Tax Commission
IDAHO

# 2011
# PROPERTY TAX DEFERRAL PROGRAM

## Apply between January 1 and April 15, 2011

## What is the Property Tax Deferral Program?

The Property Tax Deferral Program offers individuals a way to defer property taxes on their home and up to one acre of land. The taxes and interest must eventually be repaid to the state of Idaho.

## Qualifications

You qualify for property tax deferral if you meet the following requirements:

1. Owned and lived in a home or mobile home in Idaho that was your primary residence before April 15, 2011, and it isn't subject to a trust, life estate, or other interest.
2. Met one or more of the following status requirements as of January 1, 2011:
   - Age 65 or older
   - Widow(er)
   - Blind
   - Fatherless or motherless child under 18 years of age
   - Former prisoner of war/hostage
   - Veteran with a 10% or more service-connected disability or receiving a pension from Veteran's Affairs (VA) for a nonservice-connected disability
   - Disabled as recognized by the Social Security Administration, Railroad Retirement Board, or Federal Civil Service.
3. Had income of $40,000 or less for 2010.

   When you complete your application, include income reported to you and your spouse in 2010

   **You must include:**
   - Wages
   - Interest and dividends
   - Capital gains
   - Business, farm, and rental net income
   - Social Security and SSI

- Railroad Retirement
- Unemployment/workers comp
- Pensions, annuities, and IRAs*
- Military retirement benefits
- Department of Health and Welfare payments (including Aid for Dependent Children and housing assistance)
- Child support and alimony
- "Loss of earnings" compensation
- Disability income from all sources**
- Gambling winnings

**Excluding the return of principal paid by the recipient of an annuity and excluding rollovers as provided in section 403 and 403 of the Internal Revenue Code.*

***Excluding compensation received from the VA by a veteran who has a 40-100% service-connected disability or dependency and indemnity compensation or death benefits paid by Veterans Affairs arising from a service-connected death or disability.*

When you complete your application, you may deduct the following expenses you or your spouse paid in 2010.

**You may deduct:**

- Medical/dental and related expenses not reimbursed by insurance or other reimbursements*
- Medical insurance premiums*
- Payment or prepayment of funeral expenses
- Farm, rental and/or business losses (You must submit a copy of the appropriate federal schedule.)
- Early withdrawal penalties
- Alimony paid

**Qualified medical expenses are defined in section 213(d) of the Internal Revenue Code.*

## How to Apply

1. Contact your county assessor for an application. The office is listed under County Offices in your telephone directory.

2. Complete the application. If you need help completing the application, the assessor's staff will assist you. You must apply for your 2011 property tax deferral between January 1 and April 15, 2011. You and your spouse must sign the application, and these signatures must be notarized.

3. Attach the following to your application:
   - A copy of the recorded deed, title, or contract for purchase of this property, including a legal description.
   - A copy of your application for property tax reduction for the current year.

- A statement of the current assessed value for the eligible portion of the property. (You can get this from you county assessor.)
- A copy of your fire and casualty insurance policy.

You must apply and qualify each year to receive a property tax deferral. Property tax deferrals are not renewed automatically.

If your application is approved, your property tax deferral will be applied to your December 2011 tax bill.

## Repaying Deferred Taxes

Deferred property taxes and interest become a lien on your property. You must repay the amount of the deferral and interest if:

- The property, or any part of it, is sold or the title is transferred.
- The qualified claimant, or the last surviving claimant, dies.
- The property no longer qualifies for the Homeowner's Exemption.
- The Idaho State Tax Commission determines that the property tax deferral was granted to a person who isn't a qualified claimant or granted for property that doesn't qualify.

## Insurance Requirements

Your fire and casualty insurance policy must show the Tax Commission as a loss payee, and you must provide the Tax Commission with a copy of this policy.

**For more information, contact:**

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 334-7736
- Toll free, (800) 334-7756 ext. 7736
- Hearing impaired: TDD (800) 377-3529
- **tax.idaho.gov**

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive explanations of Idaho tax laws or rules. Specific questions should be addressed to the Tax Commission.

Idaho laws passed after January 1, 2011, are not reflected in the publication.