

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Wednesday, January 25, 2012

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

**PLACE:** Room EW42

**MEMBERS:** Chairman Lake, Vice Chairman Collins, Representative(s) Barrett, Moyle, Raybould, Roberts, Schaefer, Smith(24), Wood(35), Bedke, Harwood, Barbieri, Bayer, Ellsworth, Gibbs, Killen, Burgoyne, Rusche

**ABSENT/  
EXCUSED:** Rep. Rusche

**GUESTS:** Joie McGarvin, Russell Westerberg, Western Aircraft; Max Greenlee, Risch Pisca; Tony Smith, Benton Ellis; Jesse Taylor, Westerberg & Associates; Dan John, Tax Commission; Colby Cameron, Sullivan Reberger Eiguren; John Eaton, Idaho Association of Realtors

**Chairman Lake** called the meeting to order at 9:02 am.

**Rep. Collins** made a motion to approve the minutes of the January 18, 2012 meeting. **Motion carried by voice vote.**

**RS 20865C1:** **Rep. Henderson** stated that this legislation is essentially the same legislation the House Revenue and Taxation Committee voted to pass last year. This legislation removes the size of aircraft as a qualification for this tax exemption for parts installed by an FAA-approved installation from the previous bill. This would be a great benefit throughout the State of Idaho. The emergency clause is new. There is a very large contract that Western expects to be awarded to them if the sales tax is removed and they would immediately add five jobs. Over the next year, Western would then add 12 jobs. Fiscal note: Western has serviced non-resident air craft, but not in large quantities. Economically this would also be an opportunity for Empire Air (who would add an average of 10 jobs per year for the next five years). Smaller companies will also benefit. The inclusion of sales tax has made Idaho companies non-competitive with firms in the neighboring states.

In response to Committee questions, **Rep. Henderson** stated that other areas in the state can utilize this bill; there is a two-page list of companies (list attached).

**MOTION:** **Rep. Moyle** made a motion to introduce **RS 20865C1**. **Motion carried by voice vote.**

**H 387:** **Chairman Lake** stated that this bill was introduced in the Local Government Committee and referred to the Revenue and Taxation Committee. **Rep. Luker** stated that it addresses preserving the home owners exemption while in military, humanitarian or religious service. Current law prohibits owners from renting out their home and claiming the home owners exemption, even while engaged in military, humanitarian or religious services. Rep. Luker read from parts of two letters that are to be part of the minutes (letters attached). He went on to state that the primary language in subsection 7 includes military, temporary humanitarian and religious service of up to 36 months. Subsection c is only for home owners who maintain their home as their primary residence. Subsection d sets up a process where the home owner notifies the county of their pending absence and sets up a rebuttal of presumption. Subsection e provides remedy if the home owner paid the tax, but it should not have been assessed; the home owner would get the original tax amount back along with interest.

In response to Committee questions, **Rep. Luker** said the home owner is not required to notify the county while gone. If the home owner does nothing and is taxed, the home owners exemption with penalty and interest is gone. The home owner can still send in documentation after returning to claim a refund of taxes paid. **Dan John**, Tax Commission, was recognized and said he doesn't believe there is a appeal statute available for assessment/valuation without a time limit.

**MOTION:** **Rep. Wood(35)** made a motion to send **H 387** to General Orders. **Rep. Collins** seconded the motion. **Motion passed by voice vote.** **Rep. Luker** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:27 am.

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Representative Lake  
Chair

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Janet Failing  
Secretary