

State of Idaho Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Taxable property is assessed at its full market value (IC Sec. 63-205). Market value is the most probable amount for which a property would change hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment (IC Sec. 63-208, Rule 35.01.03.204). Personal property is valued at the retail level. However, in *Merris dba Lindsay Soft Water of Boise Idaho v. Ada County* ((ID SCt 1979) 100 Idaho 59,593 P2d 394), the Idaho Supreme Court required a county assessor to use a property's wholesale price for purposes of determining the fair market value of leased or rented personal property.

Operating property generally means real and personal property necessary to the maintenance and operation of any public utility, railroad or private railcar fleet, wholly or partly within Idaho. Operating property must be included in taxable value for the purpose of making a levy, except when an exemption is provided or when the levy is to be made against real property only. (IC Sec. 63-201(16)). The Commission is required to promulgate rules that provide for the exclusion of exempt intangible personal property from the taxable value of state-assessed operating property (IC Sec. 63-602L). The rules must allow each taxpayer the right to elect one of the following three methods for exclusion of its intangibles from the taxable value of its operating property: (1) separate exclusion of the intangibles at the system level; (2) separate exclusion of the intangibles at the state-allocated level; and (3) exclusion of intangibles by valuation of only tangible personal property and nonexempt intangible personal property using valuation models that do not impound or include values of the exempt intangibles.

Electric utilities: In the assessment of the operating property of rate regulated electric utility companies, the market value is to be determined by the state tax commission as provided in IC Sec. 63-205B.

Real Property Defined

Real property consists of both land and improvements (IC Sec. 63-201; Rule 35.01.03.205.01) and fixtures. Land is real property as well as all of the rights and privileges belonging or appertaining to the land (Rule



35.01.03.205.01.a). Furthermore, real property consists of all other property that the law defines, or that a court may interpret, declare, and hold, to be real property under the letter, spirit, intent, and meaning of the law (Rule 35.01.03.205.01.b).

Personal Property Defined

Personal property means everything that is the subject of ownership and that is not included within the term real property (IC Sec. 63-201(19), Rule 35.01.03.205.02). All taxable improvements on government, Native American, state, county, municipal, or other lands exempt from taxation, and all improvements on railroad rights of way owned separately from the land, are also assessed as personal property (IC Sec. 63-309).

Intangible Property Taxes

Other intangible personal property is limited to goodwill, customer lists, contracts and contract rights, patents, trademarks, custom computer programs (as defined in IC Sec. 63-3616), copyrights, trade secrets, franchises, licenses, and rights of way that are possessory only and not accompanied by title. Capital stock, bonds, and other intangible personal property are exempt from property taxes (IC Sec. 63-602L). Deposits in national banks, state banks, and savings and loan associations, and shares and accounts of Idaho savings and loan associations, credit unions, or associations operating for the benefit of their members, are also exempt. Dues and credits secured by mortgage, trust deed, or other liens are exempt as well (IC Sec. 63-602M).