

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Friday, March 08, 2013

**TIME:** Upon Adjournment of the House

**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:** Representatives Moyle, and Anderson(31)

**GUESTS:** Eli Brown, JR Simplot/FWAA; Elizabeth Criner, NWWFA; Donna Yule, IPEA; Jayson Ronk, IACI; Russell Westerberg, RMP; Kendra Kenyon, ICOG Southwest.

**Chairman Collins** called the meeting to order at 8:26 a.m.

**RS 22194C1:** **Alex LaBeau**, President, Idaho Association of Commerce & Industry, presented **RS 22194C1**. This proposed legislation was drafted with the input of many individuals and groups and would eliminate personal property tax in its entirety over a seven-year phase out period. There is a \$100,000 base exemption in 2013 and the base plus a percentage for exemption in subsequent years. A provision is included that would allow forestalling of exemptions for any year of the phase out, through a concurrent resolution. This proposed legislation would also make technical corrections to current law

**Mr. LaBeau** stated centrally assessed properties are included in **RS 2194C1** on a percentage basis. The proposed legislation would be revenue neutral for local governments, based up the year of implementation. Full reimbursement of local revenue derived from personal property tax, including bonds and levies, would be replaced until expiration of the phase out process.

In response to a question, **Mr. LaBeau** stated the personal property tax percentage estimates, for centrally assessed properties, were calculated by the Idaho State Tax Commission (ISTC). Rate regulated entities also have percentages applied, based on ISTC estimates. There is a delineation between centrally assessed and rate regulated entities. Rate regulated entities do not receive any exemption on existing property. The exemption would be prospective only, on property acquired after January 1, 2013.

**Mr. LaBeau** stated, in response to a question, Urban Renewal Agencies (URA's) were included since some have bond obligations based on market value assessments and revenue. Several options were considered to replace the potential loss in revenue. The projection is that only about 8% of the total amount would be needed for URA's. **Mr. LaBeau** stated that for more than a century, Idaho has worked to eliminate personal property tax. The only thing left is the tax on machinery, tools, and equipment. In response to a question, **Mr. LaBeau** stated that this could be seen as a tax shift, depending on the perspective.

**MOTION:** **Rep. Anderst** made a motion to introduce **RS 22194C1**. **Motion carried by voice vote. Reps. Barrett and Wood(35)** requested to be recorded as voting **NAY**.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 8:45 a.m.

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Representative Collins  
Chair

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Kathleen A. Simko  
Secretary