

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 512

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO INCOME TAXATION; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE,
2 BY THE ADDITION OF A NEW SECTION 63-3089, IDAHO CODE, TO PROVIDE
3 DESIGNATION BY INDIVIDUALS OF INCOME TAX REFUNDS TO THE ELECTION
4 CAMPAIGN FUND AND TO PROVIDE THAT INDIVIDUALS WITH INCOME TAX LIABILITY
5 MAY DESIGNATE TO THE ELECTION CAMPAIGN FUND, TO DEFINE TERMS AND TO
6 PROVIDE ADMINISTRATIVE PROCEDURES FOR USE OF MONEYS IN THE ELECTION
7 CAMPAIGN FUND; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE
8 APPLICATION.
9

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

11 SECTION 1. That Chapter 30, Title 63, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and
13 designated as Section 63-3089, Idaho Code, and to read as follows:

14 63-3089. DESIGNATION BY INDIVIDUALS. (1) Every individual:

15 (a) Who has a refund due and payable for overpayment of taxes under the
16 provisions of this chapter may designate all or any portion thereof
17 not in excess of fifty dollars (\$50.00) to be deposited in the election
18 campaign fund established by this chapter; or

19 (b) Who has an income tax liability may, in addition to his tax
20 obligation, include a donation not in excess of fifty dollars (\$50.00)
21 to be deposited in the election campaign fund established by this
22 chapter.

23 (2) For the purposes of subsection (1) of this section, the income
24 tax liability of an individual for any taxable year is the amount of the
25 tax imposed by the Idaho income tax act, reduced by the sum of the credits
26 authorized by that act.

27 (3) A designation under subsection (1) of this section may be made
28 with respect to any taxable year, in such manner as the state tax commission
29 may prescribe by rules, at the time of filing the return of the tax imposed
30 by the Idaho income tax act. Prior to the distribution of funds to the
31 political campaign fund, the state tax commission shall retain funds for
32 the commission's costs for collecting and administering the moneys in the
33 accounts as follows: three thousand dollars (\$3,000) from each account for
34 start-up costs during the first year of collections; and three thousand
35 dollars (\$3,000) or twenty percent (20%) of the moneys remitted to each
36 account during the fiscal year, whichever is less, from each account during
37 each fiscal year thereafter, which amounts are hereby appropriated to the
38 tax commission.

39 (4) The form and manner prescribed by the state tax commission shall
40 include a list of all political parties, as defined in section 34-501, Idaho
41 Code, qualifying as of July 1 of the current tax year, to allow the individual
42 to designate any of such parties to receive the contribution and allowance

1 for an undesignated contribution to be credited to the general election
2 campaign fund to be distributed as provided by section 34-2503, Idaho Code.

3 (5) The form and manner prescribed by the state tax commission shall
4 be a conspicuous portion of the principal form provided for purposes of
5 individual taxation.

6 (6) As used in this section, the following terms have the following
7 meanings:

8 (a) "Board" means the state board of examiners provided in section
9 67-2001, Idaho Code.

10 (b) "Committee" means the state central committee as provided in
11 section 34-504, Idaho Code.

12 (c) "Election campaign fund" or "fund" means the fund created by
13 section 34-2502, Idaho Code.

14 (d) "Political party" means an affiliation of electors representing
15 a political group under a given name as authorized by section 34-501,
16 Idaho Code:

17 (i) "Major political party" means a political party which at the
18 last general election polled for any one of its candidates for
19 state or national elective office more than ten percent (10%) of
20 the vote cast for the office.

21 (ii) "Minor political party" means a political party which at
22 the last general election polled for any one of its candidates for
23 state or national elective office more than three percent (3%) but
24 less than ten percent (10%) of the vote cast for the office.

25 (iii) "New political party" means an affiliation of electors who
26 shall file with the secretary of state a petition that they desire
27 recognition as a political party, which said petition shall meet
28 the requirements as otherwise prescribed by law in section 34-501,
29 Idaho Code.

30 (e) "General election" means the national, state and county election
31 held on the first Tuesday succeeding the first Monday of November of
32 each even-numbered year.

33 (f) "Qualified election expense" means an expense:

34 (i) Incurred by the state central committee in furthering the
35 election of a candidate for office or attempting to influence any
36 election;

37 (ii) Incurred within the expenditure report period as defined in
38 this act, or incurred before the beginning of such period to the
39 extent such expense is for property, service, or facilities used
40 during such period;

41 (iii) Neither the incurring nor payment of which constitutes a
42 violation of any of the laws of the United States or of the state of
43 Idaho.

44 (g) "Expenditure report period" means from the day following the
45 primary election (the Tuesday succeeding the first Monday of August in
46 each even-numbered year) to the thirtieth day following the general
47 election.

48 (7) There is hereby created and established in the treasury of the state
49 of Idaho a fund to be known and designated as the "election campaign fund."
50 The state controller shall maintain within the fund a separate account for

1 each party for which a specific designation is made under the provisions
2 of this section and shall keep a general account for moneys for which no
3 specific designation is made and which are to be distributed as provided in
4 this section. All moneys placed in the election campaign fund are hereby
5 perpetually appropriated to the board of examiners for administration and
6 allocation as provided by this act. All expenditures from the fund shall
7 be paid out in warrants drawn by the state controller upon presentation
8 of proper vouchers from the secretary of state. The provisions of section
9 67-3516(3) and (4), Idaho Code, are hereby specifically declared not to
10 apply to the administration of the election campaign fund.

11 (8) Each political party, through its central committee, shall be
12 eligible for payments from the fund in the following manner:

13 (a) Each party shall receive the amount of the fund which has been
14 designated by the contributing individuals and credited to the separate
15 account in the fund maintained for the party.

16 (b) Ninety percent (90%) of the fund which has not been designated, but
17 is credited to the general election campaign fund, shall be distributed
18 to the central committees in proportion to the share of the votes cast
19 for the candidate of the party for the office of governor in the last
20 election for governor, provided that no party shall receive more than
21 fifty percent (50%) of the fund so distributed. Any portion of the fund
22 not distributed shall revert to the fund and, together with the ten
23 percent (10%) reserved, be distributed in equal portions to all major,
24 minor and new political parties which have qualified candidates for
25 elective state office for the ballot in the next general election.

26 (c) The distribution provided by this section shall take place on the
27 Tuesday succeeding the first Monday of August in each year.

28 (9) All funds distributed to the political parties in this section
29 shall be deposited into the political party's account established under
30 chapter 66, title 67, Idaho Code, and all such funds shall be reported on the
31 disclosure reports required in that chapter.

32 (10) The board is authorized to prescribe such rules, to conduct such
33 examinations and audits, to conduct such investigations, and to require the
34 keeping and submission of such books, records and information as it deems
35 necessary to carry out the functions and duties imposed by this act. If the
36 board finds that any of the expenditures reported by the committee are not
37 qualified election expenses, it shall so notify the committee of the amount
38 deemed to have been not qualified. The committee shall be entitled to a
39 hearing by the board; if after the hearing by the board, the expenditures
40 are determined not to be qualified, such committee shall pay to the state
41 controller an amount equal to such amount to be credited to the public school
42 fund.

43 SECTION 2. An emergency existing therefor, which emergency is hereby
44 declared to exist, this act shall be in full force and effect on and after its
45 passage and approval, and retroactively to January 1, 2010.