

PERSONAL PROPERTY VALUATION

An Educational Guide to Property Tax in the State of Idaho

If you operate a business, you may have some questions about the way your personal property is assessed. The assessed value of your personal property 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 personal property tax.

This brochure answers some of the most frequently asked questions about personal property. This information is based on laws in effect on January 1, 2007.

What is personal property?

Taxable personal property consists of items used commercially, such as furniture, libraries, art, coin collections, machinery, tools, equipment, signs, unregistered vehicles, and watercraft. Taxable personal property also includes items used commercially for convenience, decoration, service, or storage. Examples are store counters, display racks, desks, chairs, file cabinets, computers, typewriters, office machines, and medical/scientific instruments.

These lists aren't all-inclusive; contact your local county assessor for more information.

What is transient personal property?

Transient personal property is unregistered construction, logging, or mining equipment that spends 30 days or more in a county during the same year, including equipment brought in from another state.

If you own transient personal property, you may treat the county where you maintain a residence or usual place of business as your home county.

You should file the declaration for transient personal property on or before the first Monday of November each year with the assessor of your home county.

What personal property is assessed?

All personal property in Idaho, unless exempt, is subject to assessment and taxation. You must report all of your taxable personal property to your county assessor using a Personal Property Declaration form available from the assessor.

Who assesses personal property?

All personal property is assessed by the county assessor of the county where it's located.

What personal property is tax exempt?

The following list includes some of the major categories of personal property exempt from taxation:

- Personal effects, clothing, and household items (unless used in a business)
- Vehicles and vessels properly registered in the state of Idaho
- Livestock
- Business inventory
- Equipment used for education
- Medical equipment owned or leased by qualifying hospitals
- Property owned by nonprofit organizations
- Facilities for water or air pollution control
- Machinery and equipment used exclusively in production of crops, livestock, or nursery stock

Some other exemptions are allowed by law. Contact your county assessor for this information.

When must I report my personal property?

You must return your personal property declaration to the county assessor by the date shown on the declaration, usually March 15. For exceptions, contact your county assessor.

What if I don't report my personal property?

The county assessor must assess property that isn't declared. The assessment is estimated based on the best information available.

In Idaho, county officials must double the assessed value of any personal property they discover was willfully concealed, removed, transferred, misrepresented, or not listed or declared by the owner, or the agent or representative of the owner, to avoid paying tax. The assessment is doubled for each year the property wasn't assessed.

How is personal property assessed?

The assessor uses the information provided on your declaration to determine the retail market value. This value includes shipping, installation, and other costs incurred to have the property functioning. Several methods are used to arrive at this value, including depreciation tables, sales information, cost guides, and other sources.

What is market value?

Market value is the value property is likely to sell for in the open market. It's the amount of money an informed buyer would pay a willing seller.

How do I know what the assessed value of my personal property is?

The value of personal property is stated on the assessment notice. The county assessor usually mails this notice to you by the first Monday in June.

If you start a new business after January 1, the assessment notice for your personal property is usually mailed by the fourth Monday of November. The assessment notice for transient personal property is also mailed in November. When you get your notice, look at it carefully to make sure all the information is accurate.

What if I disagree with the assessed value of my personal property?

Contact your county assessor if you disagree with the assessed value or you have questions about your assessment. You can review the information that the assessor has 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. Please contact your county clerk for information.

Be prepared to document your reasons for requesting a change in your property's assessed value. You'll need to show that the assessor's value isn't the current market value of the personal property.

How is my personal property tax determined?

The market value of your property is one factor in setting the amount of tax you pay. The amount of tax is determined by the budgets of the taxing districts where your property is located. The assessor doesn't determine tax amounts.

Many kinds of taxing districts exist in Idaho. Some, like cities and counties, provide a wide range of services. Other districts levy taxes for specific purposes like highways, schools, or fire protection.

Each taxing district is administered by officials who determine how much money the district needs to provide services. After a district's budget is set, the part of the budget funded by property taxes is divided by the total taxable value of all property within the taxing district to arrive at a tax rate. The tax rate is multiplied by the taxable value of your property, resulting in the amount of taxes you owe.

When is my personal property tax due?

The county treasurer mails most tax bills by the fourth Monday of November. If you pay the first half by December 20, the second half is due by June 20, unless the treasurer demands earlier payment. For December assessments, you should receive the bill in January of the following year.

Contact the treasurer for information about installment payments and your bill.

What happens if I don't pay my personal property tax on time?

Overdue taxes accrue interest and penalty. Property taxes are an automatic lien against your property. If taxes remain unpaid, the county sheriff can seize and sell your property.

What if I close my business or sell it?

If you sell or close a business, you should notify the county assessor in writing as soon as possible. The assessor will explain how your assessment will be handled.

For more information, contact:

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 334-7740
- Toll free: (800) 777-0983, ext. 7740
- Hearing impaired: TDD (800) 377-3529
- tax.idaho.gov

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive explanations of Idaho tax laws or rules. Specific questions should be addressed to the Tax Commission.