

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 07, 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:** Representative(s) Schaefer, Ellsworth

GUESTS: Roger Batt, Idaho Grape Growers & Wine Producers; Zach Hauge, Capital West; Dan John, State Tax Commission

Chairman Lake called the meeting to order at 9:00 am.

MOTION: **Rep. Collins** made a motion to approve the minutes of February 2, 2012. Motion carried by voice vote.

RS 21117: **Rep. Jaquet** presented **RS 21117**, legislation that deals with a state income tax credit for Sun Valley Adaptive Sports. The \$71,000 fiscal impact was determined by calculating a \$500 donation by 142,000 Idaho contributors. This falls in line with the Governor's support of public-private partnerships. The maximum credit for a taxpayer is \$1,000, and for a corporation it is \$5,000. Idaho is the second largest per capita contributor of service men and women. It is estimated that 35% of the people returning from the war will have Post Traumatic Stress Disorder (PTSD). This organization has served nearly 350 veterans to date. It is considered one of the premier rehabilitation programs in the country, and it gives service personnel the adaptive skills they need to return to their homes. The cost for this program is approximately \$70,000 per week. Volunteers include students from BYU and Indiana University, Bloomington.

In response to Committee questions, **Dan John**, Tax Commission stated that both Sections 1 and 2 in Section 63-3029A were amended in 2010 and sunsets in 2016. Family foundations do not get this same tax credit.

In response to Committee questions, **Rep. Jaquet** stated that this organization does meet the guidelines for a 501(c)(3) classification.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 21117**. **Motion carried by voice vote.**

RS 21146: **Roger Batt**, Idaho Grape Growers & Wine Producers, presented **RS 21146**. This legislation is designed to exempt tasting of beverages including, but not limited to, wine and beer, from the payment of Use Taxes. The impact to the General Fund will be minimal. It would be hard for the Tax Commission to enforce a Use Tax on the free tastings. There are wineries currently going through an audit on this very subject, so an emergency clause is also noted in the legislation.

In response to Committee questions, **Mr. Batt** stated that an example of other beverages that could be covered by this legislation might be grape juice or cider that was tasted at a Farmer's Market. These are just tastings, not bottles that are given away.

MOTION: **Rep. Bayer** made a motion to introduce **RS 21146**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:28 am.

Representative Lake
Chair

Janet Failing
Secretary