

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

- DATE:** Tuesday, February 18, 2014
- TIME:** 9:00 A.M.
- PLACE:** Room EW42
- MEMBERS:** Chairman Collins (Collins), Vice Chairman Wood(35), Representative(s) Barrett, Moyle, Raybould, Denney, Anderson(31), Anderst, Dayley, Hartgen, Kauffman, Trujillo, Agidius, Burgoyne, Erpelling, Meline
- ABSENT/  
EXCUSED:** Rep. Dayley
- GUESTS:** None
- Vice Chairman Wood(35)** called the meeting to order at 9:00 am.
- MOTION:** **Rep. Raybould** made a motion to approve the minutes of February 14, 2014. **Motion carried by voice vote.**
- H 420:** **Rep. Sims** presented **H 420** which is related to the exemption of military retirement income for Idaho residents, regardless of age. Rep. Sims explained **H 420** was brought back to the committee due to a recalculation of the fiscal impact.
- MOTION:** **Rep. Moyle** made a motion to send **H 420** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Anderson(31), Burgoyne, and Erpelling** requested to be recorded as voting **NAY.** **Rep. Sims** will sponsor the bill on the floor.
- RS 22915:** **Rep. Moyle** presented **RS 22915.** This proposed legislation would reduce the amount of individual and corporate income tax over time and upon certain conditions being met. Beginning in taxable year 2015, individual and corporate income taxes would be lowered by one tenth of one percent (.10%). Beginning January 1, 2016, the income tax rate in all brackets would be lowered by one tenth of one percent (.10%) in each subsequent year, only when General Fund revenue growth exceeds three percent (3.0%) the preceding year. Reductions will continue until individual and corporate tax rates equal 6.8%.
- In response to questions from the committee, **Rep. Moyle** stated the impact in General Fund revenues does not take into consideration the \$21 million which would be put back into the economy. Subsequent the 2015 tax year, General Fund revenues would need to be growing in order to realize the tax reduction.
- Rep. Moyle** stated generally, as income tax rates are reduced, growth in the economy increases, thereby reducing the reliance on federal subsidies. Rep. Moyle stated he questions whether Idaho is 46th in the nation for income taxes, since fees are not included. When the overall tax burden is considered, he believes the cost is much higher. Rep. Moyle said potential businesses look at the current rate of 7.4% and it is a deterrent. When asked if consideration was made to immediately cut the corporate tax rate to 6.9%, Rep. Moyle said since not all businesses are C Corporations, not all businesses would benefit.
- MOTION:** **Rep. Anderst** made a motion to introduce **RS 22915**, with the correction in the SOP of the word 'tall' to 'all' in line three. **Motion carried by voice vote.**

**RS 22921:** **Rep. Trujillo** presented **RS 22921** which makes technical corrections to **H 474** and is related to accountability by governmental entities. Rep. Trujillo stated the changes made includes the exclusion of school districts, as they are audited under a different section of Idaho Code and are 100% compliant. Section 1 establishes a central registry in the Legislative Services Office website by January 1, 2016 and the process of budget submission and audit criteria. **RS 22921** is also modified to include a section on notification and penalties, for governing entities failing to comply.

**MOTION:** **Rep. Anderson(31)** made a motion to introduce **RS 22921**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:16 am.

---

Representative Wood(35)  
Vice Chair

---

Kathleen A. Simko  
Secretary