IDAPA *35* – STATE TAX COMMISSION

35.01.03 - RULES GOVERNING IDAHO PROPERTY TAX RULES

DOCKET NO. 35-0103-2601

NOTICE OF RULEMAKING - PROPOSED RULE

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be held as follows:

Thursday, September 10, 2026 ***1:00 PM (MT)***
In Person: ***Coral Conference Room*** ***Idaho State Tax Commission*** ***11321 W. Chinden Blvd., Bldg. 2 Boise, ID 83714-1021*** ***Join from the meeting link*** ***https://idahogov.webex.com/idahogov/j.php?MTID=m1f19df25878ed393ed666fcbdb97a613*** ***Meeting number: 2864 231 2179*** ***Meeting password: MShXc7JiQ74*** ***Join by phone:*** ***+1-415-655-0001 US Toll*** ***Meeting number: 2864 231 2179***

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The State Tax Commission will perform a critical review of changes to statutes and existing rules chapter. We will rewrite sections of this chapter by standard rulemaking and contemplate the following:

- Rule 609 (Homeowners Exemption Timing): Modified to align with House Bill 843. The statute changed the primary residential exemption structure from a partial-year or full-year calculation to a strict full-year-only timeframe. The rule is being updated to prevent county assessors from mistakenly removing valid exemptions mid-year.
- Rule 610 (Cross-Reference Update): This is a purely technical cleanup. Because Rule 610 directly references the criteria in Rule 609, it must be adjusted to match the new full-year timeline terminology.
- Rule 618 (Irrigation Exemption Mechanism): This section is being completely deleted because it is entirely obsolete. A previous legislative session passed House Bill 329, which revoked Idaho Code Section 63-602N and created a completely separate mechanism pursuant to Idaho Code Section 63-3502C for managing kilowatt hour tax exemptions on irrigation equipment.
- Taxing District Splits (Successor Apportionment): To incorporate House Bill 722, a new Rule Section 418 is being added. It clarifies that when a school district, taxing unit, or urban renewal area splits into successor districts, the action will not be legally treated as a “dissolution” for tax reapportionment purposes. The rule establishes how existing allocation proportions will be divided among successor districts following a split. It also reinforces the existing treatment of consolidations, which serves as the underlying allocation framework from which successor district proportions are derived. Both components are necessary to ensure the proportional tax is not reapportioned to surviving districts after a dissolution.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the ***July 1, 2026, Bulletin 35-0103-2601, Idaho Administrative Bulletin, Vol. 26-7, page 89.***

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Garin Evans at *garin.evans@tax.idaho.gov* or (208) 332-6624.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before ***October 2, 2026***.

DATED May 29, 2026

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