PROPERTY TAX RULES EXAMPLES

Date examples approved through Negotiated Rulemaking: July 1, 2024

020. Value of Recreational Vehicles for Annual Registration and Taxation of Unregistered Recreational Vehicles (Rule 020).

01. Value of Recreation Vehicle for Registration Fees

DEPRECIATION SCHEDULE FOR RVS				
	Travel/ Camp Trailers	Campers	Van Conversions	Motor Homes
Age	Percent Good	Percent Good	Percent Good	Percent Good
0	100	100	100	100
1	86	83	85	85
2	76	76	74	77
3	66	64	62	68
4	62	60	52	62
5	59	55	47	59
6	56	54	40	55
7	55	52	35	54
8	50	49	32	51
9	49	44	30	48
10	43	40	27	44
11	41	36	23	40
12	38	33	19	36
13	37	30	14	32
14	36	27	13	31
15	31	23	12	28

02. Value of Motor Home or Van Conversion for Registration Fees.

Motor Home/Van Type	Valuation Factor
Mini Motor Home (MMH)	50%
Motor Home (MH)	60%
Front Engine Diesel	45%
Rear Engine Diesel	58%
Van Conversions	25%

130. Description of Primary Categories Used to Test for Equalization (Rule 130).

01. Conversion Table: Secondary Categories to Primary Categories.

Conversion Table: Secondary Categories to Primary Categories	
Secondary Categories	Primary Categories
12, 15, 18, or 20	Vacant Residential Land
10, 12, 15, 18, 20, 26, 31, 34, 37, 40, 41, 46, 47, 48, or 50	Improved Residential Property
11, 13, 14, 16, 17, 21, or 22	Vacant Commercial or Industrial Land
11, 13, 14, 16, 17, 21, 22, 27, 33, 35, 36, 38, 39, 42, 43, or 51	Improved Commercial or Industrial Property
47, 49, or 65	Manufactured Housing on Leased Land
1-5	Agricultural Land

131. Use of Ratio Study or Other Method to Test for Equalization in Counties (Rule 131).

03. Timing and Notification Table.

Date	Activity
April – 1st Monday	The Tax Commission will notify assessors of preliminary ratio and agricultural land study results.
April – 3rd Monday	The Tax Commission will notify the board of county commissioners (BOCC) of non-compliant primary ratio study categories and agricultural land secondary categories.
May – 1st Monday	On request by the county assessor, the Tax Commission will conduct additional studies for non-compliant categories using current year assessments.
May – 2nd Monday	The Tax Commission will notify county assessors and commissioners of results of additional studies.
July – 3rd Monday	The Tax Commission will conduct final follow-up studies for originally non-complying categories using county equalized values. Additional studies may be conducted if there is indication that county boards of equalization have taken actions that may have resulted in non-compliance for previously complying primary or secondary categories. Assessors and county commissioners will be notified of results and compliance status by the 4th Monday in July, except that this deadline and the 3rd Monday in July deadline are to be extended if an extension has been granted to the county board of equalization. In that case, the final or additional studies will be finalized and notice provided within one week of the conclusion of the county board of equalization.

315. Use of Ratio Study to Equalize Boise School District (Rule 315).

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

316. Compliance of Continuing Valuation Program (Rule 316).

05. Compliance Procedure Examples.

a. **Example 1**: The following chart outlines what will occur if a county assessor fails to complete the appraisal of the required number of parcels for 2003 and subsequently fails to complete the appraisal of the required number of parcels for 2004.

January 2003 (If requested.)	-	Informational Progress Report
July 2003	-	First Compliance Progress Report
Compliance	-	No Action
Non-compliance	-	Remediation Plan and Monitoring
January 2004 (If requested.)	-	Informational Progress Report
July 2004	-	Second Compliance Progress Report
Compliance	-	No Action
Non-compliance	-	Enforcement of Section 63-316, Idaho Code (Tax Commission may start proceedings to take exclusive and complete control of the program.)

b. **Example 2:** The following chart outlines what will occur if a county assessor successfully completes the appraisal of the required number of parcels for 2003, 2004, and 2005 but fails to complete the appraisal of the required number of parcels for 2006 and subsequently fails to complete the appraisal of the required number of parcels for 2007.

January 2003 (If requested.)	-	Informational Progress Report
July 2003	-	First Compliance Progress Report
Compliance	-	No Action
January 2004 (If requested.)	-	Second Informational Progress Report
July 2004	-	Second Compliance Progress Report
Compliance	-	No Action
January 2005 (If requested.)	-	Informational Progress Report
Compliance	-	No Action
July 2005	-	Third Compliance Progress Report
Compliance	-	No Action
January 2006 (If requested.)	-	Informational Progress Report
July 2006	-	Fourth Compliance Progress Report
Compliance	-	No Action
Non-compliance	-	Remediation Plan and Monitoring
January 2007 (If requested.)	-	Informational Progress Report
July 2007	-	Fifth Compliance Progress Report
Compliance	-	No Action
Non-compliance	-	Enforcement of Section 63-316, Idaho Code (Tax Commission may start proceedings to take exclusive and complete control of the program.)

317. Occupancy Tax on Newly Constructed Improvements on Real Property (Rule 317).

03. Examples for Calculation of Value Less Homestead Exemption (HO). The following examples show the procedure for the calculation of the taxable value subject to the occupancy tax less the homestead exemption (HO):

a. Example for prorated market value exceeding maximum amount of the homestead exemption for improvements subject to the occupancy tax.

Full Market Value of Home	- $300,000
Prorated Market Value for 11 Month Occupancy	- $300,000 x 11/12 = $275,000
Taxable Value	- $275,000 - $125,000 (HO) = $150,000

b. Example for prorated market value resulting in less than the maximum amount of the homestead exemption.

Full Market Value of Home	- $120,000
Prorated Market Value for 3 Month Occupancy	- $120,000 x 3/12 = $30,000
Taxable Value	- $30,000 - $15,000 (HO) = $15,000

609. Property Exempt from Taxation – Homestead (Rule 609).

02.a. Example 1. John Smith and Bob Anderson own a property as tenants in common with two (2) residential improvements located on the property. Each residential improvement is owner occupied by one (1) of the tenants in common. The homestead exemption is calculated as follows:

Description	Value	Notes
Land	$42,000	
Residential Improvement	$82,000	Occupied by Mr. Smith
Prorated Ownership Interest (land and improvement)	$62,000	Mr. Smith’s interest
Homestead Exemption	$31,000	For Mr. Smith as owner occupant
Residential Improvement	$67,000	Occupied by Mr. Anderson
Prorated Ownership Interest (land and improvement)	$54,500	Mr. Anderson’s interest
Homestead Exemption	$27,250	For Mr. Anderson as owner occupant

b. Example 2. John Smith and Bob Anderson own a parcel of land as tenants in common with two (2) residential improvements located on the parcel. Mr. Smith has documented evidence of one hundred percent (100%) interest in one (1) residential improvement and Mr. Anderson has documented evidence of one hundred percent (100%) interest in the remaining residential improvement. Each residential improvement is owner occupied. The homestead exemption is calculated as follows:

Item Description	Value	Notes
Land	$42,000	Split 50% to each owner
Residential Improvement	$82,000	Owned and occupied by Mr. Smith
Homestead Exemption	$51,500	For Mr. Smith
Residential Improvement	$67,000	Owned and occupied by Mr. Anderson
Homestead Exemption	$44,000	For Mr. Anderson

c. **Example 3.** Tom Johnson and Marie Johnson, husband and wife, and June Smith jointly own a property and occupy one (1) residential improvement located on the property. The following example shows how to calculate each homestead exemption.

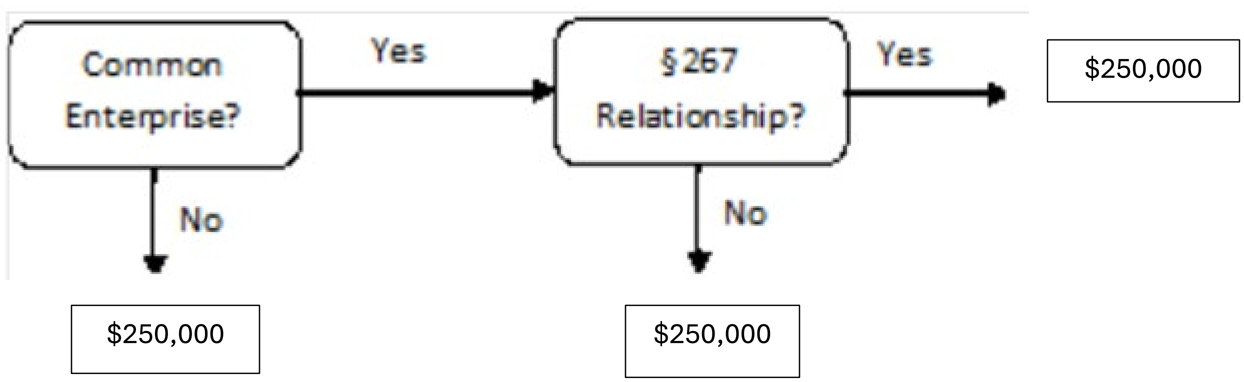
Description	Value	Notes
Land	$95,000	
Residential Improvement	$215,000	
Land and Improvement	$310,000	
Prorated ownership interest (land and improvement) ($310,000 X 50%)	$155,000	Mr. & Mrs. Johnson's interest
Homestead Exemption Maximum ($125,000 X 50%)	$62,500	Mr. & Mrs. Johnson's Homestead Exemption
Prorated ownership interest (land and improvement) ($310,000 X 50%)	$155,000	Ms. Smith's interest
Homestead Exemption Maximum ($125,000 X 50%)	$62,500	Ms. Smith's Homestead Exemption

d. **Example 4**. John and Susan Doe, husband and wife, and Mike Person jointly own a property, and Mr. and Mrs. Doe occupy the one (1) residential improvement located on the property. The following example shows how to calculate each homestead exemption.

Description	Value	Notes
Land	$65,000	
Residential Improvement	$195,000	
Land and Improvement	$260,000	
Prorated ownership interest (land and improvement) ($260,000 X 50%)	$130,000	Mr. & Mrs. Doe's interest
Homestead Exemption is 50% up to $125,000)	$65,000	Mr. & Mrs. Doe's Homestead Exemption
Prorated ownership interest (land and improvement) ($260,000 X 50%)	$130,000	Mr. Person's interest
Homestead Exemption	$0	Mr. Person does not qualify for a homestead exemption on this property.

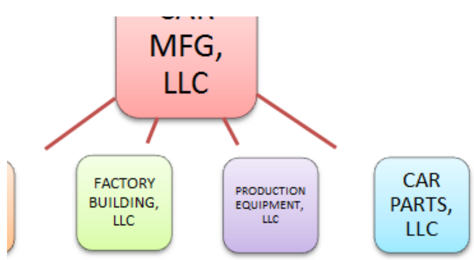
627. Property Exempt From Taxation – Certain Personal Property – Ownership Clarification (Rule 627).

02. Illustration of Common Enterprise and IRC Section 267 Restriction. For purposes of the Idaho Code Section 63-602KK(2) exemption, a person includes two (2) or more individuals or organizations using the property in a common enterprise, and the individuals or organizations are within a relationship described in Section 267 of the Internal Revenue Code. This is illustrated in the following chart:



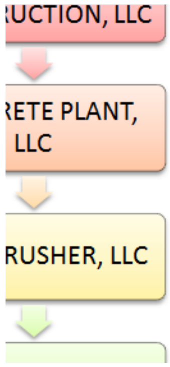
a. First, an analysis must be made to determine if a common enterprise exists. If entities or individuals are organized to manage a common scheme of business, they would be in a common enterprise.

i. Horizontal Commonality is demonstrated by the following chart:



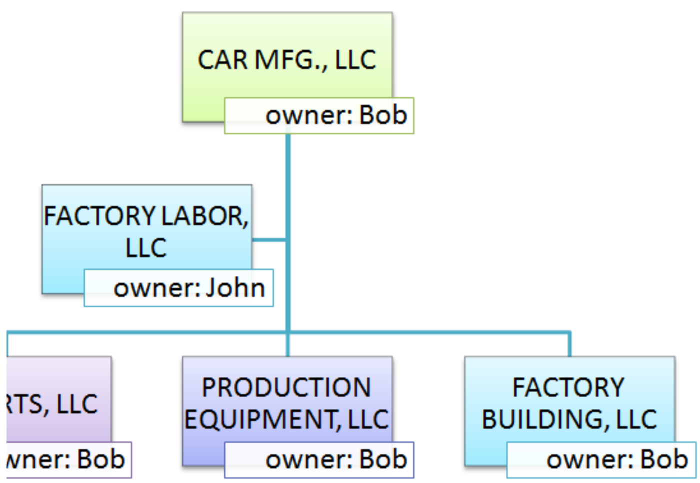
Here, the usual functions involved in a working car manufacturing company are split between several LLCs, all of which own the property involved with the functions they perform. The operation of the business is no different than if all the functions were combined in just Car Manufacturing, LLC

ii. Vertical Commonality is demonstrated by the following chart:



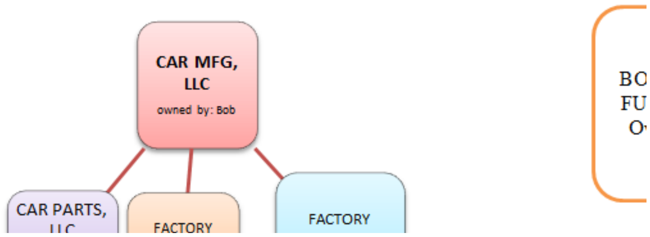
d. The following examples are given to illustrate eligibility situations related to common enterprise and related ownerships:

i. **Example 1**. This is an example of a common enterprise, that is entitled to two (2) exemptions because the owners are not related in a manner as described in Section 267 of the Internal Revenue Code.



So long as Bob and John are not related in a manner identified in IRC 267, two (2) exemptions exist. One (1) for Factory Labor, LLC. The other for all of Bob's businesses, because they are in a common enterprise and are all owned by him.

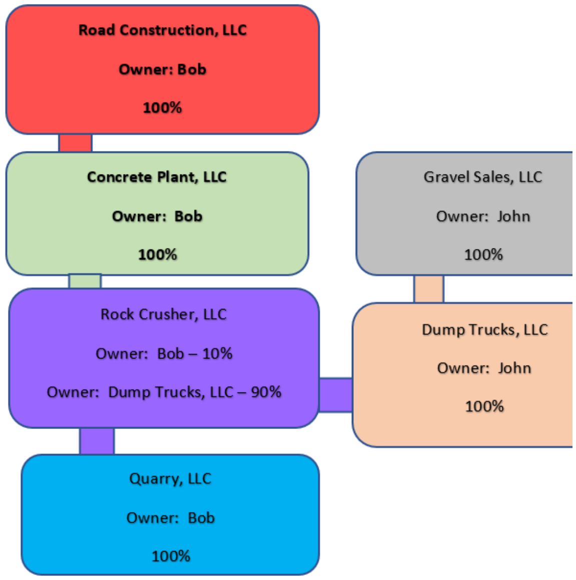
ii. **Example 2.** This is an example of the same owner with multiple businesses not all united in a common enterprise. Bob's car businesses are common enterprises, and therefore entitled to only one (1) exemption for all the car businesses. Bob's used furniture business is not involved with Bob's car businesses, so Bob is entitled to an additional exemption related to his used car business.



iii. **Example 3**. This is an example of multiple businesses being entitled to only one (1) exemption because a common enterprise exists and all the businesses are constructively owned in a manner identified in IRC 267.

Here, one (1) exemption exists for all of the entities because they are in a common enterprise, due to their vertical commonality, and are all constructively owned by Bob, pursuant to IRC 267.

iv. **Example 4.** This is an example showing how owners of common enterprises may intersect.



This is an example of how common enterprises can intersect with one another. The companies Bob owns completely receive one exemption; John's companies also receive one exemption, including Rock Crusher, LLC, because John's ownership interest in that company falls within IRC 267.

631. Tax Exemption for Investment in New or Existing Plant and Building Facilities Upon County Commissioners' Approval (Rule 631).

02. Examples. The exemption applies only to plant or building facilities in which the required investment is to be made during the project period and that are located at the project site. The exemption may be applied to any value increases if these increases are directly attributable to the investment. See the following clarifying examples, all of which are based on the assumptions that the county has established five hundred thousand dollars ($500,000) as the required minimum amount of investment and the county enters into an agreement with the taxpayers for the period shown in the examples.

a. A company chooses your community to tear down an existing facility and build a new manufacturing facility. Prior to the project, the base value is four million dollars ($4,000,000) which is comprised of the market value of the land three million dollars ($3,000,000) and the market value of the existing facility at one million dollars ($1,000,000), thus, the base value is one million dollars ($1,000,000). After construction, the land and facility have a taxable value of thirteen million dollars ($13,000,000), three million ($3,000,000) of which is the land value. Providing all conditions of the agreement have been met and the commissioners agreed to a full exemption, the exempt amount will be nine million dollars ($9,000,000).

b. An existing company chooses to expand and build a new processing line. Prior to the project, the base value of the existing building and land is twelve million dollars ($12,000,000). After the expansion project is complete, the new processing line increased the value of the building and land to sixteen million dollars ($16,000,000), with all of the increase in value attributed to the building. Providing all conditions of the agreement have been met and the commissioners previously agreed to a full exemption, the exempt amount will be four million dollars ($4,000,000). No portion of the original taxable value of twelve million dollars ($12,000,000) can be granted this exemption.

c. A company purchases an existing building and land which are valued at eight million dollars ($8,000,000). The company will purchase new equipment in the amount of three million dollars ($3,000,000). After the investment is made, the existing land, building and equipment are now valued at twelve million dollars ($12,000,000). The additional one million dollars ($1,000,000) in building value is attributed to the contributory value of the investment. The investment did not add value to the land. Providing all conditions of the agreement have been met and the commissioners agreed to a full exemption, the exempt amount will be four million dollars ($4,000,000). No portion of the original taxable value of eight million dollars ($8,000,000) can be granted this exemption.

d. A company buys a building with a prior year's value of one million dollars ($1,000,000). The company makes application to the county commissioners requesting a full exemption for the next five (5) years for any increases in value that are directly related to its plan to invest in the facility. An agreement is reached whereby the taxpayer will be granted a limited exemption for the increase in market value up to two million dollars ($2,000,000) for three years. In the first year, the company invests two million dollars ($2,000,000) in the facility and the market value of the building increases to two million five hundred thousand dollars ($2,500,000) (not all of the investment contributes to market value). Providing all conditions of the agreement have been met, the first year exempt amount will be one million five hundred thousand dollars ($1,500,000). In year two (2), the company invests an additional eight hundred thousand dollars ($800,000) and the value of the building increases to three million three hundred thousand dollars ($3,300,000). The exemption in year two (2) will be two million dollars ($2,000,000). This is the difference between the original base value of one million dollars ($1,000,000) and the current value in year two (2) but is limited by the agreed-upon two-million-dollar ($2,000,000) maximum. In year three (3), the company makes additional investments, and the building value increases to four million dollars ($4,000,000). The exemption in year three (3) is limited to two million dollars ($2,000,000) as provided in the original agreement. Beginning in year four (4), there will be no exemption allowed under the original agreement.

700. Definitions for Property Tax Reduction Benefit (Rule 700).

04. Proportional Reduction of Value.

i. Example 1. The claimant is the sole occupant of the property but only owns fifty percent (50%) of the property. In this example, the claimant's property tax reduction benefit applies to the tax on his/her net taxable market value of $50,000.

Land Market Value	$50,000
Improvement Market Value	$150,000
Gross Market Value	$200,000
Percent of Ownership of Claimant	50%
Claimant's Share of Land Market Value & Improvement Market Value (Land Market Value & Improvement Market Value x Percentage of Ownership)	$100,000
Claimant's Homestead Exemption (Claimant's Share of Improvement and Land Market Value x 50%, not to exceed $125,000)	<$50,000>
Claimant's Eligible Net Taxable Value equals Claimant's Share of Market Value less Homestead Exemption ($100,000 - $50,000 = $50,000)	*$50,000

* The claimant is only entitled to a Homestead Exemption on 50% of the claimant's share of the market value, which is $100,000. $100,000 multiplied by 50% equals a Homestead Exemption of $50,000.

ii. Example 2. Tom Johnson and Marie Johnson, husband and wife, and property tax reduction claimant June Smith jointly own a property and occupy one (1) residential improvement located on the property. Calculate both homestead exemptions and apply Ms. Smith's property tax reduction benefit to the tax on the net taxable value of her interest in the property.

Description	Value	Notes
Land	$95,000	
Residential Improvement	$215,000	
Land and Improvement	$310,000	
Prorated ownership interest (land and improvement) ($310,000 X 50%)	$155,000	Mr. & Mrs. Johnson's interest
Homestead Exemption Maximum (125,000 X 50%)	$62,500	Mr. & Mrs. Johnson's Homestead Exemption
Prorated ownership interest (land and improvement) ($310,000 X 50%)	$155,000	Ms. Smith's interest
Homestead Exemption Maximum ($125,000 X 50%)	$62,500	Ms. Smith's Homestead Exemption
Value of prorated interest less Homestead Exemption.	$92,500	Ms. Smith's property tax reduction benefit is applied to the tax on the net taxable value.

802. Budget Certification Relating to New Construction and Annexation (Rule 802).

04. d. When a portion of an RAA is de-annexed, the following steps must be used to determine the amount to be added to the current year's new construction roll and the amount to be subtracted from the "incremental value as of December 31, 2006."

i. **Step 1**. For the parcels in the de-annexed area, determine the December 31, 2006, increment value.

ii. **Step 2**. Subtract the increment value determined in Step 1 from the immediate prior year's increment value for the parcels in the de-annexed area.

iii. **Step 3.** Add any positive difference calculated in Step 2 to the current year's new construction roll value.

iv. **Step 4**. Adjust the "incremental value as of December 31, 2006" for the RAA by subtracting the increment value determined in Step 1.

v. The following table shows the amount to be added to the current year's new construction roll and the amount to be subtracted from the "incremental value as of December 31, 2006" applicable to the adjusted remaining RAA. The table assumes an area is de-annexed from an original RAA effective December 31, 2022.

Steps (as designated in Paragraph 802.04.d.)	Area	Value
	December 31, 2006, increment value of the original RAA	$10,000,000
Step 1	December 31, 2006, increment value of the de-annexed area	$1,000,000
	December 31, 2021, increment value of the de-annexed area	$3,000,000
Steps 2 and 3	Amount related to the de-annexed area to be added to the 2023 new construction roll	80% X $2,000,000 = $1,600,000
Step 4	Adjustment amount to be deducted from the original RAA's incremental value as of December 31, 2006	<$1,000,000>
	Adjusted incremental value as of December 31, 2006, for the remaining RAA (base for future new construction roll additions upon dissolution of all or part of remaining RAA)	$9,000,000

vi. If the de-annexation in the example in sub-paragraph v. had taken effect prior to the fourth Monday of July 2022, 80% of the 2021, immediate prior year's, increment value for the affected parcels is added to the 2022 current year's new construction roll after subtracting the 2006 increment value.

04. e. The value of operating property increment value to be included on the new construction roll when a de-annexation occurs is computed as shown in the following example:

Sum the previous year's increment values of the locally assessed parcels in the area to be de-annexed	\$15,000,000
Divide this sum by the previous year's increment value of all locally assessed parcels in the RAA	\$15,000,000 ÷ \$130,000,000=.1154
Multiply by 100 to determine the percentage applicable to the locally assessed parcels located within the area to be de-annexed	.1154 x 100 = 11.54%
Determine the difference between the operating property increment value in the whole RAA for the year preceding the de-annexation from the 2006 increment value of all operating in the whole RAA	\$2,000,000 - \$500,000 = \$1,500,000
Multiply the locally assessed percentage by 80% of the increase in the operating property increment value	11.54% x \$1,500,000 X 80% = \$138,400
The value of operating property increment to be included on the new construction roll when a de-annexation occurs	\$138,400

804. Tax Levy – Certification – Urban Renewal Districts (Rule 804).

02. Establishing and Adjusting Base and Increment Values.

In the following examples the parcel's initial base value is one hundred thousand dollars ($100,000), including Category 21 value of twenty thousand dollars ($20,000) and Category 42 value of eighty thousand dollars ($80,000).

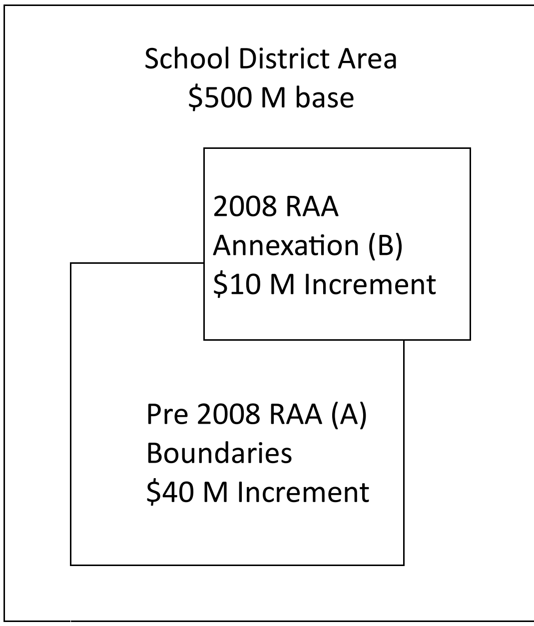
i. **Case 1**: Offsetting decreases and increases in value. One (1) year later the parcel has a one thousand dollar ($1,000) decrease in value in Category 21 and a one thousand dollar ($1,000) increase in Category 42 value. There is no change in the base value for the parcel.

ii. **Case 2:** Partially offsetting decreases and increases in value. One (1) year later the parcel has a three thousand dollars ($3,000) decrease in value in Category 21 and a one thousand dollars ($1,000) increase in Category 42 value. The base value decreases two thousand dollars ($2,000) to ninety-eight thousand dollars ($98,000).

iii. **Case 3**: Future increase in value following decreases. One (1) year after the parcel in Case 2 has a base value reduced to ninety-eight thousand dollars ($98,000), the value of the parcel increases by five thousand dollars ($5,000) which is the net of category changes. The base value remains at ninety-eight thousand dollars ($98,000).

04. b. Modification by annexation.

2009 Value Table	School District (base only)	$500 Million
	RAA (A) increment	$40 Million
	RAA annexation (B) increment	$10 Million



2009 School Levies

Fund	Value for Setting Levies $ Millions
Tort	$500
2001 Plant	$510
2008 Bond (Passed and first levied in 2008)	$550
2009 Supplemental	$550

961. Homesite Assessment and Forestlands of Less Than Five Acres and Contiguous Parcels (Rule 961).

03. Forestlands of Less Than Five Acres and Contiguous Parcels.

b. Example 1. A landowner owns five hundred and six (506) acres consisting of one (1) five hundred (500) acre parcel of forestland and six (6) one (1) acre parcels of forestland, that are not contiguous either to one another or to the five hundred (500) acre parcel. The five hundred (500) acre parcel is eligible for valuation and taxation as forestland. The six (6) one (1) acre parcels are not eligible for valuation and taxation as forestland.

c. Example 2. A landowner owns five hundred and six (506) acres consisting of one (1) five hundred (500) acre parcel of forestland and six (6) one (1) acre parcels of forestland that are contiguous to the five hundred (500) acre parcel but may or may not be contiguous to one another. The entire five hundred and six (506) acres are eligible for valuation and taxation as forestland.

d. Example 3. A landowner owns six (6) non-contiguous one (1) acre parcels of forestland. The six (6) one (1) acre parcels are not eligible for valuation and taxation as forestland.

e. Example 4. A landowner owns six (6) contiguous one (1) acre parcels of forestland. The six (6) one (1) acre parcels are eligible for valuation and taxation as forestland.

964. Yield Tax on Applicable Forest Products (Rule 964).

01. **Calculation**. The calculation described below will be used to update the bare forestland value for tax assessment purposes on an annual basis:

BLVz = ([0.5] x [(Tz – Tn)/Tn)] + 1) x (BLVy)

STEP 1:		Subtract Tn from Tz
STEP 2:		Divide the Answer in Step 1 by Tn
STEP 3:		Multiply the Answer in Step 2 by **0.5**
STEP 4:		Add **1** to the Answer in Step 3
STEP 5:		Multiply **BLVy** by the Answer in Step 4
		KEY:
BLVz	=	Bare forestland value for next year
BLVy	=	Bare forestland value for current year
Tz	=	Five-year average stumpage value ($/MBF) for the period ending in the current year
Tn	=	Five-year average stumpage value ($/MBF) for the period ending one year ago

988. Qualified Property for Exemption (Rule 988).

10. Limitation on Amount of Exemption. In the following examples, all of the property is owned by the same taxpayer and is a qualified investment.

ii. **Example A**. In Example A, 2004 is the first year during which the qualified investment receives the QIE. The taxpayer may decide which of the used items placed in service in 2003 is considered first for the exemption. In this example, computer 1 has been given the exemption first. Since the limitation is based on cost, the remaining used property exemption cannot exceed one hundred thirty thousand dollars ($130,000) and the QIE cost is determined accordingly. The conveyor belt is a new investment, first eligible for the QIE in 2005. In 2006, the assembly line, computer 1, and computer 2 would be fully taxable at the market value as of January 1, 2006.

Example A										
Property Description (same taxpayer)	**Year Placed in Service**	**Cost**	**New or Used**	**QIE Cost**	**2004 Market Value**	**2004 Exempt Value**	**2004 Taxable Value**	**2005 Market Value**	**2005 Exempt Value**	**2005 Taxable Value**
Computer 1	2003	$20,000	Used	$20,000	$12,000	$12,000	$0	$8,000	$8,000	$0
Assembly line	2003	$160,000	Used	$130,000	$140,000	$130,000	$10,000	$110,000	$110,000	$0
Computer 2	2003	$50,000	New	N/A	$40,000	$40,000	$0	$30,000	$30,000	$0
Conveyor belt	2004	$200,000	Used	$150,000	N/A	N/A	N/A	$200,000	$150,000	$50,000

ii. Example B. In Example B, the property was purchased at auction for a cost much less than its market value.

Example B										
Property Description	**Year Placed in Service**	**Cost**	**New or Used**	**QIE Cost**	**2006 Market Value**	**2006 Exempt Value**	**2006 Taxable Value**	**2007 Market Value**	**2007 Exempt Value**	**2007 Taxable Value**
Construction Equipment	2005	$20,000	Used	$20,000	$80,000	$20,000	$60,000	$70,000	$20,000	$50,000

989. Qualified Investment Exemption (QIE) Recapture (Rule 989).

05. Property Tax Benefit Subject to Recapture.

Table for Reduction of Property Tax Benefit Subject to Recapture	
Time Held/Time Qualifying	**Recapture Percentage**
Less than one (1) year	100%
Equal to one (1) year but less than two (2) years	80%
Equal to two (2) years but less than three (3) years	60%
Equal to three (3) years but less than four (4) years	40%
Equal to four (4) years but less than five (5) years	20%