

House Bill 304 Helps Idaho Homeowners and Schools, but Misses Opportunity to Bolster Circuit Breaker

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Idahoans pay property taxes to contribute to improving their city and county infrastructure, like roads and schools. In response to the housing market boom of 2021, Idaho lawmakers approved proposals to reduce the burden of property taxes on homeowners.¹ In 2023, [House Bill 292](#) created the Homeowner Property Tax Relief Account and the School District Facilities Fund. The Homeowner Property Tax Relief Account reduces property taxes for property owners who qualify for the homestead exemption.² The School District Facilities Fund reduces property taxes for all property owners by providing school districts with funding to pay off school bonds and levies.

House Bill 304

[House Bill 304](#) allocates an additional \$50 million to the Homeowner Property Tax Relief Account and an additional \$50 million to the School District Facilities Fund from the General Fund. This will be an ongoing allocation with an annual cost of \$100 million per year.

Policy Recommendation: Strengthen Idaho's Circuit Breaker Program for Income Limited Households

Property taxes are regressive, meaning they fall harder on Idahoans with low or fixed incomes than others. Idaho's Property Tax Reduction Program, often called the circuit-breaker, addresses this issue by providing targeted tax relief to seniors, people with disabilities, and low-income widows and widowers. An eligible claimant can receive between \$250 to \$1,500 off their property tax bill depending on their income. These are meaningful savings for those on fixed incomes.

Idaho's lawmakers could further provide property tax relief to those facing the greatest financial challenges by broadening the eligibility requirements for the program, increasing the amount of relief available, and supporting efforts to improve outreach and education efforts to those who qualify.

For more information on the circuit breaker and how to apply, visit the Idaho State Tax Commission website at: <https://tax.idaho.gov/taxes/property/homeowners/reduction/>

Footnotes:

1. "Housing Market Study." Idaho Department of Labor. Summer 2022. https://www.labor.idaho.gov/wp-content/uploads/publications/Housing_Market_Analysis.pdf
2. Homeowner's Property Tax Exemption is equal to either 50 percent of the assessed value or up to \$125,000, whichever is less, for owner-occupied homes and manufactured homes that are considered a deeded owners' primary residence. The exemption applies to a home and up to one acre of land.