are to be calculated by compiling county totals. (4-2-08)

**g.** Urban renewal increment values will not be included in the taxable value or the adjusted market value for the Boise School District. Upon receipt of an urban renewal agency’s resolution recommending the adoption of an ordinance for termination of a revenue allocation area by December 31 of a given year, the increment value in the immediate prior year will be included in the taxable value and the adjusted market value for the Boise School District. If the resolution is received prior to the first Monday in April, the actual value for the immediate prior year shall be adjusted by adding the increment value. If any ratio study based adjustments are warranted, as provided in this rule, they shall be applied to the actual value including the increment value. If the resolution is received on or after the first Monday in April, but by September 1, a corrected certification of actual and adjusted value shall be provided as soon as practical. (4-2-08)(\_\_\_\_\_)

**h.** “Reasonable statistical certainty,” that the property designation in question is not at market value for assessment purposes, is required. Such certainty is tested using ninety percent (90%) confidence intervals about the weighted mean or median ratios. If the appropriate confidence interval includes ninety-five percent (95%) or one hundred five percent (105%), there is not “reasonable statistical certainty” that the property designation is not at market value for assessment purposes. (3-30-01)

**i.** Primary and secondary categories subject to adjustment following the procedure outlined in this rule and ratio study designations from which measures of central tendency used for adjustments will be derived are:

Secondary Categories	Primary Categories	Ratio Study Designations
12, 15, 18, or 20	Vacant Residential Land	Residential
10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, or 50	Improved Residential Property	Residential
47, 49, or 65	Manufactured Home on Leased Land	Residential
11, 13, 14, 16, 17, 21, or 22	Vacant Commercial or Industrial Land	Commercial
11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, or 51	Improved Commercial or Industrial Property	Commercial

(3-30-07)

**j.** For all secondary categories, described in Rule 510, 511, or 512 of these rules but not contained in the list in Paragraph 315.01.i. of this rule, adjusted market value will equal taxable value. (3-30-07)

**k.** “Appraisal” or “appraised value” refers to any State Tax Commission provided independently conducted property appraisal. (7-1-98)

**02. Use of Property Designations.** In computing the ratio for the Boise School District, the State Tax Commission will designate property as residential or commercial and shall assign appropriate primary categories, described in Subsections 130.02 through 130.06 of these rules, and secondary categories, described in Rules 510, 511, and 512 of these rules, to these designations as shown in Paragraph 315.01.i. of this rule. For the Boise School District, adjusted market value shall be computed by dividing the appropriate ratio ascertained for each of these designations into the sum of the taxable values for each primary and secondary category assigned to a designation. Except as provided in Subsection 315.06 of this rule, for the taxable value in any secondary category to be included in said sum, at least one (1) observation (sale or appraisal) from that secondary category must be present in the ratio study. If the ratio for any given designation in the Boise School District indicates that the market value for assessment purposes cannot be determined with reasonable statistical certainty to differ from statutorily required market value, the taxable value shown on the Boise School District abstract(s) required pursuant to Subsection 315.04 of this rule for each of the secondary categories included in that designation shall be the adjusted market value for said designation for said school district. (4-2-08)

**03. Assessor to Identify Boise School Districts.** Each county assessor will identify for the State Tax Commission which sales submitted for the ratio study are located within the Boise School District. (4-2-08)

**04. Abstracts of Value for the Boise School District.** Each applicable county auditor shall provide to the State Tax Commission abstracts of the taxable value of all property within the portion of the Boise School District in that county. These abstracts shall be submitted in the same manner and at the same time as provided for county abstracts of value. (4-2-08)

**05. Urban Renewal Increment and Exemptions to be Subtracted.** The taxable value of each primary or secondary category within the Boise School District shall not include the value that exceeds the value on the base assessment roll in any urban renewal district pursuant to Chapter 29, Title 50, Idaho Code, and shall not include the value of any property exempt from property tax. (4-11-15)

**06. Exception from Requirement for at Least One Observation for Use of Secondary Category in Adjusted Value Determination.** Properties identified as secondary categories 10 and 31 rarely sell separately from farms and therefore do not appear in any ratio study. However, the level of assessment typically is similar to that of other rural residential property, including property in secondary categories 12, 15, 34, and 37. For any ratio study where

there is an adjustment to be made to the assessed values in the residential designation, such adjustment shall be applied to any assessed value in secondary category 10, provided there is at least one (1) observation (sale) of property identified in either secondary category 12 or 15. Such adjustment shall also be applied to any assessed value in secondary category 31, provided there is at least one (1) observation (sale) of property identified in either secondary category 34 or 37.

**07. Certification of Values.** The values required to be certified to the county clerk by the first Monday in April each year under Section 63-315, Idaho Code, shall be published on the State Tax Commission's web site or provided in an alternate format on request by the first Monday in April each year to satisfy this required certification. (3-30-07)

**08. Cross References.** The primary categories are described in Subsections 130.02 through 130.06 of these Rules, and the secondary categories are described in Rules 510, 511, and 512 of these rules. The requirement to add increment value following dissolution of an urban renewal revenue allocation area is found in Section 33-802(6), Idaho Code. (3-30-07)

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

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

(3-20-14)

**01. Locally Assessed Property - Application Required.**

(3-20-14)

**a.** The taxpayer must file 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 if the total market value of the property to be listed is greater than one hundred thousand dollars (\$100,000). The filing of said list(s) shall constitute the filing of an application for exemption. For purposes of reporting personal property, the value is to be based on market value, not book value. (3-20-14)

**b.** Taxpayers establishing initial eligibility for the exemption provided in Section 63-602KK(2), Idaho Code, may in lieu of a list, file only an application attesting to ownership of otherwise taxable personal property having a cost of one hundred thousand dollars (\$100,000) or less. In providing such cost, newly acquired personal property items acquired at a price of three thousand dollars (\$3,000) or less, that are exempt pursuant to Section 63-602KK(1), Idaho Code, shall not be included. The application must be filed no later than April 15th of the first year for which the exemption is claimed. (3-20-14)

**02. Locally Assessed Property - Taxpayers' Election of Property Location.(3-20-14)**

**a.** Multiple Locations Within County. 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 by filing the "Idaho Personal Property Exemption Location Application Form" available from the state tax commission (Commission) for this purpose. To make the election for property required to otherwise be listed as provided in Section 63-302, Idaho Code, the form must be filed with the county assessor by April 15. 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. Should the taxpayer not make an election as to where to apply the exemption, the county shall have discretion regarding the property to which the exemption shall apply. However, to the extent possible and assuming the assessor is not aware of any changes in eligibility, the exemption will be first applied to the same property to which it applied in the immediate prior year. (3-20-14)

**b.** Multiple locations in different counties. The one hundred thousand dollar (\$100,000) limit on the exemption applies to a taxpayer's otherwise taxable personal property within any county. If the taxpayer owns qualifying personal property in more than one county, the limit is one hundred thousand dollars (\$100,000) in market value per county. (3-20-14)

**03. Centrally Assessed Property - Application Required.**

(3-20-14)

a. Except for private railcar fleets, the taxpayer may file a list of personal property located in Idaho 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 Subsections 626.03.b. and c. of this rule, for such personal property to be considered for the exemption, the operator's statement must include: (4-11-15)(\_\_\_\_)

i. A description of the personal property located in Idaho, ~~including any tax code area in which the personal property subject to assessment as situs property is located;~~(3-20-14)(\_\_\_\_)

ii. Cost and depreciated cost of the personal property located in Idaho;~~(3-20-14)~~(\_\_\_\_)

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.~~ (3-20-14)(\_\_\_\_)

b. For private railcar fleets subject to assessment by the Commission, ~~the filing of the annual operator's statement shall constitute application for this exemption. Idaho taxable value shall be reduced by subtracting the lesser of the Idaho taxable value before the exemption or the product of one hundred thousand dollars (\$100,000) times the number of counties in Idaho in which the fleet operates. The Commission shall, after using apportionment procedures described in Rule 413 of these rules to apportion the market value of these fleets, allow an exemption of up to one hundred thousand dollars (\$100,000) to be applied to the apportioned market value within each county within which the railcar fleet operates. Provided that the remaining taxable value is five hundred thousand dollars (\$500,000) or greater; more, this value is to be further apportioned to each taxing district and urban renewal revenue allocation area in accordance with procedures described in Rule 415 of these rules.~~ (4-11-15)(\_\_\_\_)

c. After subtraction of the personal property exemption calculated as provided in Subsection 626.03.b of this rule, for private railcar fleets subject to assessment by the Commission, and having an Idaho taxable market value of less than five hundred thousand dollars (\$500,000), neither the final amount of the exemption nor the taxable value of the fleet shall be subject to apportionment and the remaining taxable value shall be taxed as provided in Rule 415 of these rules. (4-11-15)(\_\_\_\_)

d. When operating property companies have locally assessed property, any exemption pursuant to Section 63-602KK(2), Idaho Code must be applied to the locally assessed property first. In this case, the county assessor must notify the Commission of the value of the exemption granted. If such exemption is entered on the property roll, such notification must be made by the ~~first~~ **fourth(third)** Monday in ~~August~~ **July**. ~~After notice by the Commission of the amount of exemption granted to the centrally assessed property, the assessor may make adjustments to assessed values to be entered on any subsequent or missed property rolls to ensure that the exemption does not exceed \$100,000 (one hundred thousand dollars) (\$100,000) for any taxpayer. The Commission will then reduce the amount of the exemption otherwise to be granted to the centrally assessed operating property of the company by the exemption value reported by the assessor. The Commission will notify the company of the reduction in exemption by the end of July.~~ This reduction will be made before determining the company's Idaho taxable value. No additional exemption pursuant to section 63-602KK(2) will be granted

for any locally assessed property of operating property companies.

(4-11-15)( )

~~**04. Centrally Assessed Property – Taxpayers’ Election of Property Location.** 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 626.03.b. of this rule shall apply, the taxpayer owning personal property located in multiple counties may indicate the county in which the property is located. Should the taxpayer not make an election as to where to apply the exemption, the exemption shall be limited to one hundred thousand dollars (\$100,000) applied to the Idaho value of the taxpayer prior to apportionment.~~

(3-20-14)(1-1-15)T

**054. Valuation Assessment Notice.** The valuation assessment notice required by Section 63-308, Idaho Code, must show the taxable market value before granting the exemption provided in Section 63-602KK(2), Idaho Code, the exempt market value pursuant to the exemption provided in Section 63-602KK(2), Idaho Code, and the net taxable market value of the personal property. After the year of initial eligibility, if the net taxable market value is zero, no valuation assessment notice is required.

(4-11-15)

**065. Correction of Personal Property Tax Replacement Amounts.** (4-11-15)

If, subsequent to finalization of the amount of replacement money to be paid to any county, an amount paid on behalf of any taxpayer is disapproved by the county, the county shall so notify the Commission, which shall adjust the payment to the county. The county may 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.

(4-11-15)

**076. Limitation on Eligibility for the Exemption.** (3-20-14)

**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.

(3-20-14)

**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 dollar (\$100,000) limit provided in Section 63-602KK(2) is reached.

(3-20-14)

**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.

(3-20-14)

**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. Structures, such as cell towers, are improvements and therefore are

not personal property eligible for the exemption. (3-20-14)

**087. Special Rules for the Exemption Provided in Section 63-602KK(1), Idaho Code.** (3-20-14)

**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. (3-20-14)

**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. (3-20-14)

**c.** No application for the exemption provided in Section 63-602KK(1), Idaho Code, is necessary. (3-20-14)

**d.** The requirement in Section 63-602KK(6) requiring the assessor to provide the application by no later than March 1, applies only to taxpayers who have an obligation to file any application. (3-20-14)

**098. Limitation on Replacement Money.** (3-20-14)

**a.** In addition to replacement money reductions due to corrections as provided in section 06 of this rule, there may be changes and reductions as follow: (3-11-15)

**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. (3-20-14)

**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. (3-20-14)

**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. (3-20-14)

**iv.** Any payment made to the Idaho Department of Education, as provided in Subsection 626.409 of this rule shall be discontinued if the state authorized plant facilities levy is not certified in any year. Certification in subsequent years shall not cause any resumption of this payment. (4-11-15)(\_\_\_\_)

**b.** There shall be no adjustment to replacement money if personal property not receiving the exemption found in Section 63-602KK(2), Idaho Code, receives this exemption in the future. (4-11-15)

**109. Special Provision For Replacement Money For State Authorized Plant Facilities Levy.** The amount of replacement money calculated based on any 2013 state authorized plant facilities levy shall be remitted directly to the Idaho Department of Education for deposit to the Public School Cooperative Fund. (4-11-15)

**110. Special Provision For Exempt Personal Property Within Urban Renewal Revenue Allocation Areas (RAAs).** 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 market 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. (3-20-14)

**121. No Reporting of Exempt Value.** Beginning in 2014, taxing district values submitted to the Commission as required in section 63-510, Idaho Code, shall not include or indicate the otherwise taxable value exempt pursuant to section 63-602KK(2), Idaho Code. (4-11-15)

**132. Cross Reference.** For information on transient personal property, see Rule 313 of these rules. For information on the definition of personal property, see Rule 205 of these rules. For information on the definition of a taxpayer, see Rule 627 of these rules. For the purpose of this rule, “taxpayer” shall be **means** the claimant of the exemption pursuant to section 63-602KK(2), Idaho Code, and shall **must** be a person, as that term is defined in section 63-201, Idaho Code.

(4-11-15)( )

**632. PROPERTY EXEMPT FROM TAXATION - OIL OR GAS RELATED WELLS (RULE 632).**

Section 63-60200, Idaho Code. (3-20-14)

**01. Definitions of Oil or Gas Well. (3-20-14)**

**a.** Wells drilled for the production of oil, gas or hydrocarbon condensate may include the well, casing, and other structures permanently affixed inside the well, and the land inside the perimeter of the well. (3-20-14)

**b.** The well shall include the part where the gas producing stratum has been successfully cased off from any oil. (3-20-14)

**02. Ineligible Land and Equipment. (3-20-14)**

**a.** Wellheads and gathering lines or any line extending above ground level shall not qualify. Equipment used for the extraction, storage, or transportation of oil, gas, or hydrocarbon condensate shall not qualify. (3-20-14)

**b.** Land, other than that used for the well as defined in Subsection 632.01 of these rules, shall not qualify. If the presence of the well increases the market value of nearby land, the assessed value of such land shall reflect the increase, unless the land qualifies independently for any other property tax exemption. (3-20-14)

**03. Application.** ~~As provided in Section 63-602(3), Idaho Code, annual application is required for the exemption provided in this section and must be made to the county commissioners by April 15.~~ (3-20-14)( )