

UNIVERSITY OF IDAHO COLLEGE OF LAW – BOISE, WEDNESDAY, FEBRUARY 11, 2026, AT 8:45 A.M.

IN THE SUPREME COURT OF THE STATE OF IDAHO

WAFD, INC., (formerly known as)	
WASHINGTON FEDERAL, INC.),)	
)	
Plaintiff-Respondent,)	
)	Docket No. 52584
v.)	
)	
IDAHO STATE TAX COMMISSION,)	
)	
Defendant-Appellant.)	
)	

Appeal from the District Court of the Fourth Judicial District of the State of Idaho, Ada County. Lynn G. Norton, District Judge.

Raúl R. Labrador, Idaho Attorney General, Boise, for Appellant.

Hawley Troxell Ennis & Hawley LLP, for Respondent.

This case concerns a district court's reversal of the Idaho State Tax Commission's ("Tax Commission") rejection of WAFD, Inc.'s ("WAFD") refund claim for its fiscal year ending September 30, 2021, based on interpretation of Idaho Code section 63–3025(1). In the 2021 legislative session, the Idaho Legislature reduced the corporate tax rate from 6.95% to 6.5%. The relevant portion of the amended statute is as follows: "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).

WAFD uses a fiscal year of October 1 to September 30 for financial reporting and tax purposes. In calculating its income tax for 2021, WAFD applied a blended rate of 6.607%, which was calculated based on a proration of days in 2020 with a rate of 6.95% and days in 2021 with a rate of 6.5%. It claimed a \$593,271 tax refund, which was denied by the Tax Commission, who applied a rate of 6.95% to the entire fiscal year and allowed a refund which was \$70,084 less than WAFD's claim. WAFD served a Petition for Re-Determination and after a hearing in September 2023, the Tax Commission entered a final decision upholding its initial determination. In February 2024, WAFD filed a Complaint for relief against the Tax Commission.

The district court engaged in statutory interpretation of Idaho Code section 63–3025(1), ultimately concluding that the 6.5% tax rate was applicable to the entire fiscal year and WAFD was entitled to a refund in the amount of \$593,271. Based on the plain language of the statute, the district court determined that for all taxable years beginning on and after January 1, 2001, the taxable rate was 6.5%, because there was no language in the amendment which limited

applicability of that rate to taxable years commencing after January 1, 2021. It granted summary judgment in favor of WAFD. The Tax Commission timely appealed.

On appeal, the Tax Commission argues that the proper rate for WAFD's entire fiscal year is 6.95%, citing to House Bill 479 as a curative act. It also asserts that Idaho Code section 63–3025(1) (2021) is ambiguous and thus requires statutory construction, and that based on legislative intent, plain language, context, public policy, and legislative history, the proper rate is 6.95%. The Tax Commission also contends that WAFD's adoption of a blended rate is contrary to Idaho's practice. WAFD argues that the 6.5% rate should be applied to the entire fiscal year or, in the alternative, a blended rate should apply. It asserts that the statute's unambiguous plain language supports its position and that even if it was ambiguous, the Tax Commission's interpretations are unreasonable.