Property Taxes in Idaho

How assessment, local budgets, and levy rates determine what a homeowner pays.

IDAHO REALTORS®

The Short Version

- **Idaho is a low-property-tax state —** roughly a 0.50 percent effective rate on owner-occupied housing. Property taxes supply about 22.8 percent of combined state and local tax revenue, behind sales taxes (31.5 percent) and ahead of income taxes (21.8 percent).
- **The State does not levy a property tax on homes.** Counties assess, local districts budget, the county issues one consolidated bill. The Tax Commission provides oversight and values only utilities and railroads.
- **A rising assessment does not automatically mean a rising bill.** Levy rates are an output, not an input — they are set by arithmetic after budgets are adopted. When values rise across the board, levy rates fall.
- **The homeowner's exemption is the biggest lever** — 50 percent of the value of the home and up to one acre, capped at $125,000.

The Annual Cycle

1. Assessment. The county assessor values all taxable property at fair market value, less exemptions, as of January 1. Notices go out by the first Monday in June. Appeals run through the assessor, the county Board of Equalization, and the Board of Tax Appeals.

2. District budgets. In May, each taxing district adopts a budget in a public hearing. Ada County's consolidated bill covers roughly forty districts. Districts are generally capped at 3 percent annual growth in their property tax budgets, with allowances for new construction and annexation.

3. Levy rates. Each district's property-tax-funded budget is divided by the total taxable value in that district. That quotient is the levy rate.

4. The bill. Assessed value minus exemptions equals taxable value. Each district's levy rate is applied and the amounts are summed. Ada County illustration on $200,000 of taxable value:

Taxing District	Levy Rate	Tax Amount
County	.002953537	$590.71
School	.004658860	$931.77
City	.007116767	$1,423.35
Special districts (highway, EMS, cemetery, etc.)	.001251735	$250.35
TOTAL		**$3,196.18**

Exemptions and Relief

- **Homeowner's exemption (63-602G).** 50 percent of an owner-occupied primary residence plus up to one acre, max $125,000. Stays in place until ownership changes or it stops being the primary residence. Improper claims trigger recovery of taxes plus costs, late charges, and interest.
- **Circuit breaker.** Reduces taxes by $250 to $1,500. For 2026: total 2025 income after medical deductions of $39,130 or less, and age 65+, blind, widowed, disabled, a former POW or hostage, or a motherless/fatherless child under 18. Apply January 1–April 15, every year.
- **Deferral.** Postpones payment with interest owed later. For 2026: 2025 income of $61,674 or less. Apply January 1–September 8, annually.

- **100% service-connected disabled veterans.** Up to $1,500, no income limit. Requires a current homeowner's exemption.

Policy Backdrop

Idaho's recent property tax debate has largely been fought through the state budget rather than through rates. HB 292 (2023) delivered relief mechanisms and restored indexing of the homeowner's exemption. HB 521 (2024) committed roughly $1.5 billion over a decade to school facilities and dedicated $125 million of sales tax to a School Modernization Fund for bonding — functionally long-term, indirect property tax relief, since the state absorbs costs local taxpayers would otherwise bond for. Proposals to eliminate property taxes outright resurface regularly and must answer a hard question: these dollars fund schools, cities, counties, law enforcement, fire, highways, and libraries.

What This Means for REALTORS®

- Assessed value is not a listing price and not a tax bill. Set that expectation early.
- The homeowner's exemption does not transfer with the sale. Buyers must apply on their own behalf — and a former rental may see the bill drop sharply once granted.
- Levy rates vary across counties and across special districts within a county. Two similar homes a mile apart can carry different bills.
- Point clients 65+, disabled, or on fixed incomes to the circuit breaker and deferral.
- The May budget hearings are the real point of leverage — more so than the assessor's counter.

Sources: Idaho State Tax Commission; Ada County Treasurer; Tax Foundation (2026); Idaho Code Title 63. For member education only — not legal or tax advice. Current as of July 2026 and subject to change.