

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEPHEN AND CATHERINE WEAVER,	)	
	)	
Appellants,	)	APPEAL NO. 24-A-1054
	)	
v.	)	FINAL DECISION AND ORDER
	)	
ADAMS COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**AGRICULTURAL APPEAL**

This appeal is taken from a decision of the Adams County Board of Equalization denying special assessment treatment for property described by Parcel No. RP00300000023CA. The appeal concerns the 2024 tax year.

This matter came on for hearing October 23, 2024, in Council, Idaho, before Board Member Leland Heinrich. Appellant Stephen Weaver was self-represented. Adams County Prosecuting Attorney Christopher Boyd represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis join in issuing this decision.

**The issue on appeal concerns whether the subject property qualifies for special valuation treatment pursuant to Idaho Code § 63-604, as land actively devoted to agriculture, commonly referred to as the agricultural exemption.**

**The decision of the Adams County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$27,996. Appellant contends the property is actively devoted to agriculture so is entitled to the attendant special assessment treatment.

The subject property is a .34 acre vacant residential lot situated in the Rowell's Park Addition subdivision in New Meadows, Idaho. The subject lot is adjacent to an improved parcel which serves as Appellants' homestead.

Appellants explained the subject parcel was purchased in 2016 with the intent to use it for agricultural purposes. To this end, it was noted Appellants have grown a variety of vegetables on the subject lot the prior several years, such as potatoes, onions, corn, lettuce, peas, and beans. Based on this use, Appellant filed an application for special agricultural valuation for the current 2024 tax year, which was received by the assessor's office on March 3, 2024. The application indicated the land did not produce at least \$1,000 in gross revenue during 2023, but did reflect that the land produced at least 15% of Appellants' annual gross income.

In reviewing Appellants' application, the assessor's office sought to verify the annual gross income requirement was satisfied, so mailed an inquiry letter on March 7, 2024, requesting additional information. Appellants provided estimated crop valuations for 2021, 2022, and 2023, and asserted total gross income figures of \$338, \$295, and \$31 for the respective tax years. On April 5, 2024, the assessor's office notified Appellants the application would be denied because the gross income figures Appellants provided did not include the social security income Appellants received during the relevant years. As such, Respondent concluded the necessary 15% gross income threshold was not satisfied, and the property did not qualify for special agricultural valuation treatment.

Appellants disagreed with the assessor's denial of the application for agricultural valuation so appealed to the Adams County Board of Equalization (BOE). The factual basis for Appellants' appeal on the appeal form read in relevant part, "On 3/2/24 we filed

for an agricultural exemption on this lot . . . On 3/7/24 we received a letter requesting additional information . . . On 5 April 2024 we received a letter disapproving our application . . . we must conclude that the disapproval of our application was in error.” A hearing was conducted, and the BOE determined the subject property did not satisfy the requirements so affirmed the assessed valuation.

In appealing the BOE’s decision to this Board, the notice of appeal filed by Appellants indicated the “exemption” statute at issue was “ISS 63-604”<sup>1</sup> and that the total market value of the property is “Exempt AG.”<sup>2</sup> At hearing, Appellants advanced some arguments related to subject receiving special agricultural valuation, but also referenced veiled arguments related to the homestead exemption, an issue the parties noted was previously addressed in a decision issued by this Board denying the homestead exemption for the subject property for the 2022 tax year.

Regarding the agricultural valuation, Appellants argued the term “annual gross income” was the same as “adjusted gross income” so therefore, Appellants’ social security income should be excluded when calculating gross income under that statute. Using this methodology, Appellants calculated a gross income of \$31 for 2023 and pointed out the roughly \$550 estimated value of the 2023 crop yield far exceeded the 15% threshold required by the statute. As such, Appellants contended the subject property was entitled to the special agricultural valuation for 2024.

Respondent disagreed with Appellants’ interpretation of annual gross income as being effectively the same as adjusted gross income. Respondent stressed the statute

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<sup>1</sup> Appellants are presumably referring to Idaho Code § 63-604.

<sup>2</sup> Presumably, Appellants are claiming the subject property should be specially assessed as an agricultural parcel.

refers to “annual” gross income, not adjusted gross income. Therefore, Respondent argued Appellants must include all income received, including social security income, to calculate gross income under the statute.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Appellants' primary focus was on subject's entitlement to special valuation as an agricultural property, but Appellants also referenced issues related to the homestead exemption. Though this Board already addressed subject's qualification for the homestead exemption for the 2022 tax year, no precedential effect attaches to a decision of the Board of Tax Appeals. In the context of an exemption appeal, a decision of the Board applies only to the tax year at issue, as exemptions generally require annual review and approval. That being said, the Board is disinclined to address the homestead exemption in this decision because the issue was not first raised at the county level, so the BOE had no opportunity to consider subject's entitlement to the exemption. In short, the issue is not ripe for the Board's consideration here so there is no need for further discussion.

Turning to the issue at hand, Idaho Code § 63-604, provides in pertinent part,

(1) For property tax purposes, land actively devoted to agriculture shall be eligible for appraisal, assessment, and taxation as agricultural property each year it meets one (1) or more of the following qualifications . . .

(b) The area of such land is five (5) contiguous acres or less and such land has been actively devoted to agriculture . . . during the last three (3) growing seasons; and

(i) It agriculturally produces for sale or home consumption the equivalent of fifteen percent (15%) or more of the owner's or lessee's annual gross income; or

(ii) It agriculturally produced gross revenues in the immediately preceding year of one thousand dollars (\$1,000) or more. When the area of land is five (5) contiguous acres or less, such land shall be presumed to be nonagricultural land until it is established that the requirements of this subsection have been met.

There is no doubt subject is being put to the type of agricultural use generally contemplated by the statute, but whether the income requirements have been satisfied is the issue here. More specifically, the issue is whether the term "annual gross income" in subsection (b)(i) is the same as adjusted gross income. For the following reasons, the Board finds the terms are not synonymous.

The Idaho Supreme Court has long observed the importance of adhering to the primary canon of statutory construction,

*Where the language of the statute is unambiguous, the clear expressed intent of the legislature must be given effect and there is no occasion for construction. Moreover, unless a contrary purpose is clearly indicated, ordinary words will be given their ordinary meaning when construing a statute.* In construing a statute, this Court will not deal in any subtle refinements of the legislation, but will ascertain and give effect to the purpose and intent of the legislature, based on the whole act and every word therein, lending substance and meaning to the provisions.

*Corp. of the Presiding Bishop of Church of Jesus Christ of Latter-Day Saints v. Ada Cnty.*, 123 Idaho 410, 416, 849 P.2d 83, 86 (1993) (citations omitted) (emphasis added).

Idaho Code § 63-604(b)(i) refers specifically to the owner's annual gross income. This is not a single term, but rather two (2) distinct terms: 1) annual, and 2) gross income.

And through a plain reading of these terms, it is clear the statute is referring to an owner's gross income on an annual basis, as the owner must apply and satisfy the qualifying criteria each year agricultural valuation is claimed. This is the only logical conclusion to be reached.

To the Board's knowledge the term "annual gross income" is not defined in Idaho tax law. The terms "gross income" and "adjusted gross income," on the other hand, are terms of art and have precise legal meanings. Indeed, the Legislature has defined both terms in Idaho Code, at sections 63-3011 and 63-3012, respectively. Against this backdrop, it is illogical, in the Board's view, the Legislature would introduce a new term called "annual gross income" solely for the purposes of agricultural valuation and not define that term anywhere in the tax code. It is even more illogical that the Legislature would attach the same meaning to "annual gross income" as it has attached to "adjusted gross income," as this would serve only to cause unnecessary confusion because the latter is already defined by law. It is far more reasonable in the Board's opinion that if the Legislature intended the income threshold to be based on adjusted gross income as claimed by Appellants, the statute would have included such specific terminology.

Appellants' gross income for 2023, defined as "all income from whatever source derived" was nearly \$35,000. See 26 U.S. Code § 61(a). Based on this figure, the subject property needed to agriculturally produce more than \$5,000 for sale or home consumption, but Appellants estimated the value of the 2023 crops at approximately \$550, which is short of the required threshold. As such, the subject property is not entitled to agricultural valuation for the 2024 tax year. The decision of the Adams County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Adams County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 7<sup>th</sup> day of March, 2025.