

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Wednesday, January 23, 2013

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

**PLACE:** Room EW42

**MEMBERS:** Chairman Collins, Vice Chairman Wood(35), Representatives Barrett, Moyle, Raybould, Denney, Anderson(31), Anderst, Dayley, Hartgen, Kauffman, Patterson, Trujillo, Burgoyne, Erpelding, Meline

**ABSENT/  
EXCUSED:** None.

**GUESTS:** Mike Chakarun, Idaho State Tax Commission; McLean Russell, Idaho State Tax Commission; Alan Dornfest, Idaho State Tax Commission; N. L. Clayville, DFM; Derek Santos, DFM; Benjamin Davenport, Associated Taxpayers of Idaho, Raeleen Welton, Westerberg & Associates; Gloria Totoricaguena, AE/Northwest Grocers; Bill Roden.

**Chairman Collins** called the meeting to order at 9:00 a.m.

**MOTION:** **Rep. Trujillo** made a motion to approve the minutes of January 22, 2013. **Motion carried by voice vote.**

**H 13:** **Mike Chakarun**, Tax Policy Manager, Idaho State Tax Commission presented **H 13** which would amend the Sales Tax Act. There is ambiguity in the current statute as to whether the responsibility for use tax is the same as sales tax.

There was a concern voiced by the committee that this bill would allow the opportunity for Idaho State Tax Commission to 'pierce the corporate veil' for payment of debt. Mr. Chakarun deferred to **Ted Spangler**, Idaho State Tax Commission, who stated that the concept of liability for both federal and state tax debt is an exception to the limited liability protection typically covering Limited Liability Companies (L.L.C).

Within the Tax Commission, the Income Tax Act was created first and the language in the subsequent Sales Tax Act was incorporated by reference. The specific mention of use tax is necessary to clarify ambiguity. In response to questions on the fiscal impact, **Mr. Spangler** responded that they have been collecting use tax. However, this amendment would eliminate the potential that use tax owed could be challenged through the courts.

**MOTION:** **Rep. Moyle** made a motion to **HOLD H 13** in committee at the Call of the Chair. **Motion carried by voice vote.**

**H 14:** **Alan Dornfest**, Idaho State Tax Commission, presented **H 14**. This bill would correct how county assessors make assessments for property tax purposes on low-income, Section 42, housing.

**MOTION:** **Rep. Anderst** made a motion to send **H 14** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderst** will sponsor the bill on the floor.

**H 15:** **Mike Chakarun**, Idaho State Tax Commission, presented **H 15** which clarifies the intent of the words 'primary' and 'primarily' used throughout the Idaho Sales Tax Act but are not defined in the statute. This change would eliminate confusion and uncertainty in determining whether property is subject to tax.

- MOTION:** **Rep. Raybould** made a motion to send **H 15** to the floor with a **DO PASS** recommendation, with a correction of the word 'individual' in the Statement of Purpose. **Motion carried by voice vote.** **Rep. Trujillo** will sponsor the bill on the floor.
- H 22:** **Mike Chakarun**, Idaho State Tax Commission, presented **H 22**. He said large employers in Idaho that utilize a split monthly filing for payroll must remit income tax withheld that is not congruent with the calendar tax year. This bill would align the reporting and remitting of Idaho income tax that is withheld in the same reporting period as employee W-2 forms.
- MOTION:** **Rep. Erpelding** made a motion to send **H 22** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.
- H 23:** **Mike Chakarun**, Idaho State Tax Commission, presented **H 23** which is a technical change on reporting of out-of-state shipments of beer.
- MOTION:** **Rep. Trujillo** made a motion to send **H 23** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:43 a.m.

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Representative Collins  
Chair

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Kathleen A. Simko  
Secretary