

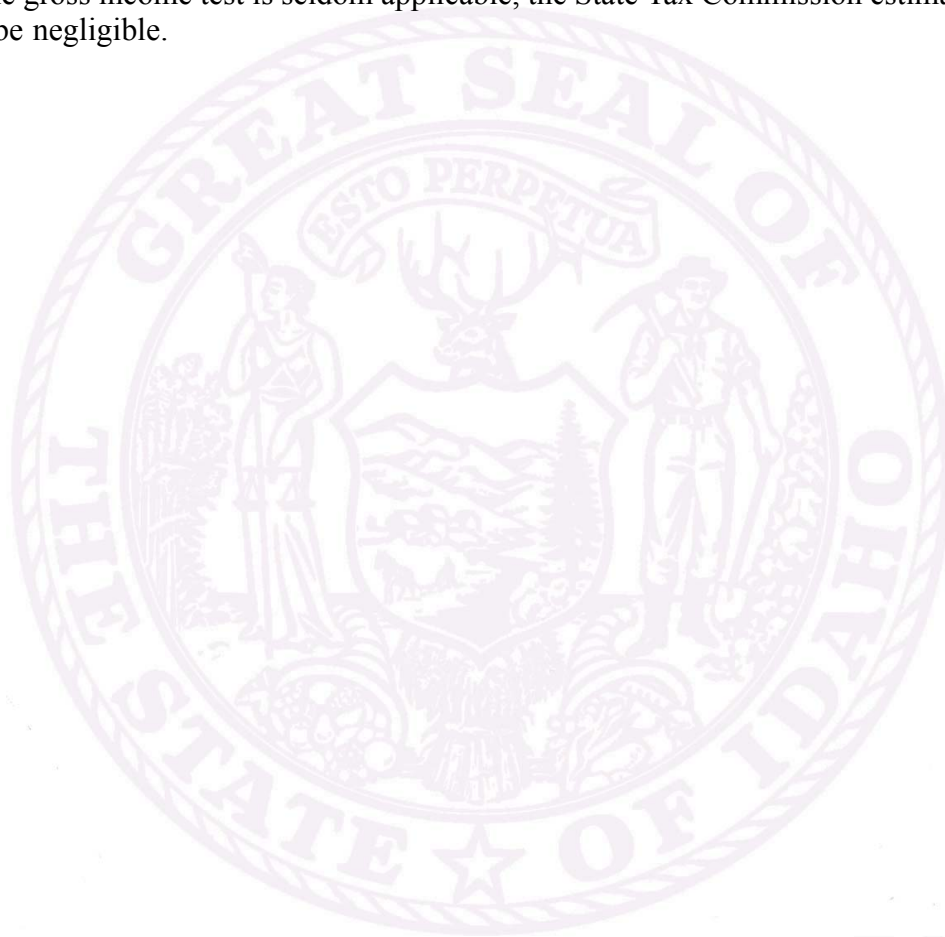
**STATEMENT OF PURPOSE**

**RS24565C1**

Current Idaho law requires that more than one-half of the taxpayer's gross income must come from farming or ranching in order for gains on the sale of certain livestock to be classified as capital gains, thereby qualifying for the Idaho capital gain deduction. The purpose of this legislation is to conform Idaho's capital gains law with federal law by removing the gross income requirement. Required situs and holding periods for the livestock remain unchanged by this legislation.

**FISCAL NOTE**

Because the gross income test is seldom applicable, the State Tax Commission estimates the fiscal impact to be negligible.



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**Statement of Purpose / Fiscal Note**

**H0535**