

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

- DATE:** Monday, March 11, 2013
- TIME:** 8:30 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:** Representatives Raybould, Moyle
- GUESTS:** Connie Miller, Molly Loveless, Samatha Ward, Allison Jones, Hailey Murray, Ella Marcum, Silver Sage Girl Scouts; Derek Santos, DFM; Ray Stark, Boise Metro Chamber; Suzanne Budge, SBS Associates; Raeleen Welton, Westerberg & Associates, N.L. Clayville, DFM.
- Chairman Collins** called the meeting to order at 8:30 a.m.
- MOTION:** **Rep. Trujillo** made a motion to approve the minutes of March 7, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Meline** made a motion to approve the minutes of March 8, 2013. **Motion carried by voice vote.**
- RS 22235:** **Sen. Nonini** presented **RS 22235** which would provide an Idaho state income tax credit for individuals and companies making donations to Scholarship Granting Organizations (SGO's) that provide scholarships to qualified K-12 students attending approved schools. After discussion with the Idaho State Tax Commission and the Idaho Department of Education, some revisions were made to improve this proposed legislation, which replaces **H 227**.
- MOTION:** **Rep. Wood(35)** made a motion to introduce **RS 22235**. **Motion carried by voice vote.** **Reps. Burgoyne, Erpelding, and Meline** requested to be recorded as voting **NAY**.
- RS 22185:** **Sen. Johnson** presented **RS 22185** which would replace the consumer price index for urban wage earners (CPI-U) with the chained consumer price index for urban wage earners (C-CPI-U). This proposed legislation will update current statute to insure that inflation does not result in a tax increase in the computation of Idaho income tax. Sen. Johnson stated the CPI-U does not reflect changes due to substitutions of purchases made by consumers. The C-CPI-U is thought to be a closer reflection of the intent in the original 2000 legislation.
- Sen. Johnson** clarified the Bureau of Labor Statistics tracks and produces numerous indices. The U in the CPI-U is a national index and comprised of data from urban consumers representing the cost of pooled items from the beginning of a year to the end of the same year. Sen. Johnson stated the C-CPI-U is designed to accurately reflect the cost of living whereas the CPI-U is a ceiling on inflation. Sen. Johnson clarified this bill deals with the revenue side only and in his opinion, the expenditure side of the C-CPI-U will be explored by JFAC during the interim. The Bureau of Labor tracks and aggregates data of consumers and there is not currently a rural index. The indices that make up CPI-U and C-CPI-U consist of the same data, however the CPI-U is fixed for two years while the C-CPI-U is updated every month.

MOTION: **Rep. Wood(35)** made a motion to introduce **RS 22185**. **Motion carried by voice vote. Reps. Burgoyne, Barrett and Meline** requested to be recorded as voting **NAY**.

H 250: **Julie Hart**, Idaho Girl Scouts, presented **H 250**. Ms. Hart represents two Girl Scout Councils, both are 501(c)(3) organizations, serving over 6500 Girl Scouts. This legislation would exempt revenue from the Girl Scouts Cookie Program from Idaho sales tax. Ms. Hart spoke to the benefits provided to young girls through Girl Scout programs including goal setting, money management and decision making. The proceeds from the cookie sale program help fund participation of girls who would otherwise not be able to be involved, due to the cost. Ms. Hart presented statistics on estimated savings to Idaho that could be attributed to programs offered by scouting. 81% of Girl Scouts are more likely to earn Bachelor's degrees, 96% will avoid drugs and 99% will never enter the juvenile corrections system.

MOTION: **Rep. Burgoyne** made a motion to send **H 250** to the floor with a **DO PASS** recommendation.

In response to a question **Ms. Hart** clarified that the revenue retained from the tax would allow program expansion to include more girls, helping to keep girls in school and encouraging them on to higher education. **Rep. Barrett** declared a **Rule 38**.

In response to a question, **Ms. Hart** stated they have considered increasing the cost but there were two major issues; Idaho is one of only two states taxing Girl Scout cookie sales and 23% of Girl Scouts in Idaho are on scholarships. Raising the cost of cookies could have a negative impact on overall sales and reduce the amount of funding available for scholarships. Of the \$3.75 cost of a box of cookies, only \$.97 represents the actual cost of the cookies. The remainder of the revenue is used for programs. The annual cost of participation is \$12 to the Girl Scouts USA. Ms. Hart yielded the podium to **Jill Barber**, Silver Sage Girl Scouts Interim CEO, who stated 4.2% of the girls in Idaho are currently served by Girl Scouts. **Molly Loveless**, Program Manager with Silver Sage Girl Scouts Council, responded to a question stating the Camp Fire Girls are still active in the U.S. but not in Idaho.

Connie Miller, Board President of Silver Sage Girl Scouts, testified in **support of H 250**. Ms. Miller recounted her personal experience as a scout and stated Girl Scouts and specifically, cookies sales were a way for her to advance her personal and educational goals in life. Ms. Miller stated is it hard to sell cookies at \$3.75 a box and would be even more difficult if the cost was increased.

Molly Loveless, testified in **support of H 250**. Ms. Loveless is a former teacher and spoke about the programs offered and how the girls learn and grow through the experience. In response to a question on how the retention of the tax will increase exposure on scouting, Ms. Loveless stated the Girl Scout programs reach out to other girls through the school system.

Samantha Ward, Ambassador Girl Scout and Senior at Centennial High School spoke in **support of H 250**. Ms. Ward outlined how 'older' girls can be involved in scouting and impact their community on a local, national and even international basis. Miss Ward has had the opportunity to travel internationally and represent her council at numerous functions, developing her leadership and speaking skills. Miss Ward has been involved in scouting for 13 years.

Allison Jones, Lake Hazel middle school 8th grader, spoke in **support of H 250**. She has learned to set reliable goals and her goal to sell 400 boxes of cookies is achievable since she has already sold 250 boxes through pre-sales. Miss Jones stated she has developed people and public speaking skills through Girl Scouts. A speech is an 8th grade graduation requirement and she is confident in her ability because of the opportunities she has had through Girl Scouts. Miss Jones stated her involvement in the cookie sales program also has given her skills on business ethics, decision making and money management.

Hailey Murray, Girl Scout Troop 101, has been involved with Girl Scouts for four years, and spoke in **support of H 250**. Miss Murray stated she has learned better communication skills, how to be more responsible, make better decisions, be polite and show respect, through her participation in scouting.

Ella Marcum, who is nine years old and in her first year of scouting, with Brownie Troop 318, spoke in **support of H 250**. Miss Marcum sold 104 boxes on her first day and has a goal of 500. She attended a cookie sales rally and learned goal setting, decision making, and people skills. Miss Marcum stated her goal was to get great grades so she can go to college on a scholarship.

In response to a question, **Ms. Hart** stated cookie sales is the only revenue generating program of the Girl Scouts. Ms. Hart stated they have not conducted a formal analysis on possibly increasing the cost of the cookies, but from the experience of other Councils, know there is a direct relationship between the cost and total sales.

VOTE ON THE MOTION:

Chairman Collins called for a vote on the motion. **Motion carried by voice vote. Rep. Anderson(1)** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 9:55 a.m.

Representative Collins
Chair

Kathleen A. Simko
Secretary