

Dear Senators BRACKETT, Johnson, Bock, and
Representatives PALMER, Shepherd, Ringo:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the
State Tax Commission - Motor Fuels Tax:

IDAPA 35.01.05 - Rules Pertaining To The Idaho Motor Fuels Tax Administrative Rules (Docket
No. 35-0105-1401).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 07/29/2014. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 08/26/2014.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4834, or send a written request to the address on the
memorandum attached below.



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Transportation Committee and the House Transportation & Defense Committee
FROM: Deputy Division Manager - Eric Milstead
DATE: July 10, 2014
SUBJECT: State Tax Commission - Motor Fuels Tax

IDAPA 35.01.05 - Rules Pertaining To The Idaho Motor Fuels Tax Administrative Rules (Docket No. 35-0105-1401)

The State Tax Commission has submitted proposed rulemaking at IDAPA 35.01.05 - Rules Pertaining To The Idaho Motor Fuels Tax Administrative Rules. This proposed rule does the following:

Section 001. provides for a title and scope of the rule. The agency notes that this complies with rule formatting standards from the Office of Administrative Rules Coordinator. Section 004. (Incorporation by Reference) is revised, also to comply with formatting standards; and finally, Section 004 is moved to become Section 006 and is also revised to conform and be consistent with other rules of the State Tax Commission.

The agency states that negotiated rulemaking was not conducted because the proposed rule simply conforms to formatting standards of the Office of Administrative Rules Coordinator.

It appears that the proposed rule is authorized pursuant to sections 63-105 and 63-2427, Idaho Code.

cc: State Tax Commission - Motor Fuels Tax
Sherry Briscoe

IDAPA 35 - STATE TAX COMMISSION

35.01.05 - IDAHO MOTOR FUELS TAX ADMINISTRATIVE RULES

DOCKET NO. 35-0105-1401

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 63-105 and 63-2427, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearings concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than June 18, 2014.

The hearing site will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Motor Fuels Tax Rule 001 is a rule required in order to follow the formatting standard outlined by the Office of Administrative Rules Coordinator. The rule is informational and gives the title and scope of the rules to follow.

Motor Fuels Tax Rule 004 is amended to adopt the formatting standard outlined by the Office of Administrative Rules Coordinator. Motor Fuels Tax Rule 330 is being moved to Rule 004 and amended to conform to different tax rules of a similar type promulgated by the State Tax Commission.

Motor Fuels Tax Rules 006 is a rule required in order to follow the formatting standard outlined by the Office of Administrative Rules Coordinator. Motor Fuels Rule 004 is being moved to Rule 006 and amended to conform to different tax rules of a similar type promulgated by the State Tax Commission.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: NA

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted. Negotiated Rulemaking was not feasible because the rules were written to meet the formatting standard outlined by the Office of Administrative Rules Coordinator.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule:

The International Fuel Tax Agreement is being incorporated by reference because it is adopted by Section 63-2442A(2), Idaho Code and Motor Fuels Rule 410.

The International Registration Plan is being incorporated by reference because it is adopted by Section 49-435(1), Idaho Code, and Motor Fuels Rule 421.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Don Williams at (208) 334-7855 or don.williams@tax.idaho.gov.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before June 25, 2014.

DATED this 9th day of May, 2014.

Don Williams
Tax Policy Specialist
State Tax Commission
P.O. Box 36
Boise, ID 83722-0410
(208) 334-7855
Don.williams@tax.idaho.gov

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 35-0105-1401
(Only those Sections being amended are shown.)

001. ~~(RESERVED)~~ **TITLE AND SCOPE (RULE 001).**

01. Title. These rules shall be cited as IDAPA 35.01.05, “Idaho Motor Fuels Tax Administrative Rules.” ()

02. Scope. These rules shall be construed to reach the full jurisdictional extent of the state of Idaho’s authority for: ()

a. Motor Fuels Tax. The imposition of a motor fuel tax on each gallon of motor fuel received and on the use or other consumption of motor fuel in this state. This shall also include the administration of the International Fuel Tax Agreement (IFTA). ()

b. Transfer Fee. The imposition of a transfer fee upon each gallon of petroleum or petroleum products received and subject to the transfer fee as authorized by Chapter 49, Title 41, Idaho Code. ()

c. Registration Records. The imposition of records requirements for Idaho International Registration Plan (IRP) and Full Fee registration audits authorized by Chapter 4, Title 49, Idaho Code. ()

(BREAK IN CONTINUITY OF SECTIONS)

[Codified Section 004 is being moved and renumbered to Section 006]

004. INCORPORATION BY REFERENCE (RULE 004).

Sections 63-2434, 63-2442A, and 49-439, Idaho Code.

The following documents are incorporated by reference: ()

01. Income Tax Administration and Enforcement Rules. These rules incorporate the sections of IDAPA 35.02.01, “Tax Commission Administration and Enforcement Rules” relating to the statutes authorized by Section 63-2434, Idaho Code. ()

02. International Fuel Tax Agreement. These rules incorporate the International Fuel Tax Agreement (IFTA) governing documents: the IFTA Articles of Agreement (revised July 1, 2013), the IFTA Procedures Manual (revised January 1, 2013), and the IFTA Audit Manual (revised January 20, 2013). IFTA is an international agreement between jurisdictions to encourage use of the highway system by uniformly administering fuels use tax laws. These documents can be found on the IFTA website at <http://www.iftach.org>. ()

03. International Registration Plan. These rules incorporate the International Registration Plan (IRP)

governing documents: The IRP Plan (revised January 1, 2014) and IRP Audit Procedures Manual (revised July 1, 2013). IRP is an international registration reciprocity agreement. The documents are included to aid the Commission in complying with IRP registration application audits authorized in Chapter 4, Title 49, Idaho Code. These documents can be found on the IRP website at <http://www.irponline.org>. ()

(BREAK IN CONTINUITY OF SECTIONS)

[Codified Section 004 is being moved and renumbered to Section 006]

0046. PUBLIC RECORDS ACT COMPLIANCE (RULE 0046).

The records associated with ~~this chapter~~ these rules are subject to the provisions of the Idaho Public Records Act, Chapter 3, Title 9, Idaho Code, to the extent that these documents are not confidential under Sections 63-2434, ~~41-4909~~, 63-3076, 63-3077, 41-4909, or 9-337 through 9-350, Idaho Code. ~~Nonconfidential records are available for public inspection and copying at the main office of the State Tax Commission. See Rule 005 of these rules for the main office address.~~ (4-6-05)()

(BREAK IN CONTINUITY OF SECTIONS)

~~321. -- 329. (RESERVED)~~

~~**330. INCORPORATION BY REFERENCE OF RELEVANT INCOME TAX RULES (RULE 330).**~~

~~Section 63-2434, Idaho Code, incorporates by reference various provisions of the Idaho Income Tax Act to apply to administering and enforcing the taxes on motor fuels. For applying and construing those sections as they apply to taxes on motor fuels, the administration and enforcement rules previously promulgated or to be promulgated or amended by the Commission are hereby adopted as part of these rules as if set out in full. In addition, Administration and Enforcement Rule 110 (IDAPA 35.02.01.110) is hereby adopted as part of these rules as if set out in full.~~ (7-1-97)

~~331. — 399. (RESERVED)~~