

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, January 26, 2022

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Harris, Vice Chairman Addis, Representatives Moyle, Chaney, Gestrin, Dixon, Nichols, Kauffman, Adams, Cannon, Hartgen, Manwaring, Okuniewicz, Weber, Shepherd, Necochea, Ruchti

**ABSENT/
EXCUSED:** Representative(s) Nichols

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of the session the sign-in sheet will be filed with the minutes in the legislative Library.

Chairman Harris called the meeting to order at 9:00 a.m.

RS 29037: **Rep. Kauffman** stated that **RS 29037** clarifies languages related to the short-term rental statutes, 63-1803 and 63-1804, Idaho Code. Rep. Kauffman reminded the committee how the H 216 passed in 2017, and another H 259 passed two years later, requiring remote retailers in the marketplace that have no physical nexus in Idaho to register and collect sales tax. This caused unintended consequences with the existing businesses that have a physical presence in Idaho. This proposal is to clarify that the companies providing reservation services online in Idaho for short-term rentals and vacation property are not considered marketplace facilitators. Included in the list of reservation services are hotel, motel, campgrounds, and any place for lodging or accommodations. This proposal also clarifies that the amount collected as sales tax used on short-term rental places transactions pursuant to these sections, which are the sales tax and the exemptions, as distributed according to section 63-3638, which is the distribution formula.

MOTION: **Rep. Cannon** made a motion to introduce **RS 29037. Motion carried by voice vote.**

RS 29277: **Rep. Moyle** stated that **RS 29277** relates to the annual update. Idaho Code with the Internal Revenue Code (IRC). This proposal conforms the Idaho income tax code to changes made to the IRC, that affect the 2021 taxable year. The Idaho income tax code uses federal taxable income as a starting point for both businesses and individuals. This bill updates Idaho Code section 63-3004, to January 1, 2022 and removes obsolete definitions. Rep Moyle pointed out that this proposal has a fiscal impact of 8.5 million. Most of that comes with changes in child tax credit.

MOTION: **Rep. Addis** made a motion to introduce **RS 29277. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:09 a.m.

Representative Harris
Chair

Anna Maria Mancini
Secretary