

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 325

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE PRO-  
2 VISIONS REGARDING THE SALES AND USE TAX REVENUE DISTRIBUTION TO THE  
3 TRANSPORTATION EXPANSION AND CONGESTION MITIGATION FUND AND TO MAKE  
4 TECHNICAL CORRECTIONS.  
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 63-3638, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
10 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,  
11 and 63-3709, Idaho Code, and except as provided in subsection (16) of this  
12 section, shall be distributed by the state tax commission as follows:

13 (1) An amount of money shall be distributed to the state refund account  
14 sufficient to pay current refund claims. All refunds authorized under this  
15 chapter by the state tax commission shall be paid through the state refund  
16 account, and those moneys are continuously appropriated.

17 (2) Five million dollars (\$5,000,000) per year is continuously appro-  
18 priated and shall be distributed to the permanent building fund, provided by  
19 section 57-1108, Idaho Code.

20 (3) Four million eight hundred thousand dollars (\$4,800,000) per year  
21 is continuously appropriated and shall be distributed to the water pollution  
22 control fund established by section 39-3628, Idaho Code.

23 (4) An amount equal to the sum required to be certified by the chair-  
24 man of the Idaho housing and finance association to the state tax commis-  
25 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
26 appropriated and shall be paid to any capital reserve fund established by  
27 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
28 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
29 reserve fund of the Idaho housing and finance association shall be repaid for  
30 distribution under the provisions of this section, subject to the provisions  
31 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
32 tion, as soon as possible, from any moneys available therefor and in excess  
33 of the amounts the association determines will keep it self-supporting.

34 (5) An amount equal to the sum required by the provisions of sections  
35 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
36 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
37 paid as provided by sections 63-709 and 63-717, Idaho Code.

38 (6) An amount required by the provisions of chapter 53, title 33, Idaho  
39 Code.

40 (7) An amount required by the provisions of chapter 87, title 67, Idaho  
41 Code.

1 (8) For fiscal year 2011 and each fiscal year thereafter, four million  
2 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
3 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
4 (44) counties in equal amounts and one million nine hundred thousand dol-  
5 lars (\$1,900,000) shall be distributed to the forty-four (44) counties in  
6 the proportion that the population of the county bears to the population of  
7 the state. For fiscal year 2012 and for each fiscal year thereafter, the  
8 amount distributed pursuant to this subsection shall be adjusted annually  
9 by the state tax commission in accordance with the consumer price index for  
10 all urban consumers (CPI-U) as published by the U.S. department of labor,  
11 bureau of labor statistics, but in no fiscal year shall the total amount  
12 allocated for counties under this subsection be less than four million one  
13 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
14 justment required in this section shall be distributed to each county in the  
15 proportion that the population of the county bears to the population of the  
16 state. Each county shall establish a special election fund to which shall  
17 be deposited all revenues received from the distribution pursuant to this  
18 subsection. All such revenues shall be used exclusively to defray the costs  
19 associated with conducting elections as required of county clerks by the  
20 provisions of section 34-1401, Idaho Code.

21 (9) One dollar (\$1.00) on each application for certificate of title  
22 or initial application for registration of a motor vehicle, snowmobile,  
23 all-terrain vehicle or other vehicle processed by the county assessor or the  
24 Idaho transportation department, excepting those applications in which any  
25 sales or use taxes due have been previously collected by a retailer, shall be  
26 a fee for the services of the assessor of the county or the Idaho transporta-  
27 tion department in collecting such taxes and shall be paid into the current  
28 expense fund of the county or state highway account established in section  
29 40-702, Idaho Code.

30 (10) Eleven and five-tenths percent (11.5%) is continuously appro-  
31 priated and shall be distributed to the revenue-sharing account, which is  
32 hereby created in the state treasury, and the moneys in the revenue-sharing  
33 account will be paid in installments each calendar quarter by the state tax  
34 commission as follows:

35 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
36 various cities as follows:

37 (i) Fifty percent (50%) of such amount shall be paid to the vari-  
38 ous cities, and each city shall be entitled to an amount in the pro-  
39 portion that the population of that city bears to the population of  
40 all cities within the state; and

41 (ii) Fifty percent (50%) of such amount shall be paid to the vari-  
42 ous cities, and each city shall be entitled to an amount in the pro-  
43 portion that the preceding year's market value for assessment pur-  
44 poses for that city bears to the preceding year's market value for  
45 assessment purposes for all cities within the state.

46 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
47 various counties as follows:

48 (i) One million three hundred twenty thousand dollars  
49 (\$1,320,000) annually shall be distributed one forty-fourth  
50 (1/44) to each of the various counties; and

1 (ii) The balance of such amount shall be paid to the various coun-  
2 ties, and each county shall be entitled to an amount in the propor-  
3 tion that the population of that county bears to the population of  
4 the state;

5 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-  
6 priated in this subsection shall be paid to the several counties for  
7 distribution to the cities and counties as follows:

8 (i) Each city and county ~~which~~ that received a payment under the  
9 provisions of section 63-3638(e), Idaho Code, during the fourth  
10 quarter of calendar year 1999~~7~~, shall be entitled to a like amount  
11 during succeeding calendar quarters.

12 (ii) If the dollar amount of money available under this subsection  
13 (10) (c) in any quarter does not equal the amount paid in the fourth  
14 quarter of calendar year 1999, each city's and county's payment  
15 shall be reduced proportionately.

16 (iii) If the dollar amount of money available under this subsec-  
17 tion (10) (c) in any quarter exceeds the amount paid in the fourth  
18 quarter of calendar year 1999, each city and county shall be en-  
19 titled to a proportionately increased payment, but such increase  
20 shall not exceed one hundred five percent (105%) of the total pay-  
21 ment made in the fourth quarter of calendar year 1999.

22 (iv) If the dollar amount of money available under this subsection  
23 (10) (c) in any quarter exceeds one hundred five percent (105%) of  
24 the total payment made in the fourth quarter of calendar year 1999,  
25 any amount over and above such one hundred five percent (105%)  
26 shall be paid fifty percent (50%) to the various cities in the pro-  
27 portion that the population of the city bears to the population of  
28 all cities within the state and fifty percent (50%) to the various  
29 counties in the proportion that the population of the county bears  
30 to the population of the state; and

31 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in  
32 this subsection shall be paid to the several counties for distribution  
33 to special purpose taxing districts as follows:

34 (i) Each such district ~~which~~ that received a payment under the  
35 provisions of section 63-3638(e), Idaho Code, as such subsection  
36 existed immediately prior to July 1, 2000, during the fourth quar-  
37 ter of calendar year 1999~~7~~, shall be entitled to a like amount dur-  
38 ing succeeding calendar quarters.

39 (ii) If the dollar amount of money available under this subsec-  
40 tion (10) (d) in any quarter does not equal the amount paid in the  
41 fourth quarter of calendar year 1999, each special purpose taxing  
42 district's payment shall be reduced proportionately.

43 (iii) If the dollar amount of money available under this subsec-  
44 tion (10) (d) in any quarter exceeds the amount distributed under  
45 paragraph (i) of this subsection (10) (d), each special purpose  
46 taxing district shall be entitled to a share of the excess based on  
47 the proportion each such district's current property tax budget  
48 bears to the sum of the current property tax budgets of all such  
49 districts in the state. The state tax commission shall calculate  
50 district current property tax budgets to include any unrecovered

1           forgone amounts as determined under section 63-802(1) (e), Idaho  
2 Code. When a special purpose taxing district is situated in more  
3 than one (1) county, the state tax commission shall determine the  
4 portion attributable to the special purpose taxing district from  
5 each county in which it is situated.

6           (iv) If special purpose taxing districts are consolidated, the  
7 resulting district is entitled to a base amount equal to the sum of  
8 the base amounts received in the last calendar quarter by each dis-  
9 trict prior to the consolidation.

10          (v) If a special purpose taxing district is dissolved or disin-  
11 corporated, the state tax commission shall continuously distrib-  
12 ute to the board of county commissioners an amount equal to the  
13 last quarter's distribution prior to dissolution or disincorpora-  
14 tion. The board of county commissioners shall determine any re-  
15 distribution of moneys so received.

16          (vi) Taxing districts formed after January 1, 2001, are not enti-  
17 tled to a payment under the provisions of this subsection (10) (d).

18          (vii) For purposes of this subsection (10) (d), a special purpose  
19 taxing district is any taxing district that is not a city, a county  
20 or a school district.

21          (11) Amounts calculated in accordance with section 2, chapter 356, laws  
22 of 2001, for annual distribution to counties and other taxing districts be-  
23 ginning in October 2001 for replacement of property tax on farm machinery and  
24 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool  
25 districts, the state tax commission shall distribute one-fourth (1/4) of  
26 this amount certified quarterly to each county. For school districts, the  
27 state tax commission shall distribute one-fourth (1/4) of the amount certi-  
28 fied quarterly to each school district. For nonschool districts, the county  
29 auditor shall distribute to each district within thirty (30) calendar days  
30 from receipt of moneys from the state tax commission. Moneys received by  
31 each taxing district for replacement shall be utilized in the same manner  
32 and in the same proportions as revenues from property taxation. The moneys  
33 remitted to the county treasurer for replacement of property exempt from  
34 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the  
35 counties and other taxing districts and budgeted at the same time, in the  
36 same manner and in the same year as revenues from taxation on personal prop-  
37 erty which these moneys replace. If taxing districts are consolidated, the  
38 resulting district is entitled to an amount equal to the sum of the amounts  
39 received in the last calendar quarter by each district pursuant to this  
40 subsection prior to the consolidation. If a taxing district is dissolved  
41 or disincorporated, the state tax commission shall continuously distribute  
42 to the board of county commissioners an amount equal to the last quarter's  
43 distribution prior to dissolution or disincorporation. The board of county  
44 commissioners shall determine any redistribution of moneys so received. If  
45 a taxing district annexes territory, the distribution of moneys received  
46 pursuant to this subsection shall be unaffected. Taxing districts formed  
47 after January 1, 2001, are not entitled to a payment under the provisions  
48 of this subsection. School districts shall receive an amount determined by  
49 multiplying the sum of the year 2000 school district levy minus .004 times  
50 the market value on December 31, 2000, in the district of the property exempt

1 from taxation pursuant to section 63-602EE, Idaho Code, provided that the  
2 result of these calculations shall not be less than zero (0). The result of  
3 these school district calculations shall be further increased by six per-  
4 cent (6%). For purposes of the limitation provided by section 63-802, Idaho  
5 Code, moneys received pursuant to this section as property tax replacement  
6 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,  
7 shall be treated as property tax revenues.

8 (12) Amounts necessary to pay refunds as provided in section 63-3641,  
9 Idaho Code, to a developer of a retail complex shall be remitted to the demon-  
10 stration pilot project fund created in section 63-3641, Idaho Code.

11 (13) Amounts calculated in accordance with subsection (4) of section  
12 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
13 districts for replacement of property tax on personal property tax exemp-  
14 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
15 amounts are continuously appropriated unless the legislature enacts a dif-  
16 ferent appropriation for a particular fiscal year. For purposes of the  
17 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
18 to this section as property tax replacement for property exempt from taxa-  
19 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
20 tax revenues. If taxing districts are consolidated, the resulting district  
21 is entitled to an amount equal to the sum of the amounts that were received in  
22 the last calendar year by each district pursuant to this subsection prior to  
23 the consolidation. If a taxing district or revenue allocation area annexes  
24 territory, the distribution of moneys received pursuant to this subsection  
25 shall be unaffected. Taxing districts and revenue allocation areas formed  
26 after January 1, 2013, are not entitled to a payment under the provisions of  
27 this subsection.

28 (14) Amounts collected from purchasers and paid to the state of Idaho by  
29 retailers that are not engaged in business in this state and which retailer  
30 would not have been required to collect the sales tax, less amounts other-  
31 wise distributed in subsections (1) and (10) of this section, shall be dis-  
32 tributed to the tax relief fund created in section 57-811, Idaho Code. The  
33 state tax commission will determine the amounts to be distributed under this  
34 subsection.

35 (15) Any moneys remaining over and above those necessary to meet and  
36 reserve for payments under other subsections of this section shall be dis-  
37 tributed to the general fund.

38 (16) ~~One Two percent (±2%), but not less than fifteen million dollars~~  
39 ~~(\$15,000,000),~~ is continuously appropriated and shall be distributed to the  
40 transportation expansion and congestion mitigation fund established in sec-  
41 tion 40-720, Idaho Code. The distribution provided for in this subsection  
42 must immediately follow the distribution provided for in subsection (10) of  
43 this section.