

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, January 20, 2016
TIME: 9:00 A.M.
PLACE: Room EW42
MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph
**ABSENT/
EXCUSED:** None
GUESTS: Tom Shaner, Cynthia Adrian, Idaho State Tax Commission; Russell Westerberg, Western Aircraft; Melissa Nelson, Idaho Society of CPA's; Ben Davenport, Associated Taxpayers of Idaho; Jack Lyman, Idaho Mining Association

Chairman Collins called the meeting to order at 9:00 A.M.

RS 24041: **Tom Shaner**, Income Tax Policy Specialist, Idaho State Tax Commission, presented **RS 24041** which changes the due date for employers to annually transmit W-2 information to the State. Currently, employers are required to transmit employee wage and withholding (W-2) information to the Idaho State Tax Commission before the last day of the second month of the year. This proposed legislation will change that deadline to the last day of the first month of the year which will provide a time period for the correction of errors for W-2's submitted electronically. Submission of W-2 information to the State Tax Commission one month earlier should not create a hardship for employers as they must submit this information to the Federal Government on this date and it is a relatively easy process.

MOTION: **Rep. Dayley** made a motion to introduce **RS 24041**. **Motion carried by voice vote.**

RS 24042: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **RS 24042** regarding income tax withholding. This proposed legislation will allow certain employers that only pay employees once a month to file and remit withholding on a monthly filing schedule instead of twice a month under current law.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24042**. **Motion carried by voice vote.**

RS 24045: **Ken Roberts**, Commissioner, Idaho State Tax Commission, presented **RS 24045** which is the annual bill that updates Idaho's income tax code to changes made to the federal Internal Revenue Code. This allows Idaho tax filers to use their federal return as a starting point for taxable income on their Idaho tax return. This proposed legislation has a negative fiscal impact of \$17.2 million in fiscal year 2016 and \$28.7 million in fiscal year 2017 due to the extension of the Section 179 deduction. He explained the 179 deduction allows small businesses to deduct up to \$500,000 of eligible capital equipment cost from taxable income in the year the property is placed into service. This allows businesses to get the entire depreciation deduction in a single year.

In addition, this proposed bill deletes subsection (c) which defined marriage for the purposes of the Idaho Income Tax Act in accordance with a recent Supreme Court ruling which makes this section legally inoperative.

MOTION: **Rep. Moyle** made a motion to introduce **RS 24045**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:41 A.M.

Representative Collins
Chair

Bev Bean
Secretary