IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 562

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 45, TITLE 63, IDAHO CODE, TO PROVIDE A SHORT TITLE, TO PROVIDE A PROPERTY TAX EXEMPTION FOR CERTAIN NEW CAPITAL INVESTMENTS, TO DEFINE TERMS, TO PROVIDE PROCEDURES AND TO PROVIDE RULES; PROVIDING SEVERABILITY; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a **NEW CHAPTER**, to be known and designated as Chapter 45, Title 63, Idaho Code, and to read as follows:

CHAPTER 45
NEW CAPITAL INVESTMENTS INCENTIVE ACT

63-4501. SHORT TITLE. This chapter shall be known and may be cited as the "Idaho New Capital Investments Incentive Act of 2008."

63-4502. TAX EXEMPTION FOR NEW CAPITAL INVESTMENTS. (1) For calendar years beginning on or after January 1, 2008, the net taxable value of all property of a taxpayer in excess of four hundred million dollars ($400,000,000) located within a single county in Idaho shall be exempt from property taxation and any special assessment, but only to the extent that such property constitutes a new capital investment as defined in subsection (2) of this section.

(2) For purposes of this section, the following definitions shall apply:

(a) "New capital investment" means an investment of at least one billion dollars ($1,000,000,000) made during the project period by the acquisition, construction, improvement or installation of real or personal property related to new plant and building facilities at a project site located within the county referred to in subsection (1) of this section.

(b) "New plant and building facilities" means:

(i) Qualified investments as defined in section 63-3029B, Idaho Code; or

(ii) Buildings or structural components of buildings.

(c) "Project period" means the period of time beginning at the first inspection of the permanent building structure following issuance of the building permit, but in no case earlier than January 1, 2008, and ending no later than seven (7) years after the calendar year in which such inspection takes place.

(d) "Project site" means an area or areas at which the new plant and building facilities described in subsection (2)(b) of this section are located.

(3) The property included in the calculation for purposes of determining investment value shall include all real property owned, and all personal prop-

erty owned, leased or rented. With respect to leased or rented personal property, only that portion of the property for which a taxpayer is contractually liable for payment of property taxes thereon, shall be included in the calculation of the investment.

(4) Notwithstanding the exemption provided in subsection (4) of section 63-3029B, Idaho Code, no other exemption from property tax or any special assessment provided by the statutes of this state shall be applicable to any property described in subsection (2) of this section with respect to a year in which the incentives set forth in subsection (1) of this section apply to any of the same property.

(5) Property subject to the provisions of this section shall not be included on the property roll or the new construction roll prepared by the county assessor in accordance with section 63-301 or 63-301A, Idaho Code, respectively.

(6) The state tax commission shall adopt all rules that may be necessary to implement the provisions of this section.

SECTION 2. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this act.

SECTION 3. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval, and retroactively to January 1, 2008.