

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 593, As Amended in the Senate

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO FUNDS AND THE SALES TAX; AMENDING CHAPTER 8, TITLE 57, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 57-811, IDAHO CODE, TO CREATE THE
3 TAX RELIEF FUND; AND AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE
4 FOR REMITTANCE OF CERTAIN SALES TAX MONEYS TO THE TAX RELIEF FUND BY THE
5 STATE TAX COMMISSION.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Chapter 8, Title 57, Idaho Code, be, and the same is
9 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
10 ignated as Section 57-811, Idaho Code, and to read as follows:

11 57-811. TAX RELIEF FUND. There is hereby created in the state trea-
12 sury, the tax relief fund to which shall be credited all moneys remitted from
13 section 63-3638, Idaho Code, from federal grants, donations or moneys from
14 any other source. Moneys in the fund are intended to fund future tax relief
15 statutes enacted by the legislature and may be expended pursuant to appro-
16 priation. All interest earned on the investment of idle moneys in the fund
17 shall be returned to the fund.

18 SECTION 2. That Section 63-3638, Idaho Code, be, and the same is hereby
19 amended to read as follows:

20 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
21 chapter, except as may otherwise be required in sections 63-3203 and
22 63-3709, Idaho Code, shall be distributed by the state tax commission as
23 follows:

24 (1) An amount of money shall be distributed to the state refund account
25 sufficient to pay current refund claims. All refunds authorized under this
26 chapter by the state tax commission shall be paid through the state refund
27 account, and those moneys are continuously appropriated.

28 (2) Five million dollars (\$5,000,000) per year is continuously appro-
29 priated and shall be distributed to the permanent building fund, provided by
30 section 57-1108, Idaho Code.

31 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
32 is continuously appropriated and shall be distributed to the water pollution
33 control account established by section 39-3628, Idaho Code.

34 (4) An amount equal to the sum required to be certified by the chair-
35 man of the Idaho housing and finance association to the state tax commis-
36 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
37 appropriated and shall be paid to any capital reserve fund, established by
38 the Idaho housing and finance association pursuant to section 67-6211, Idaho
39 Code. Such amounts, if any, as may be appropriated hereunder to the capital
40 reserve fund of the Idaho housing and finance association shall be repaid for

1 distribution under the provisions of this section, subject to the provisions
2 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
3 tion, as soon as possible, from any moneys available therefor and in excess
4 of the amounts which the association determines will keep it self-support-
5 ing.

6 (5) An amount equal to the sum required by the provisions of sections
7 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
8 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
9 paid as provided by sections 63-709 and 63-717, Idaho Code.

10 (6) An amount required by the provisions of chapter 53, title 33, Idaho
11 Code.

12 (7) An amount required by the provisions of chapter 87, title 67, Idaho
13 Code.

14 (8) For fiscal year 2011, and each fiscal year thereafter, four million
15 one hundred thousand dollars (\$4,100,000), of which two million two hundred
16 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
17 (44) counties in equal amounts, and one million nine hundred thousand dol-
18 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
19 ties in the proportion that the population of the county bears to the popula-
20 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
21 the amount distributed pursuant to this subsection, shall be adjusted annu-
22 ally by the state tax commission in accordance with the consumer price index
23 for all urban consumers (CPI-U) as published by the U.S. department of la-
24 bor, bureau of labor statistics, but in no fiscal year shall the total amount
25 allocated for counties under this subsection, be less than four million one
26 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
27 justment required in this section shall be distributed to each county in the
28 proportion that the population of the county bears to the population of the
29 state. Each county shall establish a special election fund to which shall be
30 deposited all revenues received from the distribution pursuant to this sub-
31 section. All such revenues shall be used exclusively to defray the costs as-
32 sociated with conducting elections as required of county clerks by the pro-
33 visions of section 34-1401, Idaho Code.

34 (9) One dollar (\$1.00) on each application for certificate of title
35 or initial application for registration of a motor vehicle, snowmobile,
36 all-terrain vehicle or other vehicle processed by the county assessor or the
37 Idaho transportation department excepting those applications in which any
38 sales or use taxes due have been previously collected by a retailer, shall be
39 a fee for the services of the assessor of the county or the Idaho transporta-
40 tion department in collecting such taxes, and shall be paid into the current
41 expense fund of the county or state highway account established in section
42 40-702, Idaho Code.

43 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
44 ated and shall be distributed to the revenue sharing account which is created
45 in the state treasury, and the moneys in the revenue sharing account will be
46 paid in installments each calendar quarter by the state tax commission as
47 follows:

48 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
49 various cities as follows:

1 (i) Fifty percent (50%) of such amount shall be paid to the vari-
2 ous cities, and each city shall be entitled to an amount in the pro-
3 portion that the population of that city bears to the population of
4 all cities within the state; and

5 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
6 ous cities, and each city shall be entitled to an amount in the pro-
7 portion that the preceding year's market value for assessment pur-
8 poses for that city bears to the preceding year's market value for
9 assessment purposes for all cities within the state.

10 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
11 various counties as follows:

12 (i) One million three hundred twenty thousand dollars
13 (\$1,320,000) annually shall be distributed one forty-fourth
14 (1/44) to each of the various counties; and

15 (ii) The balance of such amount shall be paid to the various coun-
16 ties, and each county shall be entitled to an amount in the propor-
17 tion that the population of that county bears to the population of
18 the state;

19 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
20 priated in this subsection shall be paid to the several counties for
21 distribution to the cities and counties as follows:

22 (i) Each city and county which received a payment under the provi-
23 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
24 of calendar year 1999, shall be entitled to a like amount during
25 succeeding calendar quarters.

26 (ii) If the dollar amount of money available under this subsection
27 (10) (c) in any quarter does not equal the amount paid in the fourth
28 quarter of calendar year 1999, each city's and county's payment
29 shall be reduced proportionately.

30 (iii) If the dollar amount of money available under this subsec-
31 tion (10) (c) in any quarter exceeds the amount paid in the fourth
32 quarter of calendar year 1999, each city and county shall be en-
33 titled to a proportionately increased payment, but such increase
34 shall not exceed one hundred five percent (105%) of the total pay-
35 ment made in the fourth quarter of calendar year 1999.

36 (iv) If the dollar amount of money available under this subsection
37 (10) (c) in any quarter exceeds one hundred five percent (105%) of
38 the total payment made in the fourth quarter of calendar year 1999,
39 any amount over and above such one hundred five percent (105%)
40 shall be paid fifty percent (50%) to the various cities in the pro-
41 portion that the population of the city bears to the population of
42 all cities within the state, and fifty percent (50%) to the various
43 counties in the proportion that the population of a county bears to
44 the population of the state; and

45 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
46 this subsection shall be paid to the several counties for distribution
47 to special purpose taxing districts as follows:

48 (i) Each such district which received a payment under the provi-
49 sions of section 63-3638 (e), Idaho Code, during the fourth quarter

1 of calendar year 1999, shall be entitled to a like amount during
2 succeeding calendar quarters.

3 (ii) If the dollar amount of money available under this subsec-
4 tion (10) (d) in any quarter does not equal the amount paid in the
5 fourth quarter of calendar year 1999, each special purpose taxing
6 district's payment shall be reduced proportionately.

7 (iii) If the dollar amount of money available under this subsec-
8 tion (10) (d) in any quarter exceeds the amount distributed under
9 paragraph (i) of this subsection (10) (d), each special purpose
10 taxing district shall be entitled to a share of the excess based on
11 the proportion each such district's current property tax budget
12 bears to the sum of the current property tax budgets of all such
13 districts in the state. The state tax commission shall calculate
14 district current property tax budgets to include any unrecovered
15 foregone amounts as determined under section 63-802(1) (e), Idaho
16 Code. When a special purpose taxing district is situated in more
17 than one (1) county, the state tax commission shall determine the
18 portion attributable to the special purpose taxing district from
19 each county in which it is situated.

20 (iv) If special purpose taxing districts are consolidated, the
21 resulting district is entitled to a base amount equal to the sum of
22 the base amounts which were received in the last calendar quarter
23 by each district prior to the consolidation.

24 (v) If a special purpose taxing district is dissolved or disin-
25 corporated, the state tax commission shall continuously distrib-
26 ute to the board of county commissioners an amount equal to the
27 last quarter's distribution prior to dissolution or disincorpora-
28 tion. The board of county commissioners shall determine any re-
29 distribution of moneys so received.

30 (vi) Taxing districts formed after January 1, 2001, are not enti-
31 tled to a payment under the provisions of this subsection (10) (d).

32 (vii) For purposes of this subsection (10) (d), a special purpose
33 taxing district is any taxing district which is not a city, a
34 county or a school district.

35 (11) Amounts calculated in accordance with section 2, chapter 356, laws
36 of 2001, for annual distribution to counties and other taxing districts be-
37 ginning in October 2001 for replacement of property tax on farm machinery and
38 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
39 districts, the state tax commission shall distribute one-fourth (1/4) of
40 this amount certified quarterly to each county. For school districts, the
41 state tax commission shall distribute one-fourth (1/4) of the amount certi-
42 fied quarterly to each school district. For nonschool districts, the county
43 auditor shall distribute to each district within thirty (30) calendar days
44 from receipt of moneys from the state tax commission. Moneys received by
45 each taxing district for replacement shall be utilized in the same manner
46 and in the same proportions as revenues from property taxation. The moneys
47 remitted to the county treasurer for replacement of property exempt from
48 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
49 counties and other taxing districts and budgeted at the same time, in the
50 same manner and in the same year as revenues from taxation on personal prop-

1 erty which these moneys replace. If taxing districts are consolidated, the
2 resulting district is entitled to an amount equal to the sum of the amounts
3 which were received in the last calendar quarter by each district pursuant
4 to this subsection prior to the consolidation. If a taxing district is
5 dissolved or disincorporated, the state tax commission shall continuously
6 distribute to the board of county commissioners an amount equal to the
7 last quarter's distribution prior to dissolution or disincorporation. The
8 board of county commissioners shall determine any redistribution of moneys
9 so received. If a taxing district annexes territory, the distribution of
10 moneys received pursuant to this subsection shall be unaffected. Taxing
11 districts formed after January 1, 2001, are not entitled to a payment under
12 the provisions of this subsection. School districts shall receive an amount
13 determined by multiplying the sum of the year 2000 school district levy mi-
14 nus .004 times the market value on December 31, 2000, in the district of the
15 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
16 vided that the result of these calculations shall not be less than zero (0).
17 The result of these school district calculations shall be further increased
18 by six percent (6%). For purposes of the limitation provided by section
19 63-802, Idaho Code, moneys received pursuant to this section as property tax
20 replacement for property exempt from taxation pursuant to section 63-602EE,
21 Idaho Code, shall be treated as property tax revenues.

22 (12) Amounts necessary to pay refunds as provided in section 63-3641,
23 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
24 stration pilot project fund created in section 63-3641, Idaho Code.

25 (13) Amounts calculated in accordance with subsection (4) of section
26 63-602KK, Idaho Code, for annual distribution to counties and other taxing
27 districts for replacement of property tax on personal property tax exemp-
28 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
29 amounts are continuously appropriated unless the legislature enacts a dif-
30 ferent appropriation for a particular fiscal year. For purposes of the
31 limitation provided by section 63-802, Idaho Code, moneys received pursuant
32 to this section as property tax replacement for property exempt from taxa-
33 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
34 tax revenues.

35 (14) Amounts collected from purchasers and paid to the state of Idaho by
36 retailers that are not engaged in business in this state and which retailer
37 would not have been required to collect the sales tax, less amounts other-
38 wise distributed in subsections (1) and (10) of this section, shall be dis-
39 tributed to the tax relief fund created in section 57-811, Idaho Code. The
40 state tax commission will determine the amounts to be distributed under this
41 subsection.

42 (15) Any moneys remaining over and above those necessary to meet and
43 reserve for payments under other subsections of this section shall be dis-
44 tributed to the general fund.