

HOW BUDGET CONTROLS LIMIT PROPERTY TAXES

Idaho law sets a cap on the annual increase in the portion of a taxing district's budget funded by property tax. This portion of the budget may increase by up to 3% plus an amount for new construction and annexation.

The cap on property taxes does not limit the increase in the amount of an individual's property tax bill. If the market value of your property increases while the other properties in your district decrease or don't change as rapidly, then your property tax bill may increase at a rate higher than 3%.

The 3% allowable increase is based on the highest property tax budget for the prior three years. Additional property tax budget increases are allowed for taxing districts with new construction or annexation. The cap does not apply to the following funds:

- Bonds
- Plant facilities
- Voter-approved overrides and school supplemental levies
- Funds for refunds to taxpayers due to tax appeals
- Revenue from sources other than property tax
- School Emergency Funds

For more information, contact:

- Your county assessor
- Idaho State Tax Commission: In the Boise area, 332-6624; Toll free, (800) 972-7660, ext. 6624
- 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.