

Building A Bond: The Taxable Value of Your Home

Taxes are a very important matter that affects all property owners and a proposed bond raises many questions: How much will my taxes increase? Why will it increase? What do I need to know?

As the Teton School District 401 board works to finalize the proposed bond, ensuring that residents understand the tax changes is of the utmost importance. On Monday, July 17, during the working bond meeting, Eric Heringer, the managing director of Piper Jaffray in Boise, presented bond analysis assumptions that showcased projected tax changes for a variety of home values.

But did you know your home market value is not reflective of your taxable home value? Idaho homeowner's exemption provide an exclusion for a primary residence equal to 50% of the full value up to a maximum exemption of \$100,000. This means that, even though your residential property value may be valued at \$200,000, your max taxable value is \$100,000. If your home is valued at \$300,000, your maximum taxable value is \$200,000, thanks to the homeowner's exemption.

When it comes to taxable values, you must first consider the county assessed value. Residential taxable value is less than the market (full) value of a property.

The Idaho State Tax Commission explains: "Value changes don't equal tax changes. Since taxes are based on part of the budgets of taxing districts, those districts can budget the same amount of property tax from one year to the next, but when property values go up, the levy rate goes down automatically to compensate."

Teton County's website provides resources for homeowners curious about their taxes, property values, and more. According to the county, "Homeowner's Exemption is available to all property owners on their primary residence. (You only need to apply for this exemption once, unless changes are made to the property deed)."

What does this mean for your home?

For the presentation, Heringer projected property tax increases based on a \$30.05 million bond. This is not the number the board has officially agreed on, but was the number used to showcase taxes for the sake of discussion.

For a residential property with an estimated residential property value of \$200,000—less the homeowners exemption maximum of \$100,000, making the taxable amount \$100,000—a \$30.5 million bond would increase the annual tax bill by \$60 annually or \$5 each month.

For a residential property with an estimated residential property value of \$350,000—less the homeowners exemption maximum of \$100,000, making the taxable amount \$250,00—a \$30.05 million bond would increase the annual tax bill by \$150 annually or \$12.50 each month.

Local property taxes are the only option for school districts to raise funds for school facilities in Idaho. The state provides minimal maintenance funding for schools. It is important when considering the bond to look beyond the amount, and understand what your individual tax changes will be. The board is committed to helping all residents understand these final numbers once the bond is set and is available to answer any questions you may have along the way. Please visit our website, tsd401bond.org, or our Facebook page, www.facebook.com/TSD401Bond, for current information.

The next monthly bond meeting will be held Monday, August 7, at 6pm at the district office. This will be the final working bond meeting before the bond is finalized for the September 8 filing deadline with the County Clerk. We encourage all residents to come to our meeting, stream the meeting online, or reach out prior with any questions or concerns you may have.

With this bond, we can assure that our students learn and grow in safe, comfortable facilities. We can effectively plan for and accommodate the expected population growth in our county as it happens. Most of all, we can continue to provide a relevant and progressive education for our children - and our children's children.