

2018 Annual Report

Avoid a Tax Surprise Act NOW!



New tax laws have changed the amount of income taxes withheld from your paycheck.

**If you don't withhold enough tax,
you may have an unexpected tax bill in 2019**

Review your federal Form W-4, *Employee's Withholding Allowance Certificate*, **now** to see if you have the right amount of federal and state income taxes withheld from your paycheck.

Steps to Take:

- 1. Use the withholding calculator at [IRS.gov](https://www.irs.gov) to estimate your federal withholding.
- 2. Use the *2018 W-4 Worksheet for Idaho* at tax.idaho.gov/w4 to estimate your Idaho withholding.
- 3. Make any needed changes to Form W-4 and give it to your employer.

For more information, visit tax.idaho.gov/w4

Navigating Change

Our mission

To administer the state's tax laws in a fair, timely, and cost-effective manner to benefit all Idaho citizens.

Our goals

These goals are the guiding principles by which we have chosen to do business:

- Implement methods of providing customer service and education to enhance voluntary compliance with Idaho tax laws.
- Administer tax law and develop rules and policies that promote fairness, consistency, compliance, security, and public confidence.
- Seek and implement efficient operations within the agency to support our mission.

tax.idaho.gov

IDAHO TAXPAYER RIGHTS

THE RIGHT TO QUALITY SERVICE

THE RIGHT TO BE INFORMED

THE RIGHT TO CONFIDENTIALITY

THE RIGHT TO REPRESENTATION

THE RIGHT TO APPEAL

THE RIGHT TO PAYMENT OPTIONS

THE RIGHT TO PAY ONLY
THE TAX YOU OWE

Download the Idaho Taxpayer Rights guide from
tax.idaho.gov/rights

| | |
|----|----------------------------|
| 1 | Executive leadership |
| 2 | Commissioners' message |
| 3 | Highlights of the year |
| 5 | Employees at work |
| 6 | Idaho taxes |
| 7 | Idaho revenues |
| 8 | Taxes collected |
| 9 | Identity theft & tax fraud |
| 10 | Distribution of revenues |
| 12 | Property taxing districts |
| 13 | Property tax reduction |
| 14 | Average property tax rates |
| 16 | Ratio study |
| 17 | Tax burden study |
| 18 | Our offices |

ADMINISTRATION

| | |
|--------------|------------------|
| Chairman | Ken A. Roberts |
| Commissioner | Tom Katsilometes |
| Commissioner | Elliot S. Werk |
| Commissioner | Janet Moyle |

MANAGERS

| | |
|------------------------|------------------|
| Appeals | Michael Chakarun |
| Audit | Randy Tilley |
| Collection | Debbie Coulson |
| Human Resources | Roxanne Lopez |
| Information Technology | Terry Ford |
| Legal | Phil Skinner |
| Management Services | Mark Poppler |
| Property Tax | Steve Fiscus |
| Revenue Operations | John Bernasconi |
| Taxpayer Resources | Mark Warbis |

The Tax Commission navigated through big changes in 2018, with much more to come in 2019.

The year began with adoption of an Idaho law that lowered income tax rates, enacted many major federal tax changes, and added an Idaho-specific child tax credit. The agency made significant changes to the Idaho individual income tax forms to reflect these major tax changes. We also made significant adjustments to the income tax withholding tables to account for the lower tax rates, the increase in the federal standard deduction, and the difference in how dependents are treated at the state and federal levels.

We created the *W-4 Worksheet for Idaho* to help taxpayers properly adjust their Idaho income tax withholding. This was needed because using the federal W-4 calculation no longer works to estimate withholding for state taxes (mostly as a result of differences in the tax treatment of dependent children).

We launched a campaign to inform taxpayers about all the law changes and how the new laws affected paycheck withholding. Our message: Many taxpayers might end up having too little income tax withheld from their paychecks and will owe more when they file their return. The campaign — continuing into 2019 — urges taxpayers to adjust the

paycheck withholding on their W-4 to avoid an unwelcome tax surprise.

The Tax Commission also made internal changes after a sophisticated phishing scheme compromised a single employee's email account. We neutralized the threat within an hour of the event and further tightened our internal procedures to strengthen our defenses against future cybersecurity attacks. We also launched a robust, ongoing employee education campaign to keep security as a top priority.

An unexpected change in our Boise office lease required us to move about 150 of our Boise employees to a temporary location at the end of November. We had a short turnaround time to complete this sudden move, and we thank our employees and contractors for their effort to make it successful. We're pleased that the move went smoothly, and we learned valuable lessons to apply to our future office moves.

We'll carry on with plans to relocate the Pocatello field office in February 2019 and the rest of the Boise office starting in July. We also will continue to focus on educating taxpayers about adjusting their paycheck withholding. As always, all our efforts will focus on providing extraordinary customer service that makes tax compliance as easy as possible for the people of Idaho.



Chairman Ken A. Roberts, Commissioners Tom Katsilometes, Elliot S. Werk, Janet Moyle

“Avoid a Tax Surprise” campaign launched for W-4 withholding

Historic tax reforms at both the state and federal levels changed how to calculate for withholding from employee paychecks for Idaho income taxes. As a result, we updated the Idaho income tax withholding tables for employers and created a campaign to alert employers and employees of the need to update the withholding on their Form W-4 to avoid an unexpected tax bill for 2018. This effort included:

- Launching **tax.idaho.gov/w4**. The page has the *W-4 Worksheet for Idaho*, a poster for businesses to encourage employees to update their withholding, and other resources.
- Direct outreach to all Idaho employers with withholding accounts (over 70,000):
 - ◊ Sent two mailings to employers (over 140,000 letters).
 - ◊ Provided onsite training on updating W-4 forms at the employers’ request.
- Training for Idaho State employees.
- Outreach to payroll service providers throughout Idaho and across the nation.
- Outreach to tax preparation and accounting organizations, including Idaho Society of CPAs meetings in Coeur d’Alene, Lewiston, Boise, Twin Falls and Idaho Falls.
- Press releases and social media posts.

Significant changes made to income tax forms

The Tax Commission retooled the 2018 individual income tax forms to accommodate the new tax laws. The changes included:

- Increasing the standard deductions to:
 - ◊ \$12,000 for single filers.
 - ◊ \$18,000 for head of household filers.
 - ◊ \$24,000 for married filing jointly filers.
- Eliminating personal and dependent exemptions.
- Capping or eliminating itemized deductions.
- Adding a new, nonrefundable Idaho child tax credit of \$205 for each qualifying child.
- Reducing income tax rates by 0.475 percentage points. The top rate for individuals is now 6.925 percent.

Business Basics, auto dealer classes educate taxpayers

We teamed up with the U.S. Small Business Administration to provide Business Basics classes for Idaho small businesses. These classes cover what they need to know about tax laws and rules. We also joined with the Idaho Automobile Dealers Association to offer sales tax training to motor vehicle dealers throughout the state.



Stopping tax fraud by identity theft

We found and stopped more than \$155,000 in fraudulent income tax refund requests in 2018. That's compared to more than \$520,000 in 2017. Part of the decline is due to improved information sharing among state tax agencies, the IRS, software developers, tax professionals, the financial industry and other government agencies. We also constantly adapt to the latest fraud schemes, making success more difficult for tax criminals. See Identity Theft & Tax Fraud on page 9 for more information.



More communications rewritten in Plain Talk

As part of an ongoing initiative, we rewrote 14 tax guides in Plain Talk, a method to use simple and clear language in our communications. We also used Plain Talk to update responses to our most common email questions from taxpayers. And we continued to apply Plain Talk when updating letters, forms and instructions. So far, we've trained more than 400 Tax Commission employees to use Plain Talk when they communicate with taxpayers.

New online tools developed

We launched several tools on our website to help taxpayers, including:

- **Quick Pay** – A free service that lets taxpayers pay their bills online without having to create an account. They can pay their income taxes, make estimated payments or make audit payments using Quick Pay.
- **Document Upload** – A service that enables taxpayers to upload certain information we've requested from them. This includes documents to verify their identity and missing or extra information to support data reported on their income tax return.
- **Refund Graphic** – An online graphic that helps taxpayers track their refunds. The graphic shows a return's progress through four stages.
- **Tax Hubs** – Links to tax-specific information organized into one location on our website for easy access.
- **Email Filing Reminders** – Taxpayer Access Point (TAP) account owners can opt to receive emails that remind them to file their tax returns. The reminders cover only those returns filed through TAP.

Travel and convention tax return updated

We revised the travel and convention tax form to reflect a new law requiring short-term rental marketplaces to collect local travel and convention taxes. The upgrade included adding a field to identify the county where the tax was collected. This new field will help the Idaho Travel Council distribute the tax revenue to local planning regions more accurately.

Employees at Work



(top left) Leah Parsons, Taxpayer Resources Unit, gets a burger at the Tax Commission's summer lunch barbecue.

(top right) Karen Eavenson and Peggy Wright from our Audit Division.

(bottom left) Tim Clark, Management Services, gets a filing cabinet ready for a crosstown move.

(bottom right) Terry Ford (right), Information Technology, collects a tax return on Tax Day.

Most of Idaho's tax revenues come from income tax, sales/use tax, and property tax. Here's a list of the taxes the state collects.

Tax rates

| Tax | Rate | Notes |
|---|--|---|
| Beer | \$0.15/gallon | Beer over 4% alcohol content (strong beer) is taxed as wine. |
| Boise Auditorium District | 5% | On hotel/motel occupants in the Boise metropolitan area, except for long-term (more than 30 consecutive days) residents. |
| Cigarette | \$0.57 for a package of 20 | Wholesalers pay this tax to the Tax Commission. |
| Corporate net income | 6.925% (minimum \$20) | On Idaho taxable income. Multistate businesses must apportion their income using a three-factor formula made up of property, payroll, and sales (with the sales factor double-weighted). |
| Electricity | .5 mill per kilowatt hour | On water-generated electricity, except there is no tax on the sale of electricity used for irrigation, manufacturing, mining, milling, smelting, refining, or processing. |
| Fuels: Aviation gasoline Diesel Gasoline Jet fuel Compressed natural gas Liquefied natural gas Propane Transfer fee | \$0.07/gallon \$0.32/gallon \$0.32/gallon \$0.06/gallon \$0.32/GGE \$0.349/DGE \$0.232/gallon \$0.01/gallon | Users get refunds of tax depending on use and type of fuel. See the Fuels Consumers guide at tax.idaho.gov/fuelshub . <i>Transfer fee:</i> Generally charged on all liquid petroleum products. Not charged on propane and natural gas. |
| Individual income | 1.125% to 6.925% | On Idaho taxable income. The rate depends on income. |
| Mine license | 1% | On value of ores mined or extracted. |
| Oil and gas production | 2.5% | On market value of oil and gas produced or sold in Idaho. |
| Prepaid wireless E911 fee | 2.5% of service price | On sale of prepaid wireless telecommunication sources. |
| Sales/Use | 6% | On retail sales and rentals of tangible personal property; admission fees and fees for recreation or hotel/motel rooms (except for stays of more than 30 days). Use tax applies if sales tax wasn't paid at the point of purchase. Exceptions include sales of water, gas, or electricity by utilities; motor fuels (which are taxed separately); prescription drugs; certain tangible personal property used in manufacturing, farming, processing, mining, and fabricating. |
| Tobacco products | 40% of wholesale price | Tobacco products tax: 35%. Additional tax: 5%. Cigarettes aren't included. |
| Travel & convention | 2% | On hotel/motel occupants and campground users, except for long-term (more than 30 days) residents. |
| Wine | \$0.45/gallon | Beer over 4% alcohol content (strong beer) is taxed as wine. |

Property tax is collected by the counties and taxing districts to provide local services and isn't listed above.

This is a two-year comparison of revenues by category. These figures represent gross collections before refunds.

Revenues

| Source | FY2017 | FY2018 | Change |
|----------------------------------|------------------------|------------------------|--------------|
| Beer tax | \$4,118,115 | \$4,182,161 | +1.6% |
| Boise Auditorium District tax | 6,771,539 | 7,412,944 | +9.5% |
| Cigarette tax | 36,303,354 | 35,960,257 | -1.0% |
| Corporate income tax | 242,764,997 | 267,239,226 | +10.1% |
| E911 fee | 1,832,199 | 1,700,281 | -7.2% |
| Electricity (kilowatt hour tax) | 2,152,273 | 2,592,173 | +20.4% |
| Estate tax | 0 | 0 | 0.0% |
| Illegal drug tax | 154 | 489 | +217.4 |
| Individual income tax | 2,035,920,644 | 2,238,674,067 | +10.0% |
| Local option tax | 0 | 0 | 0.0% |
| Mine license tax | 75,833 | 52,493 | -30.8% |
| Miscellaneous revenues | 189,530 | 404,469 | +113.4% |
| Motor fuels taxes | 346,638,068 | 355,989,873 | +2.7% |
| Oil and gas production tax | 392,139 | 207,239 | -47.2% |
| Railroad Car Co. property tax | 52,262 | 67,940 | +30.0% |
| Sales/Use tax | 1,643,649,282 | 1,784,749,176 | +8.6% |
| Suspense (source not identified) | 8,254 | 10,263 | +24.4% |
| Tobacco tax | 14,519,235 | 15,159,302 | +4.4% |
| Travel & convention tax | 11,254,262 | 12,576,999 | +11.8% |
| Wine direct shipper fee | 13,763 | 14,175 | +3.0% |
| Wine tax | 5,616,814 | 5,809,321 | +3.4% |
| Total Gross Receipts | \$4,352,272,718 | \$4,732,802,846 | +8.7% |

Cost to collect tax revenues

| | FY2017 | FY2018 |
|--|--------------|--------------|
| | \$38,618,000 | \$39,314,200 |

**It costs less than a penny
to collect one tax dollar.**

The Tax Commission is responsible for conducting audits of tax returns filed by individuals and businesses and for collecting taxes owed that haven't been paid.

Audit

| Source | FY2015 | FY2016 | FY2017 | FY2018 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| Sales/Use | \$12,534,002 | \$11,884,602 | \$11,083,521 | \$12,143,179 |
| Withholding | 361,099 | 381,072 | 479,597 | 659,646 |
| Motor fuels | 643,322 | 521,776 | 710,938 | 850,555 |
| Miscellaneous* | 41,824 | 301,139 | 25,256 | 16,133 |
| Individual income | 13,657,365 | 15,867,049 | 18,081,641 | 20,595,241 |
| Corporate income | 17,900,340 | 11,242,740 | 36,397,930 | 16,233,876 |
| Estate | 0 | 0 | 0 | 0 |
| Hotel/motel** | 34,959 | 26,544 | 26,649 | 23,898 |
| Total | \$45,172,911 | \$40,224,922 | \$66,805,532 | \$50,522,528 |

* FY2017 and FY2018 include beer, cigarette, tobacco, wine, mine license, amusement device, E911, and electricity.

** Boise Auditorium District, travel & convention

Collection

| | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------|----------------------|----------------------|----------------------|----------------------|
| Total | \$112,397,933 | \$117,754,192 | \$112,912,218 | \$126,877,156 |

State & local taxes collected

| | | |
|-------------------|-------|-----------------|
| Property | 30.8% | \$1,910,200,000 |
| Individual income | 29.6% | \$1,837,500,000 |
| Sales | 28.7% | \$1,780,200,000 |
| Motor fuels | 5.7% | \$356,000,000 |
| Corporate income | 3.9% | \$240,800,000 |
| Other | 1.4% | \$85,600,000 |

FY2018 for income tax, motor fuels tax, sales tax, other. Net collections after refunds.

Calendar year 2018 for property tax. Amounts budgeted by taxing districts.

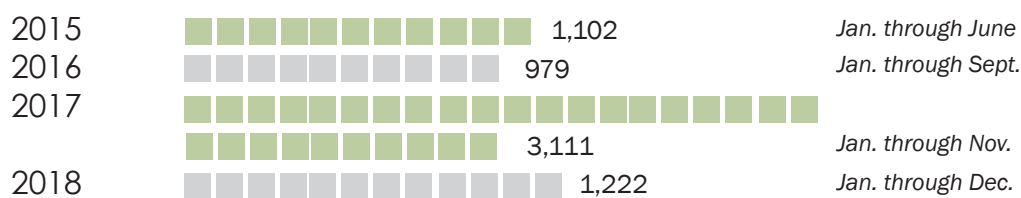
Identity theft

Identity theft occurs when a person knowingly and wrongfully obtains and uses someone else's personal data (Social Security number, name, address, etc.) in a way that involves fraud or deception for economic gain or benefits. The economic gain or benefit may be from filing fraudulent tax returns, obtaining credit, or receiving social benefits such as welfare or Medicaid.

Once we learn of an identity theft case, the Tax Commission helps the victim:

- Understand the impact of having one's identity stolen,
- Compile a list of actions to take,
- Resolve any tax issues with the state, and
- Find a safe way to file taxes in the future.

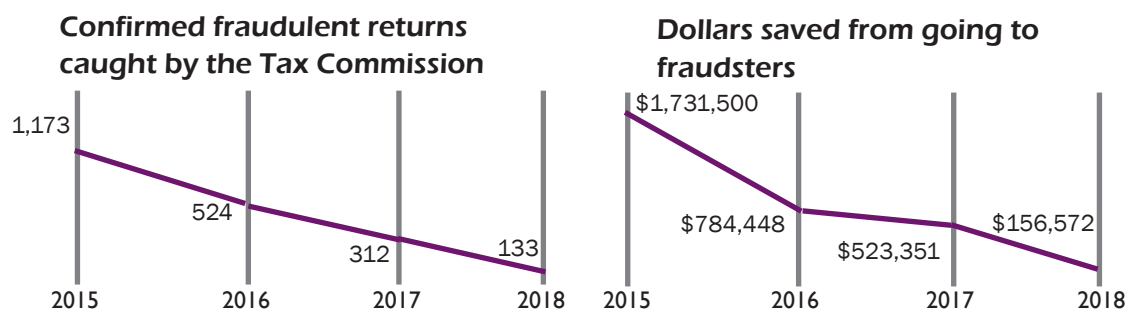
Idaho identity theft cases reported to the Tax Commission



Tax fraud

Tax fraud occurs when someone files a tax return to receive a refund they're not entitled to. Identity theft-related tax fraud occurs when someone purposely files a return using another individual's information. The Tax Commission uses a variety of ways to check for fraud and is constantly looking for ways to improve its effectiveness. Some of our checks include:

- Manual review of returns
- Automated reviews
- Verification from other sources



These figures indicate how the tax revenues collected in Idaho were distributed.

| Fund | FY2017 | FY2018 | Change |
|--------------------------------------|-----------------|-----------------|----------------|
| General Fund | \$3,232,268,684 | \$3,517,721,128 | +\$285,452,444 |
| Fish & Game Donation | 42,467 | 39,720 | -2,747 |
| Abandoned Mine & Oil & Gas Conserv | 261,066 | 136,833 | -124,233 |
| Secondary Aquifer Fund | 5,000,000 | 5,000,000 | 0 |
| Petroleum Storage Trust | 2,352,494 | 2,437,300 | +84,806 |
| Cancer Control Fund | 300,000 | 300,000 | 0 |
| Central Tumor Registry | 120,000 | 120,000 | 0 |
| Substance Abuse Treatment | 1,496,163 | 1,532,950 | +36,787 |
| County Juvenile Probation Svcs | 4,218,709 | 4,261,672 | +42,963 |
| Water Pollution Control | 4,800,000 | 4,800,000 | 0 |
| Idaho Travel & Convention | 11,124,852 | 12,382,710 | +1,257,859 |
| Veterans Support Donation | 48,152 | 44,820 | -3,332 |
| Cooperative Welfare Fund | 450,027 | 478,524 | +28,496 |
| State Aeronautics Fund | 2,116,848 | 2,311,321 | +194,473 |
| Parks & Recreation Motor Fuels | 5,155,955 | 5,308,292 | +152,337 |
| Bridges & Railroad Crossings | 350,000 | 350,000 | 0 |
| Local Highway Distribution | 27,542,960 | 28,496,539 | +953,578 |
| State Highway Account | 63,116,088 | 60,540,533 | -2,575,555 |
| Highway Distribution Fund | 233,130,694 | 240,932,520 | +7,801,825 |
| Search & Rescue Fund | 44,376 | 45,687 | +1,311 |
| Motor Fuel Distribution Fund | 934,101 | -121,289 | -1,055,390 |
| Transportation Congestion Mitigation | n/a | 22,609,330 | +22,609,330 |
| E911 Wireless | 1,791,761 | 1,661,268 | -130,493 |
| Multistate Tax Compact | 2,402,199 | 2,400,946 | -1,253 |
| Oil & Gas Local Economic Development | 25,097 | -9,960 | -35,057 |
| Administrative & Accounting Fund | 175,054 | 224,425 | +49,371 |
| Motor Fuels Administrative Fund | 4,472,800 | 4,502,100 | +29,300 |
| Wine Direct Shipper Fee to ISP | 2,575 | 2,875 | +300 |
| Permanent Building Fund | 18,938,952 | 19,305,186 | +366,235 |
| Garvee State Match | 4,700,000 | 4,700,000 | 0 |
| Miscellaneous Income | 179,901 | 210,274 | +30,373 |
| Opportunity Scholarship | 14,559 | 13,515 | -1,043 |
| Public School Endowment | 4,707,183 | 4,974,028 | +266,845 |
| Children's Trust Donation | 40,144 | 43,124 | +2,980 |

(continued from previous page)

| Fund | FY2017 | FY2018 | Change |
|---|------------------------|------------------------|-----------------------|
| Sales Tax - Cities & Counties | 205,136,010 | 221,693,644 | +16,557,634 |
| Sales Tax - Personal Property | 18,852,109 | 18,837,362 | -14,747 |
| Sales Tax - Ag Property Relief | 8,487,103 | 8,487,103 | 0 |
| Sales Tax - Demonstration Pilot Project | 8,779,625 | 10,061,059 | +1,281,434 |
| Sales Tax - Election Consolidation | 4,525,701 | 4,606,719 | +81,018 |
| Sales Tax - Held in Reserve | 6,792 | 38,733 | +31,941 |
| Estate Tax - to counties | 0 | 0 | 0 |
| Refund Fund | 466,452,459 | 512,763,460 | +46,311,001 |
| Refund Fund - County Juvenile Prob Svcs | 392,293 | 621,206 | +228,913 |
| Suspense Accounts | 8,254 | 10,263 | +2,010 |
| Custodial Accounts (Donations) | 7,220,673 | 7,857,203 | +636,530 |
| Local Option Tax | 0 | 79 | +79 |
| Oil & Gas - Cities & Counties | 87,839 | 69,644 | -18,195 |
| Total | \$4,352,272,718 | \$4,732,802,846 | +\$380,530,128 |

Tax revenue to local governments

In FY2018, local governments received 11.5% of Idaho's sales tax revenue.

Cities and counties:

- 3.24% of the revenue went to cities. Half of this amount was according to population, and the other half was based on the market value of property in each city.
- 3.24% of the revenue went to counties. Each county received a guaranteed annual amount of \$30,000. The rest went according to population.
- 4.54% of the revenue went to counties and cities using a complex formula based on amounts they received in 1999 and current population.

Other taxing districts:

- 88% of the revenue went to non-school taxing districts based on the complex formula mentioned above.
- \$8.5 million of the revenue went to eligible taxing districts to replace property tax on agricultural equipment that was exempted from property tax in a 2001 law.

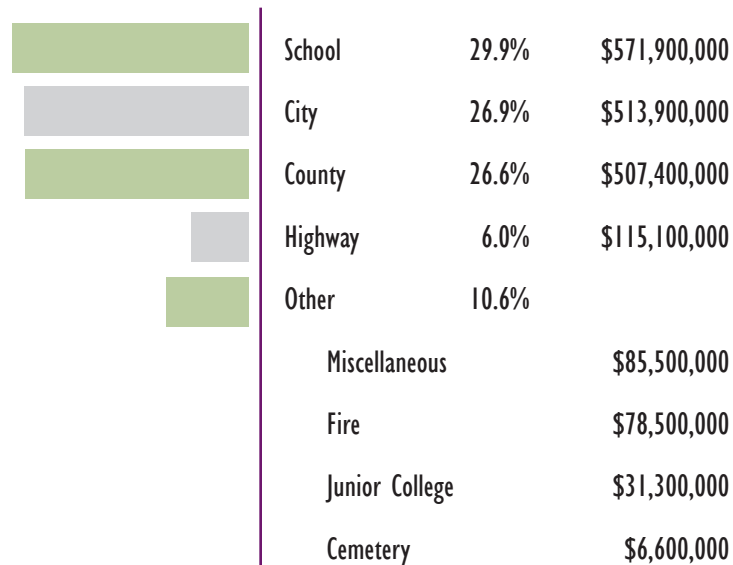
Taxing districts also received \$4.6 million in election consolidation revenue and \$18.9 million in personal property reimbursements. And small amounts of lottery withholding went to eligible counties.

A taxing district is a unit of government that is established to provide public services. Some districts, like cities and counties, provide a variety of services. Most have a limited purpose, such as mosquito abatement, flood control, etc.

Not all taxing districts actually levy taxes, even though they're legally authorized to do so. About 12.7 percent of taxing districts didn't levy property taxes in 2018.

Taxing districts overlap, and a property owner pays taxes to more than one district. Each piece of property lies in a unique "tax code area," which is defined by the combination of taxing districts that govern it. In 2018 there were 3,210 tax code areas in Idaho.

Distribution of 2018 property taxes



EMPLOYEE FOCUS

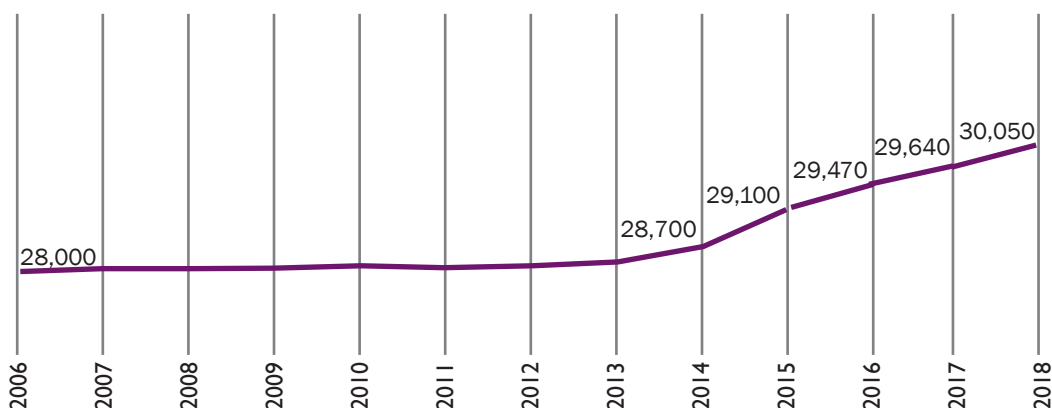
Celinda Manweller
 Offices Services Supervisor 2
 Audit Division
 14 Years with the Tax Commission

Idaho's property tax reduction (circuit breaker) program offers property tax relief to low-income elderly, widowed, disabled, and other eligible homeowners. Begun in 1974, it grew out of a widow's exemption program and was expanded in 1981. As income rises, the amount of property tax reduction decreases.

| Tax year | Claimants | Avg. benefit/claimant | Total paid |
|----------|-----------|-----------------------|--------------|
| 2018 | 27,078 | \$665.00 | \$18,018,804 |
| 2017 | 26,950 | 648.74 | 17,483,627 |
| 2016 | 27,097 | 624.34 | 16,917,668 |
| 2015 | 27,270 | 607.40 | 16,563,865 |
| 2014 | 27,365 | 565.54 | 16,276,463 |
| 2013 | 27,734 | 565.54 | 15,680,000 |
| 2012 | 28,426 | 557.20 | 15,840,000 |
| 2011 | 28,479 | 562.54 | 16,020,000 |
| 2010 | 28,399 | 565.21 | 16,050,000 |
| 2009 | 27,920 | 561.40 | 15,670,000 |
| 2008 | 27,831 | 554.43 | 15,430,000 |
| 2007 | 28,202 | 543.12 | 15,320,000 |
| 2006 | 28,737 | 534.09 | 15,350,000 |

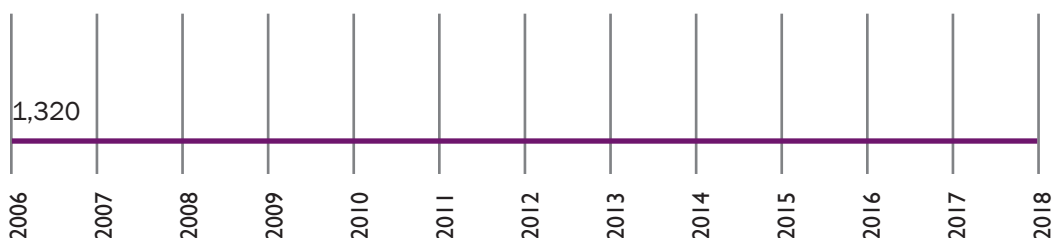
Maximum income

(in dollars)



Maximum benefit

(in dollars)



AVERAGE PROPERTY TAX RATES

These figures represent recent average property tax rates for urban and rural areas in each county. Rates are expressed as a percentage of the property's taxable value and include the total taxes levied by all taxing districts in the county. The urban tax rate includes all taxes paid within any incorporated city that levies property tax.

| County | 2017 Urban | 2017 Rural | 2018 Urban | 2018 Rural |
|------------|------------|------------|------------|------------|
| Ada | 1.431% | 1.170% | 1.350% | 1.123% |
| Adams | 1.488% | 0.758% | 1.370% | 0.746% |
| Bannock | 2.148% | 1.090% | 2.147% | 1.072% |
| Bear Lake | 1.005% | 0.612% | 0.993% | 0.594% |
| Benewah | 1.716% | 1.091% | 1.561% | 0.989% |
| Bingham | 2.156% | 1.357% | 2.238% | 1.322% |
| Blaine | 0.746% | 0.626% | 0.730% | 0.602% |
| Boise | 1.222% | 0.922% | 1.065% | 0.800% |
| Bonner | 1.261% | 0.768% | 1.191% | 0.722% |
| Bonneville | 1.746% | 1.077% | 1.742% | 1.060% |
| Boundary | 1.412% | 1.044% | 1.408% | 1.030% |
| Butte | 1.987% | 1.244% | 1.887% | 1.094% |
| Camas | 1.961% | 1.138% | 1.808% | 0.958% |
| Canyon | 1.971% | 1.253% | 1.821% | 1.175% |
| Caribou | 2.094% | 1.083% | 2.008% | 1.033% |
| Cassia | 1.537% | 0.921% | 1.404% | 0.859% |
| Clark | 1.125% | 0.780% | 1.150% | 0.789% |
| Clearwater | 2.035% | 1.207% | 1.929% | 1.141% |
| Custer | 0.784% | 0.504% | 0.800% | 0.514% |
| Elmore | 2.192% | 1.077% | 2.098% | 1.036% |
| Franklin | 1.268% | 0.904% | 1.227% | 0.867% |
| Fremont | 1.251% | 0.873% | 1.193% | 0.835% |
| Gem | 1.425% | 0.873% | 1.234% | 0.706% |
| Gooding | 1.646% | 0.886% | 1.623% | 0.914% |
| Idaho | 1.199% | 0.627% | 1.183% | 0.602% |
| Jefferson | 1.874% | 1.080% | 1.791% | 1.036% |
| Jerome | 2.266% | 1.356% | 2.120% | 1.251% |
| Kootenai | 1.346% | 0.917% | 1.227% | 0.838% |
| Latah | 1.876% | 1.417% | 1.760% | 1.357% |
| Lemhi | 1.138% | 0.557% | 1.090% | 0.536% |

(continued from previous page)

| County | 2017 Urban | 2017 Rural | 2018 Urban | 2018 Rural |
|------------|------------|------------|------------|------------|
| Lewis | 1.706% | 1.133% | 1.773% | 1.180% |
| Lincoln | 1.800% | 0.909% | 1.778% | 0.920% |
| Madison | 1.710% | 1.419% | 1.618% | 1.340% |
| Minidoka | 1.411% | 0.866% | 1.486% | 0.891% |
| Nez Perce | 2.137% | 1.214% | 2.168% | 1.228% |
| Oneida | 1.509% | 0.704% | 1.474% | 0.682% |
| Owyhee | 1.404% | 0.932% | 1.446% | 0.947% |
| Payette | 1.682% | 0.921% | 1.630% | 0.845% |
| Power | 2.435% | 1.467% | 2.290% | 1.355% |
| Shoshone | 1.988% | 1.303% | 2.007% | 1.327% |
| Teton | 0.997% | 0.777% | 1.062% | 0.847% |
| Twin Falls | 1.912% | 1.244% | 1.869% | 1.205% |
| Valley | 1.062% | 0.610% | 0.989% | 0.560% |
| Washington | 1.804% | 0.963% | 1.759% | 0.938% |
| Statewide | 1.511% | 0.994% | 1.438% | 0.951% |



EMPLOYEE FOCUS

Christina Tromburg
 Technical Records Specialist 1
 Audit Division
 6.5 Years with the Tax Commission

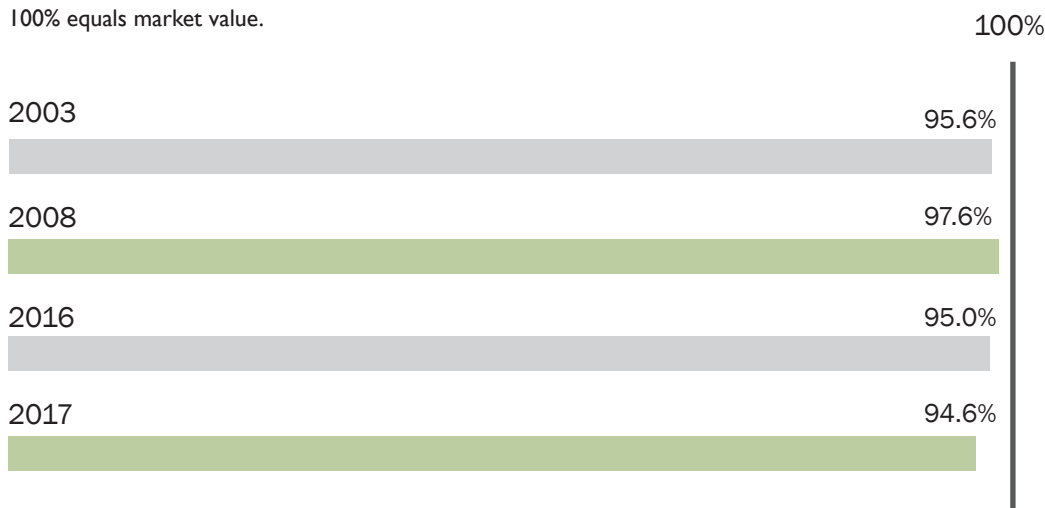
The Tax Commission is responsible for making sure each county assessor is assessing property at market value as required by Idaho law. To do this, the Tax Commission conducts annual ratio studies in each county. These studies are used to evaluate the assessment process in the counties and to equalize the distribution of state school funds and local school property taxes.

The ratio study is a type of statistical analysis in which assessments are compared to sales prices for residential and commercial property in each county and school district. The ratio study provides measurements of assessment quality by determining the typical level and relative uniformity of the assessments.

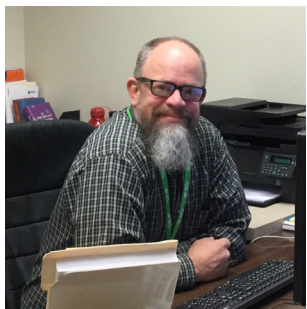
The results are reported to the State Board of Equalization (consisting of tax commissioners), which meets annually to review property assessments by category. The Tax Commission has established assessment level standards based on nationally recognized practices. Categories that don't meet these standards may be subject to additional testing or adjustments by the Tax Commission.

Median assessment level

100% equals market value.



Year 2003 reflects improved urban residential property. Years 2008, 2016 and 2017 reflect improved residential property.



EMPLOYEE FOCUS

Mark Stones
Sales Tax Bureau Chief
Audit Division
28 Years with the Tax Commission

Comparisons among Idaho, the Western states, and the nation are highlighted below. The Western states used for comparison are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Percentages indicate how much of the average person's 2016 total income was spent on each tax in fiscal year 2016. This comparison includes state and local taxes.

| Type of Tax | National Average | Idaho Average | Median/Western States |
|-------------------|------------------|---------------|-----------------------|
| Property | 3.16% | 2.37% | 2.66% |
| Sales | 2.37% | 2.34% | 2.37% |
| Individual Income | 2.36% | 2.27% | 2.27% |
| Corporate Income | 0.34% | 0.28% | 0.22% |
| Motor Vehicle | 0.46% | 0.78% | 0.54% |
| Overall | 10.05% | 8.80% | 9.33% |

The chart below compares Idaho 2016 taxes to the national average of state and local taxes after adjusting for differences in income or population among the states. It also shows the number of states using each tax and includes Washington, D.C. This chart is based on fiscal year 2016 data released by the U.S. Census Bureau.

| Type of Tax | Income | | Population | | # of states with tax |
|-------------------|--------------|------|--------------|------|----------------------|
| | % of US Avg. | Rank | % of US Avg. | Rank | |
| Property | 75.0% | 38 | 60.7% | 42 | 51 |
| Sales | 98.6% | 25 | 79.8% | 34 | 47 |
| Individual Income | 96.2% | 30 | 77.8% | 33 | 44 |
| Corporate Income | 82.9% | 24 | 67.1% | 29 | 47 |
| Motor Vehicle | 171.3% | 3 | 138.6% | 7 | 51 |
| Overall | 87.8% | 38 | 71.0% | 46 | 51 |



EMPLOYEE FOCUS

PJ Hall Jr.
 Technical Records Specialist 1
 Revenue Operations Division
 8 Years with the Tax Commission

Our offices



Boise

800 E. Park Blvd., Plaza IV
Boise, ID 83712-7742

This office is moving in the summer of 2019. Please check tax.idaho.gov/visit for the new address and when the move will occur.



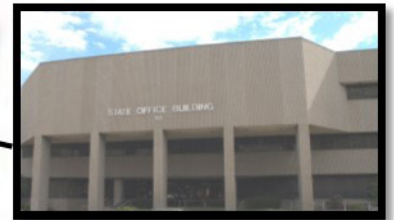
Coeur d'Alene

1910 Northwest Blvd., Suite 100
Coeur d'Alene, ID 83814-2371



Lewiston

1118 F St.
Lewiston, ID 83501-1014



Idaho Falls

150 Shoup Ave., Suite 16
Idaho Falls, ID 83402-3657



Pocatello

611 Wilson Ave., Suite 5
Pocatello, ID 83201-5046

This office is moving in February 2019. Please check tax.idaho.gov/visit for the new address and when the move will occur.



Twin Falls

440 Falls Ave.
Twin Falls, ID 83301-3320

