

Agricultural Exemption (Idaho Code 63-604)

What is the Agricultural Exemption, and how do I apply?

The agricultural exemption, also known as the speculative value exemption. Reduces the taxable value of agricultural land.

Idaho Code describes agricultural land as: land actively devoted to agricultural and a part of a bona fide profit-making agricultural venture. The land is further described as follows:

- Used to produce field crops and/or
- Used by the owner or bona fide lessee for grazing of livestock to be sold as part of a net profit-making enterprise.
- Land shall not be classified or valued as agricultural land when it is part of a platted subdivision with stated restrictions prohibiting its use for agricultural purposes.
- Land utilized for grazing of a horse or other animals kept primarily for personal use or pleasure shall not be considered to be land actively devoted to agriculture.

Acreage Requirements

If the total area of such land, including the home site, is more than five (5) contiguous acres that may be a group of separately assessed parcels with common boundaries and ownership, the owner is qualified for and can make application for the exemption. In order to continue receiving the agricultural classification in future years, the owner must ensure that the land continues to be devoted to agricultural use or show that it has been placed or continues to be in crop retirement or rotation program.

When the area is five acres or less, such land shall be presumed to be non-agricultural land until it is established that the following requirements can be met.

- The owner must make an initial application and must show that the land was actively devoted to agriculture during the last three growing seasons and
- Agriculturally produces for sale or home consumption the equivalent of 15% or more of the owners' or lessees' annual gross income or
- Agriculturally produced gross revenues in the immediately preceding year of \$1,000.00 or more, including net income per sale of livestock.
- The landowner must provide proof of these minimum incomes each year for the land to remain in qualification.

Application Deadline

The initial application must be made in the Assessor's office by April 1st of the year in which the owner is seeking the agricultural exemption on the land. For land that is five (5) acres or less, the landowner must provide proof of income from the year before by April 1st each year.

Valuation of Agricultural Land

When property is accepted for the agricultural exemption, it is given one of the following classifications: dry cropland, irrigated cropland, dry grazing, or irrigated grazing. There are a number of different assessment rates that apply to the land according to its ability to produce crops or grazing grasses. The value is calculated by multiplying the acres qualified for the exemption by one of these rates, which are lower than the per acre rates for full market value. These rates are computed each year using variables such as location of land, crop yields and costs related to producing crops.

For more information contact the Assessor's office. 208-547-4749.