

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, February 04, 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:** Rep. Patterson
GUESTS: Raeleen Welton, Westerberg & Associates; Mike Chakarun, Idaho State Tax Commission; David Noland, Idaho State Tax Commission; Russell Westerberg, Crown Ltd.; N.L. Clayville, DFM; John Eaton, Reactors; Benjamin Davenport, Associated Taxpayers; Jim Clark, JC & Associates; Colby Cameron, Sullivan Reberger.

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of January 31, 2013. **Motion carried by voice vote.**

H 70: **Mike Chakarun**, Tax Policy Manager, Idaho State Tax Commission, presented **H 70** which would provide an additional collection remedy when sales or employee withholding 'trust' taxes are not paid after collection. Currently, the Tax Commission has 1426 open cases that span six or more unpaid tax periods and total in excess of \$25 million. This bill would give the State Tax Commission express authority to petition a District Court to enjoin a person or entity when trust taxes are owed. The Tax Commission would also be able to prevent a new business being started by an individual who is delinquent on taxes or close another existing business they might own. This is not a course of action that the Tax Commission would take lightly. The Tax Commission envisions using it on cases that are in excess of \$15,000 in arrears and with six or more unpaid tax periods.

In response to a question from the committee, **Mr. Chakarun** yielded the podium to **David Noland**, Administrator of Tax Collection Program, Idaho State Tax Commission. Mr. Noland further explained the difficulties in collection of taxes owed. He stated that in some cases the debt of taxes owed can be transferred to the individual.

MOTION: **Rep. Hartgen** made a motion to **HOLD H 70** in committee. **Motion carried by voice vote.**

RS 21804C1: **Seth Grigg**, Idaho Association of Counties, presented **RS 21804C1** which would amend Idaho Code by removing the 2012 provisions of **H 356**. These provisions require the Board of County Commissioners (BOCC) to approve or deny property tax exemptions and for the County Board of Equalization (BOE) to hear the appeal of the BOCC's decision. The proposed legislation would revert the appeal of decisions back to the Board of Tax Appeals (BTA) or District Court. Mr. Grigg distributed a flow chart on the process for Real and Personal Property Exemption. (see attached) The rule change made in 2012 added a duplicative process at the county level.

MOTION: **Rep. Meline** made a motion to introduce **RS 21804C1**. **Motion carried by voice vote.**

RS 21780: Rep. Morse presented **RS 21780** which would amend sections of Idaho Code relating to Local Improvement District (LID) formation rules and cost assessment procedures.

MOTION: Rep. Wood(35) made a motion to introduce **RS 21780**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:45 a.m.

Representative Collins
Chair

Kathleen A. Simko
Secretary