

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, February 03, 2016

TIME: 9:00 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: Blake Youde, State Board of Education; Sean Ellis, Capital Press; Phil Homer, Idaho Association of School Administrators; Mike Chakarun, Ken Roberts, Idaho State Tax Commission; Russ Hendricks, Farm Bureau Federation; Julie Hart, Westerberg Associates; Ben Davenport, Associated Taxpayers of Idaho; Jonathan Parker, Holland & Hart

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

MOTION: **Rep. Trujillo** made a motion to approve the minutes of January 26, 2016. **Motion carried by voice vote.**

MOTION: **Rep. Kauffman** made a motion to approve the minutes of January 27, 2016. **Motion carried by voice vote.**

MOTION: **Rep. Raybould** made a motion to approve the minutes of January 29, 2016. **Motion carried by voice vote.**

**UNANIMOUS
CONSENT
REQUEST:** **Chairman Collins** asked for unanimous consent to accept the testimony and vote tally presented on **H 346** at the meeting on January 25, 2016 which approved sending this bill to the floor with a **DO PASS** recommendation. There being no objections, the request was granted.

H 386: **Rep. Chaney** presented **H 386** dealing with the production exemption for farming operations. Since 1991, equipment which is "reasonably necessary to the operation of the total farming business" is exempt from sales tax. Some equipment falls into a gray area. Is it a part of the farming business which is exempt from sales tax or is it used for another activity which is not. This legislation amends the production exemption for farming operations to include the term "removal from storage" of agricultural commodities. This will more clearly delineate the point at which farming activities begin.

Ken Roberts, Commissioner, Idaho State Tax Commission, stated that several cases in the past few years have indicated the need for more clarification. The term "initial storage" in the statute can be interpreted several different ways. By adding the term "removal from storage" will more clearly define the breakpoint between farming operations which are sales tax exempt and other activities which are not.

MOTION: **Rep. Anderst** made a motion to send **H 386** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Chaney** will sponsor the bill on the floor.

H 391: **Blake Youde**, State Board of Education, presented **H 391** which eliminates a requirement for the Tax Commission to provide certain information to the Department of Education. This legislation will remove the requirement that the Tax Commission provide to the Department of Education certain reports of adjusted market value and assessment ratios regarding property valuations. These reports are not used by the Department of Education and are unnecessary.

MOTION: **Rep. Thompson** made a motion to send **H 391** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:12 A.M.

Representative Collins
Chair

Bev Bean
Secretary