

IN THE SENATE

SENATE BILL NO. 1241

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX REDUCTION; AMENDING SECTION 63-705, IDAHO CODE, TO
2 REVISE PROVISIONS REGARDING PROPERTY TAX REDUCTION; AND DECLARING AN
3 EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.
4

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 63-705, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 63-705. PUBLICATION OF CHANGES IN INCOME LIMITATIONS AND PROPERTY TAX
9 OR OCCUPANCY TAX REDUCTION AMOUNTS.

10 (1) (a) The state tax commission shall publish adjustments to the income
11 limitations, which shall be the greater of:

12 (i) An individual's income as defined in section 63-701, Idaho
13 Code, of not more than thirty-one thousand nine hundred dollars
14 (\$31,900) per household for tax year 2021 and each tax year there-
15 after; or

16 (ii) One hundred eighty-five percent (185%) of the federal
17 poverty guidelines for a household of two (2) for tax year 2021 and
18 each tax year thereafter.

19 (b) On and after January 1, 2022, if the current year's assessed value
20 of the home owned by the individual, according to the current year's as-
21 sessment notice, exceeds ~~one two hundred twenty-five percent (125200%)~~
22 of the median assessed valuation for all homes in the county receiving
23 the homestead exemption pursuant to section 63-602G, Idaho Code, then
24 the individual will instead be referred to the property tax deferral
25 program set forth in sections 63-712 through 63-721, Idaho Code. Using
26 the current year's assessed values, each county shall report the median
27 assessed value of all properties receiving the homestead exemption in
28 such county as of that date to the state tax commission no later than
29 the first Monday in June. Provided, however, the provisions of this
30 paragraph do not apply to a veteran with either a service-connected
31 disability of one hundred percent (100%) or a disability rating based on
32 individual unemployability rating that is compensated at the one hun-
33 dred percent (100%) disability rate, as certified by the United States
34 department of veterans affairs.

35 (c) The lowest income limitation shall allow a maximum reduction of one
36 thousand five hundred dollars (\$1,500) in tax year 2021 and thereafter,
37 or actual property taxes or occupancy taxes, as applicable, whichever
38 is less. Each income limitation and reduction amount shall be prorated
39 based on the basic maximum reduction, in practicable increments so that
40 the highest income limitation will provide for a reduction of two hun-
41 dred fifty dollars (\$250), or actual property taxes, whichever is less.

1 (2) The state tax commission shall publish the adjustments required by
2 this section each and every year the secretary of health and human services
3 announces cost-of-living modifications, pursuant to 42 U.S.C. 415(i). The
4 adjustments shall be published no later than October 1 of each such year and
5 shall be effective for claims filed in and for the following property tax
6 year.

7 (3) The publication of adjustments under this section shall be exempt
8 from the provisions of chapter 52, title 67, Idaho Code, but shall be pro-
9 vided to each county and to members of the public upon request and without
10 charge.

11 SECTION 2. An emergency existing therefor, which emergency is hereby
12 declared to exist, this act shall be in full force and effect on and after its
13 passage and approval, and retroactively to January 1, 2022.