

Summary Statement

WAFD, Inc. v. Idaho State Tax Commission

Docket No. 52584

This appeal concerns the interpretation of a tax statute and whether a law expressly lowering the corporate tax rate for all years “on or after January 1, 2001,” only lowered the tax rate as of its effective date—January 1, 2021.

In 2021, the Idaho Legislature reduced the corporate tax rate from 6.95% to 6.5%. The relevant portion of the amended statute states: “For taxable years commencing on and after *January 1, 2001*, a tax is hereby imposed. . . . The tax shall be equal to six and five-tenths (6.5%) of Idaho taxable income.” I.C. § 63–3025 (2021) (emphasis added). The amendment was to be in effect retroactively to *January 1, 2021*. I.C. § 63–3025 (2021) (emphasis added).

WAFD uses a fiscal year of October 1 to September 30 for financial reporting and tax purposes. Because its 2021 fiscal year spanned both the old and new tax rate, WAFD applied a “blended rate,” effectively prorating the taxes over the fiscal year to an effective rate of 6.607%. The Revenue Operations Division (“Division”) of the Idaho State Tax Commission rejected the blended rate and applied the higher rate of 6.95% to the *entire* fiscal year. WAFD filed a Petition for Re-Determination with the Tax Commission, which upheld the Division’s determination.

In February 2024, WAFD sought judicial review of the Tax Commission’s decision. The district court granted summary judgment in favor of WAFD concluding that, based on the plain language of the statute, the 6.5% tax rate was applicable to the entire fiscal year and WAFD was entitled to a full refund. The Tax Commission appealed.

The Idaho Supreme Court unanimously affirmed the district court, holding that Idaho Code section 63–3025 (2021) unambiguously imposed a 6.5% corporate tax rate for all taxable years commencing on and after January 1, 2001. Pointing to the plain language of the statute, the Court concluded that the reference date in the statute and the effective date performed two separate functions. The reference date clearly made the new tax rate applicable to all tax years starting “on or after January 1, 2001,” while the effective date only determined when the amendment would take effect. The Court emphasized that “it is not this Court’s role to rewrite an unambiguous statute,” and it will “assume that the legislature meant what it said.”

The Court also rejected the Tax Commission’s argument that the subsequent 2022 and 2025 amendments to Idaho Code section 63–3025 were curative acts intended to retroactively limit the scope of the 2021 amendment. Relying on its previous decision in *Chandler’s-Boise LLC v. Idaho State Tax Commission*, the Court pointed to the reference dates for the 2022 and 2025 amendments as evidence that the legislature did not intend to retroactively cure the amendment back to 2021. *See* 162 Idaho 447, 450, 398 P.3d 180, 183 (2017). Thus, the Court concluded that “we cannot presume that the legislature intended either amendment to retroactively ‘cure’ the statute’s meaning for periods predating those specified retroactive dates.”

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