

BEFORE THE IDAHO BOARD OF TAX APPEALS

ROBERT SEYMOUR,)	
)	
Appellant,)	APPEAL NO. 17-A-1050
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
_____)	

HOMEOWNERS EXEMPTION APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization granting a partial homeowner's exemption on property described by Parcel No. R1892010690. The appeal concerns the 2017 tax year.

This matter came on for hearing October 4, 2017 in Boise, Idaho before Hearing Officer Cindy Pollock. Appellant Robert Seymour was self-represented. Chief Deputy Assessor Tim Tallman represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn join in issuing this decision.

The issue on appeal is whether the subject property in the 2017 tax year qualifies for the full or maximum homeowner exemption percentage provided for in Idaho Code § 63-602G.¹

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

Before any exemption consideration, the subject property's 2017 market value assessment is \$196,600. Appellant does not dispute the assessed market value. The subject residence is located in Boise, Idaho.

¹ The Idaho homeowners (homestead) exemption does not exempt 100% of a property's market value. The maximum percent that may be exempted is 50%. In the context of this decision, reference to a "full" exemption means the maximum 50%.

For all of 2016, and at the beginning of 2017, the subject property was owned in undivided one-half ($\frac{1}{2}$) interests by Appellant and a domestic partner. For the 2017 tax year, the maximum potential homeowner exemption for the subject property would be \$98,300. However the Board of Equalization exempted one-half ($\frac{1}{2}$) this amount, or \$49,150, resulting in a net taxable value of \$147,450. Appellant contends the property should qualify for the maximum exemption amount of \$98,300.

In their respective cases, both parties relied on primarily the same facts. The facts are partially reviewed as follows. In March of 2016, Appellant added the domestic partner to the deed for the subject property. Both owners then applied for and were granted a full or maximum homeowners exemption on subject for the 2016 tax year. In March of 2017, Appellant's domestic partner purchased a new residence and applied for a 2017 homeowners exemption on the new residence. The exemption was granted for the new property, and the exemption on the subject property was reduced accordingly, or by fifty percent (50%). In May of 2017, the domestic partner's interest in the subject property was quit-claimed back to Appellant.

Appellant's main argument was that his domestic partner should not have been granted an exemption on another property, because she had already been granted the exemption on subject. Further, Appellant explained there were no timely instructions guiding him to take another action to remove his domestic partner from subject's deed, in order to still obtain a full exemption on subject for 2017.

Where subject was owned by two (2) unmarried individuals on the assessment date

in 2017, this was considered by Respondent to be an instance of partial ownership for determining the correct qualification and amount of the homeowners exemption. Respondent explained “Under Idaho [Property Tax] Administrative Rules [Rule 609] when there is a partial ownership the exemption is to be calculated on the reduced proportion of value commensurate with the proportion of partial ownership.”

Respondent explained when the domestic partner, on March 20, 2017, applied for a homeowner’s exemption on another residence it triggered the removal of her exemption on the subject property. Since the exemption is applicable to owner-occupied primary residences, the domestic partner could only be eligible for one (1) homeowners exemption in 2017. Thus one-half ($\frac{1}{2}$) of subject’s original exemption grant or eligibility was removed, leaving subject with a partial exemption for the 2017 tax year.

In concluding, Respondent reported where the necessary paperwork was now filed with the county, the eligibility for a full exemption in the 2018 tax year was now in place.

CONCLUSIONS OF LAW

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

This appeal arises from the decision of the county in 2017 to remove a portion of the homeowners exemption previously granted on the subject property. The decision

resulted after one of subject's owners applied for a homeowners exemption on another property for the 2017 tax year. The question on appeal before this Board is whether the subject property qualifies, in tax year 2017, for the full exemption percentage (50%) permitted by Idaho Code § 63-602G. Based on the below, we find the subject does not qualify for the sought after exemption grant, but in fact should have been prorated for Appellant's partial ownership in early 2017.

Both Appellant and Respondent referenced the same facts in this case. The difference between the parties occurred in their application of the facts to the exemption statute. Appellant contended a new exemption should not have been granted to his domestic partner on her new property. It was argued where the exemption had already been applied for and granted on subject, another exemption could not be granted on the domestic partner's new residence.

Respondent contended when the domestic partner applied for an exemption in 2017 on another residence, claiming this second property was her primary residence, it automatically triggered the removal of the exemption she'd previously sought and received on another property, the subject property in this case. The Board disagreed with a key element of Appellant's position. It is not up to the county to specify or control which residence an individual may deem to be their primary dwelling.

The homeowners exemption, exempts from property taxation that portion of a property's market value eligible for the exemption. The exemption applies to owner-occupied residential property. Property owners must timely apply for the exemption. Idaho

Code § 63-602G provides in part as follows.

63-602G. Property exempt from taxation — Homestead. (1) For each tax year, the first one hundred thousand dollars (\$100,000) of the market value for assessment purposes of the homestead as that term is defined in section 63-701, Idaho Code, or fifty percent (50%) of the market value for assessment purposes of the homestead as that term is defined in section 63-701, Idaho Code, whichever is the lesser, shall be exempt from property taxation.

(2) The exemption allowed by this section may be granted only if:

(a) The homestead is owner-occupied and used as the primary dwelling place of the owner as of January 1, provided that in the event the homestead is owner-occupied after January 1 but before April 15, the owner of the property is entitled to the exemption . . .

(c) The owner has certified to the county assessor by April 15 that:

(i) He is making application for the exemption allowed by this section;

(ii) The homestead is his primary dwelling place; and

(iii) He has not made application in any other county for the exemption, and has not made application for the exemption on any other homestead in the county . . .

(3) An owner need only make application for the exemption described in subsection (1) of this section once, as long as all of the following conditions are met:

(a) The owner has received the exemption during the previous year as a result of his making a valid application as defined in subsection (2)(c) of this section.

(b) The owner or beneficiary, partner, member or shareholder, as appropriate, still occupies the same homestead for which the owner made application.

(c) The homestead described in subsection (3)(b) of this section is owner-occupied or occupied by a beneficiary, partner, member or shareholder, as appropriate, and used as the primary dwelling place of the

owner or beneficiary, partner, member or shareholder, as appropriate, as of January 1; provided however, that in the event the homestead is owner-occupied after January 1, but before April 15, the owner of the property is entitled to the exemption.

A requirement for the above exemption is that the homestead at issue be an owner's primary dwelling place. It is clear from the record, Appellant's domestic partner, who was in early 2017 a part-owner of subject by recorded deed, did timely apply for a 2017 homeowners exemption on another property. For 2017, this other property was specified as her primary dwelling place and the exemption was granted there. Under the circumstances, we find it correct for Respondent to remove, for 2017, the exemption grant associated with the domestic partner's one-half ($\frac{1}{2}$) interest in the subject property. The partner's ownership interest in the subject property was not quit claimed to Appellant soon enough in 2017, for the subject property to be eligible for the maximum potential homeowners exemption.

The Board found no factual or legal error in the exemption decision by the Ada County Board of Equalization. The decision upheld a 2017 partial exemption award tied to Appellant's then fifty-percent (50%) ownership interest. Therefore we will affirm the decision of the Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the 2017 exemption decision by the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 18th day of December, 2017.