

## **SUMMARY STATEMENT**

*Latah County v. Idaho State Tax Commission*  
Docket No. 50852

This appeal concerns the statutory interpretation of Idaho's homestead property tax exemption, Idaho Code section 63-602G (2020). The statute provides a homestead property tax exemption for homeowners who apply and meet specific criteria. In 2020, the Idaho Legislature amended the law by removing the April 15 application deadline and stating that the exemption would become "effective upon the date of application." Following this amendment, the Tax Commission issued guidance that counties should apply the homestead exemption for the entire tax year, regardless of when the application is submitted, and that no proration would be allowed. However, Latah and Lincoln Counties disagreed with the Tax Commission's interpretation. They chose to prorate the exemption based on the homeowner's application date.

Subsequently, the Tax Commission issued an order directing that for all homestead exemption applications received on or after January 1, 2022, the assessors of Latah County and Lincoln County must stop prorating the homestead exemption and adhere to the interpretation of Idaho Code section 63-602G provided in Attorney General Opinion 21-01.

Upon judicial review, the district court reversed and set aside the Tax Commission's order and entered judgment in favor of the Latah and Lincoln Counties. The district court concluded that the Tax Commission exceeded its authority "apparently in an effort specifically to avoid legislative review" by issuing the May 2022 order. The district court also determined that Idaho Code section 63-602G was ambiguous but denied deference to the agency's interpretation of the statute. Instead, the court reviewed legislative history and concluded that "the legislature intended to allow proration of the homeowner's exemption effective on the 'date of the application.'"

On appeal, the Idaho Supreme Court held that the unambiguous plain language of Idaho Code section 63-602G (Supp. 2020) (effective January 1, 2021) requires retroactive application of the homestead exemption to January 1 of the tax year during which the application was submitted, without regard to the application submission date. In addition, the Court determined that the Tax Commission's May 2022 Order was a valid exercise of its statutory authority under Idaho's Revenue and Tax Code. Therefore, the district court erred in concluding that the Commission lacked the authority to issue binding orders to county assessors regarding the application of the homestead exemption. As a result, the Court vacated the district court's judgment, reversed the order that set aside the Tax Commission's order and remanded the case to the district court for entry of an order affirming the Tax Commission's May 2022 Order.

***\*\*\*This summary constitutes no part of the Court's opinion. It has been prepared by court staff for the convenience of the public.\*\*\****