

MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Thursday, March 20, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representatives Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** None

GUESTS: None

Chairman Anderson(1) called the meeting to order at 1:21 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of March 13, 2014 and March 18, 2014. **Motion carried by voice vote.**

RS 22496C2: **Rep. Nielsen** presented **RS 22496C2**. He stated the purpose of this proposed legislation is to amend Idaho Code Section 63-3022 to provide an equitable treatment of individuals, currently afforded to corporations, related to the deduction of health care premium expenses from Idaho net income. Corporations are able to deduct 100% of the amount paid for employee health insurance benefits from their net income, resulting in no taxation for these insurance premiums. Rep. Nielsen stated individuals who purchase insurance are not afforded the same tax deduction, which can be a disincentive to providing health care insurance for the individual and potentially, their dependents. Rep. Nielsen stated this legislation will be effective January 1, 2015.

MOTION: **Rep. Crane** made a motion to introduce **RS 22496C2**. **Motion carried by voice vote.**

RS 22932C1: **Rep. Nielsen** presented **RS 22932C1**. He stated the purpose of this proposed legislation is to amend Idaho Code Section 63-3022 and allow individuals to deduct the amount paid for specified, non-reimbursed health care expenses, allowable under section 213 of the Internal Revenue Code (IRC), as an adjustment to taxable income. Rep. Nielsen stated in the computation of Idaho taxable income, an individual would be able to itemize and thereby exclude from their net income, any amount paid for prescription drugs or products, doctor visits, hospital stays, co-pays, deductible's, physical therapy services, chiropractic services or any other health profession licensed pursuant to Title 54 Idaho Code. He said the payment for over-the-counter drugs or therapies, are not included as deductible expenses. This legislation would be effective January 1, 2015.

MOTION: **Rep. Crane** made a motion to introduce **RS 22932C1**. **Motion carried by voice vote.**

- RS 22850:** **Rep. Clow** presented **RS 22850**. He stated this proposed legislation, the Streamlined Sales Tax Simplification Act, brings together the relevant applicable statutes affecting the collection of Idaho sales and use taxes. Rep. Clow stated the sales/use tax statutes will be modified to qualify Idaho: 1) To be a member state with 24 other states in what is commonly referred to as the "Streamlined Sales and Use Tax Agreement," and; 2) For inclusion under U.S. Senate Bill (S.743) which was passed by the U.S. Senate on May 6, 2013. Rep. Clow explained these changes do not create new taxes. However they establish a streamline system for vendors to voluntarily collect and remit sales and use taxes from remote sales that are due; however, which here to fore, have not been collectable. This bill modifies Title 63 of Idaho Code to align definitions with those of the other member states. He stated it also provides for a simplified sale/use tax electronic reporting and remittance of taxes through the automated clearing house. Rep. Clow stated these simplifications will benefit all Idaho retailers, not just remote sellers to Idaho customers.
- MOTION:** **Rep. Burgoyne** made a motion to introduce **RS 22850**. **Motion carried by voice vote.**
- RS 23191:** **Rep. Bell** presented **RS 23191**. She stated the proposed legislation honors **D. Jeffrey Youtz**, the Director of the Idaho Legislative Services Office, for his thirty-six years of service to the Legislature, upon his retirement in September 2014.
- MOTION:** **Rep. Vander Woude** made a motion to introduce **RS 23191** and recommend it be sent to the Second Reading Calendar. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:31 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary