

PROPERTY TAX FOR HOMEOWNERS

An Educational Guide to Property Tax in the State of Idaho

If you're a homeowner, you may have some questions about the way your property is assessed. The assessed value of your home is part of the calculation of how much tax you pay. Assessments should be accurate so that all taxpayers pay their fair share of the total property tax.

This brochure answers some of the most frequently asked questions about property assessment and taxes.

How is property assessed?

Idaho law requires that all taxable property be assessed at market value each year. To do this, your assessor develops valuation guidelines based on the sales prices of comparable homes in your area. Some factors that often influence what a buyer would pay for your home and land are size, quality, age, condition, and location.

The county assessor uses this information to estimate how much a buyer might reasonably pay for your home if it were to sell on January 1 of the current year.

How often are property values adjusted?

The value of your property may change each year depending on real estate market changes.

An appraiser from the county assessor's office must visit your property at least once in each five-year period. During the other four years, the county assessor will use information from property sales and/or from the inspections of other properties to estimate the current market value for your property.

How can my property be assessed on improvements when I haven't made any?

The term "improvements," as used in property assessment, doesn't refer just to remodeling, renovating, or upgrading. "Improvements" include paving, buildings (your house, garage, manufactured home, etc.), or other structures that add value to land, regardless of whether existing, new, or when completed.

What makes property real or personal?

Real property consists of land and the improvements attached to it. Personal property normally isn't attached to the land; it's generally mobile and doesn't last as long as real property. A copy machine is an example of personal property.

Generally, personal property that's used by the owner for a nonbusiness purpose isn't subject to property tax. An example is household furnishings. If the same property is used in a business activity, whether in a private home or elsewhere, it's subject to property tax and you must report it to the assessor.

Properly registered vehicles, including recreational vehicles, aren't subject to property tax.

For more information on personal property, refer to the Personal Property Valuation brochure and the Manufactured Housing brochure.

How do I know what value the assessor has estimated for my property?

The value of your property is shown on your assessment notice. The county assessor usually mails this notice to you by the first Monday in June. If you don't receive this notice, contact your county assessor.

What if I disagree with the value the assessor estimated for my property?

Contact your county assessor if you disagree with the assessed value. Your assessor maintains a file of information on your property. If you have questions about your assessment, you should review this information with the assessor to ensure its accuracy. If you can't resolve your disagreement with the assessor, you may appeal to the county board of equalization, which consists of your elected county commissioners. Most appeals must be filed with your county clerk by the fourth Monday in June. Properties assessed at other times of the year have different appeal dates.

Property values maintained by your county assessor are public records. You may also ask to review the value of other properties in that county.

How is my property tax determined?

The amount of tax is determined from the budget needs of the taxing districts. Many kinds of taxing districts exist in Idaho. Some, like cities and counties, levy taxes to provide a wide range of services. Others levy taxes for specific purposes like highways, schools, or fire protection.

Officials for each taxing district determine the annual budget needed to provide the district's services. The part of the approved budget to be funded by property tax is divided by the total taxable value of all properties within the district.

The result is the district's tax rate (or levy). This rate, multiplied by the taxable value of your property, determines the amount of taxes you owe to that district.

Each property is located within several independent taxing districts. Your property tax bill will include taxes for all the districts where you live. The tax rate for a taxing district is the same for all taxable properties within that taxing district.

When will I get my property tax bill?

The county treasurer mails the tax bills to most taxpayers by the fourth Monday of November. Contact your county treasurer if you have questions about your tax bill.

How can my taxes go up if my property's taxable value doesn't increase?

Tax rates may be affected by a variety of factors.

Rates may increase due to a taxing district's emergency needs or voter-approved bonds and override levies. Total tax rates may increase due to the creation of a new taxing district that includes your property or because other property values declined while yours didn't.

For example, if a business has downsized or slowed for local industry or agriculture, a county's economy may suffer and affected property values may go down. Consequently, your taxes may be higher since taxing districts still need to pay for basic services.

What is the average property tax rate?

In 2017, the average urban property tax rate was 1.511 percent. This compares to 1.542 percent for 2016. In 2017, the average rural rate was 0.994 percent, which compares to 1.012 percent for 2016.

Are there limits on property tax increases?

Yes. Most taxing districts have maximum tax rates they can charge. Districts other than schools are limited to annual increases of 3 percent plus an allowance for growth on a portion of their budgets. The growth allowance is calculated from the value of new construction and annexation that occurred during the prior year.

Why do I pay higher taxes than my neighbor?

You may live in a different taxing district than your neighbor. Differences in size, quality, or condition of your property can result in value differences.

Also, your neighbor may be eligible for some form of property tax reduction when you either didn't qualify or didn't apply.

Is any tax relief available to homeowners?

Yes. If you're a homeowner, you can apply for an exemption on the value of your owner-occupied primary residence, including a manufactured home. The exemption applies to fifty percent of the value of the residence (including up to one acre of land) or \$100,000, whichever is less. Taxes are computed on the nonexempt value. You may also apply for this exemption on your home (not land) if you're paying occupancy taxes.

Applications are available from your county assessor's office. When an application is approved, the exemption is continuous as long as you own and occupy the property. Upon change of ownership, the new owner must file a new application. No income or age restrictions exist, but you can qualify for an exemption on only one home at a time. You must own and occupy your home before April 15 of the current year and must apply for the exemption by April 15.

You may also qualify for a property tax reduction if you meet the income requirements and fit one of the following categories:

- Age 65 or older
- Widow(er)
- Blind
- Former POW
- Fatherless or motherless minor
- Qualifying disabled persons

Applications are available from your county assessor. You must apply each year between January 1 and April 15.

What is an occupancy tax?

If you buy a home that no one has ever lived in and move into it after January 1, you must pay an occupancy tax. The tax is on the prorated value of the improvements for the portion of the year since first occupancy.

What if I can't afford to pay my taxes?

If you can't afford to pay your taxes, you can apply to your county commissioners for a hardship exemption. Most applicants must file by the fourth Monday of June to request a hardship exemption from the current year's taxes.

When must I pay property taxes?

You can pay taxes for most property in two equal installments, with the first half due December 20 and the second half due the following June 20. You can also make installment payments. However, you must pay the full year's tax on a manufactured home before you can move it.

Pay your property taxes to the county treasurer. Contact your county treasurer for more information.

What happens if I don't pay on time?

Overdue taxes accrue interest and penalty. Property taxes are an automatic lien against your property. If taxes are unpaid three years after the due date, the county takes title to real property, such as land and houses. The county commissioners may sell the real property after taking title. Personal property, which includes certain manufactured housing, can be sold immediately after property taxes are overdue.

How can I get more information about my property taxes?

For more information, read the following brochures:

- Property Tax Reduction
- Idaho's Forest Land Taxation Law
- Personal Property Valuation
- Manufactured Housing

For more information, contact:

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 332-6624
- Toll free, (800) 777-0983 x 6624
- Hearing impaired: TDD (800) 377-3529
- **tax.idaho.gov**

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive