

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Wednesday, January 18, 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:** None.

**GUESTS:** Dan John, State Tax Commission; Daniel Chadwick, Idaho Association of Counties; Jeremy Pisca, Potlatch; Steve Fiscus, State Tax Commission; Randy Tilly, State Tax Commission

**Chairman Lake** called the meeting to order at 9:03 am.

**MOTION:** **Rep. Collins** made a motion to approve the minutes of the January 16, 2012 meeting. **Motion carried by voice vote.**

**H 356:** **Dan John**, Tax Commission, presented **H 356** to the Committee. This legislation addresses the claiming of exemptions, under Code section 63-602, which are to be applied for annually. It also lists all sections of code dealing with exemptions under one code section. Application must be made annually before April 14, and specifies which exemptions do not have to be applied for annually. The treatment of the exemption does not change from the way it has been treated in the past.

**MOTION:** **Rep. Collins** made a motion to send **H 356** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Collins** will sponsor the bill on the floor.

**H 357:** **Dan John**, Tax Commission, presented **H 357** to the Committee. This legislation was requested by the Committee on Forest Taxation Methodology (CFTM). The committee includes members of the assessor community, the timber industry, and the Tax Commission. It explains the mandatory computation for timber lands greater than 5,000 acres. The current language expired in 2011. The CFTM negotiated new language to cover the next 10 years.

In response to Committee questions, **Mr. John** responded that there should be no devaluation of property from this bill and that anything that had been in place prior to this legislation would still be allowed.

**Daniel Chadwick**, Assessor of Counties, responded to Committee questions by saying that this legislation sets the year 2011 as the floor and allows increases of 5% each year up to a maximum of 30% over the next 10 years. It is designed to stabilize values over the next 10 years. This methodology is only mandatory for tracts over 5,000 acres. Under 5,000 acres, either this option or the bare land and yield option can be used. This legislation only impacts 14-15 counties.

**Steve Fiscus**, Tax Commission, stated that the Tax Commission sets values regardless of total acreage, on a per acre basis. This is done per classification regardless of the size of the acreage. This can change between productivity option and bare land and yield option once every ten years. The next year owners can re-designate is 2013.

**Jeremy Pisca**, representing Potlach, said CFTM has negotiated and his client is in agreement. Valuations peaked in 2009 and this ensures that taxes won't skyrocket.

**Mr. John** stated that at this point in time, using old methodology which has expired, values would be lower than 2011.

**MOTION:** **Rep. Rusche** made a motion to send **H 357** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Rusche** will sponsor the bill on the floor.

**H 358:** **Dan John**, Tax Commission, presented **H 358** to the Committee. This legislation deals with information sent to the districts from the county auditor to set rates. The current date for supplying the information is the first Monday in July; this legislation moves the date to the first Monday in August. This will ensure that more accurate data is provided. It also addresses erroneous levies. A district can correct (per code) provided the correction is prior to the mailing of tax bills, without a hearing. Notifications of valuation information is to be given to all districts and the State Board of Education by the Tax Commission rather than the assessors.

**MOTION:** **Rep. Raybould** made a motion to send **H 358** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Raybould** will sponsor the bill on the floor.

**H 359:** **Chairman Lake** stated he would hold **H 359** subject to the call of the chair.

**H 360:** **Dan John**, Tax Commission, presented **H 360** to the Committee. This legislation amends law that has not kept up with technology. It allows the Tax Commission to receive payments via credit card and ACH debit/credit. It also allows for payment of ACH debit/credit transaction fees. Currently, payments over \$100,000 are required to be paid electronically. It adds language to include electronic payment fees that are handled by third party processors.

**MOTION:** **Rep. Roberts** made a motion to send **H 360** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Roberts** will sponsor the bill on the floor.

**H 361:** **Dan John**, Tax Commission, presented **H 361** to the Committee. This legislation deals with interstate trucking (IFTA provisions of code). The tax is paid to the base state and the state then distributes. In addition, the legislation changes the time of annual registration to four fiscal quarters beginning July 1.

**MOTION:** **Rep. Ellsworth** made a motion to send **H 361** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Ellsworth** will sponsor the bill on the floor.

**H 362:** **Dan John**, Tax Commission, presented **H 362** to the Committee. This legislation addresses how notices are sent; eliminates the requirement to send via certified mail and allows the Tax Commission to send those notices via first class mail. 35% of certified mailings are sent back unclaimed, so it serves no purpose to send certified mail. These certified mailings are the notices of deficiency and notices of levy. Using first class mail would save at least \$200,000 per year in mailing costs. The legislation is set up as a one year trial.

**Randy Tilly**, Tax Commission, stated that the use of first class mail would provide better service; the Tax Commission would be providing adequate notification; and save money. Last year, over 125,000 pieces of certified mail were sent by the Tax Commission.

In response to Committee questions, **Mr. Tilly** stated that if a taxpayer is in grievance with the IRS and the IRS changes their determinations, they send notification of resolution to the State. The taxpayer must file with the State with that change in determination. Under the Service Relief Act, notices to military personnel are held in abeyance. The Tax Commission will have to return next year and explain that the change has gone the way it is expected and no one has been aggrieved. Sections 3, 4 and 5 come back into play and the law goes back to the way it is now unless an extension is given in 2013.

**MOTION:** **Rep. Barbieri** made a motion to send **H 362** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Barbieri** will sponsor the bill on the floor.

The Rules Subcommittee will meet tomorrow, January 19, 2012 at 8:30 am. There will be no committee meeting Friday January 20, 2012.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 10:14 am.

---

Representative Lake  
Chair

---

Janet Failing  
Secretary