

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

- DATE:** Tuesday, January 20, 2015
- TIME:** 9:30 A.M.
- PLACE:** Room EW42
- MEMBERS:** Chairman Collins, Vice Chairman Trujillo, Representative(s) Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph
- ABSENT/  
EXCUSED:** Representative(s) Moyle
- GUESTS:** Benjamin Davenport, Associated Taxpayers of Idaho; Mike Chakarun, Idaho State Tax Commission; Tom Shaner, Idaho State Tax Commission; Andrew Mitzel, Idaho Association of Realtors; Cynthia Adrian, ISTC; Jonathan Parker, Internet Truck Stop
- Chairman Collins** called the meeting to order at 9:30 A.M.
- RS 23194:** **Michael Chakarun**, Tax Policy Manager, Idaho State Tax Commission, presented **RS 23194** related to the printing and publishing of the Income Tax Act and rules in pamphlet form. Mr. Chakarun stated that the Tax Act and rules are posted on the internet and are available to the public at no charge. The Commission has not printed in pamphlet form or on paper for many years. This proposed legislation would amend the statute to reflect current practice. In response to a question, he stated the Commission continues to print the tax forms and instructions on paper and that there are subscription services that provide hardbound copies for tax preparers.
- MOTION:** **Rep. Anderson** made a motion to introduce **RS 23194**. **Motion carried by voice vote.**
- RS 23195:** **Michael Chakarun**, Idaho State Tax Commission, presented **RS 23195**. This proposed legislation makes technical changes to the Sales Tax Act. This act provides an exemption from tax for sales of meals by programs that provide nutritional meals for the aging. The reference to Title VII of the Older American Act, Public Law 93-19 is no longer valid as the act was reauthorized and recodified by Congress. That reference is now changed to Title III of the Older American Act, Public Law 109-365 to conform to statute.
- MOTION:** **Rep. Erpelding** made a motion to introduce **RS 23195**. **Motion carried by voice vote.**
- RS 23256:** **Michael Chakarun**, Idaho State Tax Commission, presented **RS 23256**. Under current law, most vehicles may be sold to non residents exempt from sales tax for use outside of Idaho. This exemption does not cover utility type vehicles (UTVs) or specialty off-highway vehicles (SOHVs) making them subject to sales tax even though used outside of the state. This places Idaho sellers at a competitive disadvantage to some out-of-state vendors. In addition, Idaho sellers have consistently expressed confusion and difficulty in administering the exception for these types of vehicles and the vendor becomes liable if no tax is collected. This proposed legislation adds these vehicles to the list of vehicles that may be sold to non residents exempt from the sales tax.
- MOTION:** **Rep. Trujillo** made a motion to introduce **RS 23256**. **Motion carried by voice vote.**

**RS 23238:** **Michael Chakarun**, Idaho State Tax Commission, presented **RS 23238**. Under the claim of right doctrine, a taxpayer may report income and pay income tax on that income even though they might be required to repay the funds in a future taxable year. If, in a subsequent year, the taxpayer repays the income item that was previously taxed, a deduction is allowed for the repaid amount. However, in some cases, the taxpayer may not have enough income to absorb that deduction thereby effectively paying tax on income they had fully repaid. This proposal allows a refundable credit for the difference between the Idaho state income tax liability for the year the income was included in taxable income and the Idaho state income tax that would have been paid had the income not been included in taxable income. Responding to a question, Mr. Chakarun noted that federal income tax rules allow this refundable credit

**MOTION:** **Rep. Kauffman** made a motion to introduce **RS 23238**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:46 A.M.

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Representative Collins  
Chair

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Bev Bean  
Secretary