

SUMMARY STATEMENT

First Presbyterian Church of Boise, Idaho, Inc. v. Ada County
Docket No. 51890-2024

This case concerns an application for a property tax exemption for a church. First Presbyterian Church of Boise, Idaho, Inc. (“FPC”) filed a Property Tax Exemption Application with the Ada County Board of Commissioners (“Commissioners”) seeking a 100% religious entity tax exemption pursuant to Idaho Code section 63-602B for its church located in Boise. The Commissioners only approved an 82% partial tax exemption because FPC leased 18% of the property to the YMCA to operate a daycare program. FPC appealed to the Ada County Board of Equalization (“BOE”) seeking a 100% exemption. The BOE affirmed the 82% exemption. FPC appealed to the district court, which also affirmed. FPC then appealed to the Idaho Supreme Court and argued that the use of its property by the YMCA should not exclude FPC from claiming a full tax exemption.

The Idaho Supreme Court reversed the district court’s decision and held that FPC is entitled to a 100% tax exemption. Beginning with the general exemption language of Idaho Code section 63-602B(1), the Court held that FPC met the requirements for a 100% tax exemption under that section because FPC is a religious entity and its lease to the YMCA was exclusively for and in connection with FPC’s religious purposes or activities, namely its mission outreach to the downtown Boise community. The Court then examined whether FPC was only entitled to a partial exemption under section 63-602B(2), which provides that property of a religious entity is subject to taxation if it is leased for business or commercial purposes from which it derives revenue. The Court held that, even though FPC leased a portion of its property to the YMCA, the lease was not for business or commercial purposes because the YMCA used the property for “athletic or recreational facilities,” or “meeting rooms or halls, auditoriums, or club rooms” for and in connection with the religious purposes for which FPC was organized. Because FPC’s lease to the YMCA was not for a business or commercial purpose, the Court held that FPC was entitled to a 100% tax exemption.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.