

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Friday, February 25, 2022

**TIME:** 9:00 A.M.

**PLACE:** Room EW42

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

**ABSENT/  
EXCUSED:** Representative(s) Chaney, Weber

**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 minute in the Legislative Library.

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

**RS 29395:** **Rep. Manwaring** introduced **RS 29395**. This proposed legislation clarifies the responsibilities and delegations of the authority at the State Tax Commission, involving personnel, budgetary and/or fiscal matters. There is no expenditure of funds or known revenue impacts. The other thing it does is any delegations of the authority will be reviewed, if requested by the majority of the Commissioners.

**MOTION:** **Rep. Ruchti** made a motion to introduce **RS 29395**. **Motion carried by voice vote**

**RS 29638:** **Rep. Monks** introduced this proposed legislation explaining how the surplus eliminator works. This legislation provides property tax relief to property owners in Idaho by way of a surplus eliminator. The legislature sets the budget and determines how much money they would like to leave on the bottom line. If at the end of the fiscal year there is a surplus, up to \$80 million will be provided to Cities and Counties for property tax relief. This year, the Governor plans to leave \$249 million on the bottom line to be available as a surplus. Through this bill the surplus will go to the account for property tax relief, splitting 50/50 to Idaho cities, and counties. This legislation could potentially reduce the general fund by up to \$80 million. However, this would not affect state budgets because funds are only provided for tax relief only if there is a surplus. Local budgets would also not be impacted because any funds provided to the locals would have to be applied towards property tax relief and could not be used to increase their budgets. This legislation could potential provide up to \$80 million in property tax relief.

**MOTION:** **Rep. Gestrin** made a motion to introduce **RS 29638**. **Motion carried by voice vote**

**RS 29639:** **Rep. Monks** stated this proposed legislation provides property tax relief to all property owners in Idaho. When the legislature created the "tax relief fund" (or the Wayfair account), online sales taxes collected were exempted from the normal sales tax revenue sharing formula with cities, counties and local taxing districts. This legislation will provide that 11.5% of online sales tax collections will be distributed 50% to the cities and 50% to the counties. Of the 50% to the cities and the 50% to the counties, half of those distributions must be used for property tax relief.

This legislation will reduce the general fund by \$50 million dollars in 2023. In 2024, the sunset on the portion of online sales tax collections was set to expire so there will be no impact to the state general fund. In 2024, cities and counties will receive the 11.5% of online sales tax collections as already stipulated in code, but half of said funds will be used to offset property taxes. Idaho property tax payers will see a reduction in their property taxes equal to 5.75% of all online sales tax collections. In 2024 online sales tax collections is estimated to be approximately \$40 million.

**Rep. Monks** stated that in 2024 the amount that would expect the Wayfair account to go to the cities and counties is estimated to be \$40 million, instead of \$50 million written in the drafted proposed legislation. This legislation specifically targets only the money that the local tax districts are currently not receiving, it is a new stream and it is not impacting what they are getting through the normal share of the sales taxes.

**MOTION:** **Rep. Cannon** made a motion to introduce **RS 29639** with the correction on page 3, line 2, changing \$50 million to \$40 million. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:17 a.m.

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Representative Harris  
Chair

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Anna Maria Mancini  
Secretary