

ID Property Tax Replacement – HB 329

Avista Corp has been centrally assessed in the state of Idaho for property tax. Recent legislation signed into law in Idaho exempts rate-regulated electric and gas companies from being assessed on operating property but instead subjects utilities to a tax based on kWh and Therm sold to retail customers in Idaho. This tax replaces the property tax that was already included in customer bills with a tax based on kWh and Therm sold to retail customers in Idaho. This was accomplished under Idaho House Bill 329.

The new tax will be administered as such:

- kWh Tax = the tax rate will be \$.000923 per kWh sold to all retail customers in Idaho as reported to the Idaho Public Utility Commission. The tax should not be imposed on out-of-state sales that might be included with Idaho sales. (Avista's Idaho state report combines MT with ID for kWh sold)
- Therm Tax = the tax rate will be \$.010802 per therm of natural gas sold to retail customers.
- There is an exemption to the kWh tax for electricity used to pump water for irrigation or drainage purposes.

Beginning Jan 1, 2026, utilities must include kWh and Therm energy tax on Idaho customer bills. Customers will see this charge as a line item on their bill. The goal of these changes is to streamline taxation for energy companies while ensuring fair distribution of tax revenue to local governments.

If you have any questions, please call us at 1-800-227-9187.