

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Friday, January 29, 2016

**TIME:** 8:00 A.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen (Hartgen), Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph

**ABSENT/  
EXCUSED:** None

**GUESTS:** Alan Dornfest, Mike Chakarun, Idaho State Tax Commission; Julie Lynde, Cornerstone Family Council; Jonathan Parker, Holland and Hart

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

**MOTION:** **Rep. Kauffman** made a motion to approve the minutes of January 25, 2016.  
**Motion carried by voice vote.**

**RS 24331:** **Rep. Trujillo** presented **RS 24331** which is the annual bill to update Idaho's income tax code to changes made to the federal Internal Revenue Code. In addition, she explained a new section had been added stating "Notwithstanding subsection (c) of this section, marriages recognized and permitted by the United States Supreme Court and the Ninth Circuit Court of Appeals shall also be recognized for purposes of the Idaho Income Tax Act."

**Ken Roberts**, Commissioner, Idaho State Tax Commission, spoke **in support** of this legislation which is necessary to provide a basis for Idaho income tax calculation so filing can proceed for taxpayers. **Rep. Chaney** also expressed his **support**. In response to a question, **Mr. Roberts** indicated the Attorney General's Office has been actively involved in the drafting of this legislation.

**MOTION:** **Rep. Raybould** made a motion to introduce **RS 24331** and recommend it be sent directly to the Second Reading Calendar.

**Rep. Nye** indicated he would be voting **in opposition** to what he believes to be an unconstitutional matter.

**VOTE ON MOTION:** **Chairman Collins** called for a vote on the motion to introduce **RS 24331** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote.** **Reps. Nye, Nate** and **Scott** requested to be recorded as voting **NAY**. **Rep. Trujillo** will sponsor the bill on the floor.

**H 376:** **Michael Chakarun**, Tax Policy Manager, Idaho State Tax Commission, presented **H 376** dealing with bonding requirements for cigarette wholesalers. The purpose of this legislation is to modernize and update bonding requirements for a person applying for a permit to become a cigarette wholesaler. The new requirements would require a bond amount to be the greater of twice the estimate average tax liability for the reporting period or the value of stamps in the wholesaler's inventory including the value of stamps ordered but not received. In lieu of bond, the wholesaler would have the option to pay the full value of the stamps in advance.

**MOTION:** **Rep. Thompson** made a motion to send **H 376** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.

**H 359:** **Alan Dornfest**, Property Tax Bureau Chief, Idaho State Tax Commission, presented **H 359** regarding operating property taxable value. The purpose of this legislation is to clarify that operating property is not apportioned to flood control, community infrastructure, watershed improvement, herd, and levy districts. These taxing districts only levy on real property. This bill continues current practice.

**MOTION:** **Rep. Trujillo** made a motion to send **H 359** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Chaney** will sponsor the bill on the floor.

**H 360:** **Alan Dornfest**, Idaho State Tax Commission, presented **H 360** regarding filing deadline for formation of taxing districts. This legislation is to reduce the likelihood of levy calculation errors and mapping and tax code area inconsistencies. Taxing districts would be required to be formed by January 1 to levy property tax in the subsequent year. This will help insure taxes are billed correctly and maps are accurate in each of the taxing districts.

**MOTION:** **Rep. Anderst** made a motion to send **H 360** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderst** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 8:29 A.M.

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Representative Collins  
Chair

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Bev Bean  
Secretary