

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, February 24, 2016

TIME: 9:00 A.M.

PLACE: Room EW42

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

**ABSENT/
EXCUSED:** None

GUESTS: Ben Davenport, Associated Taxpayers of Idaho; Jonathan Parker, Holland & Hart
Chairman Collins called the meeting to order at 9:00 A.M.

MOTION: **Rep. Dayley** made a motion to approve the minutes of February 16, 2016. **Motion carried by voice vote.**

MOTION: **Rep. Raybould** made a motion to approve the minutes of February 19, 2016. **Motion carried by voice vote.**

RS 24590C1: **Rep. Moyle** presented **RS 24590C1** which deals with solar power energy producing plants. The purpose of this proposed legislation is to levy a tax of three and one-half percent (3.5%) on gross earnings and to exempt the operating property of solar energy electricity producers from property tax. This will make it clear that solar energy plants are not taxed as real property but on 3.5% gross receipts. It defines which properties are exempt and how they qualify. An annual report of gross earnings is required and provides for notice to and apportionment of tax owed by the solar energy electricity producers.

MOTION: **Rep. Trujillo** made a motion to introduce **RS 24590C1**.

In response to a question from **Rep. Nate**, **Rep. Trujillo** explained there have been two different ways for operating property to be taxed, one is centrally assessed and taxed on the assessment. The other is taxed on gross receipts.

VOTE ON MOTION: **Chairman Collins** called for a vote on the motion to introduce **RS 24590C1**. **Motion carried by voice vote.**

RS 24565C1: **Senator Brent Hill** presented **RS 24565C1** dealing with capital gains deductions for certain livestock. Current Idaho law requires that in order for gains on the sale of certain livestock to be classified as capital gains, more than one-half of the taxpayer's gross income must come from farming or ranching. This requirement is not in the federal statute and last year Idaho eliminated that income requirement. If the entity qualifies, then individual partners will automatically qualify. This proposed legislation will conform Idaho's capital gains law with federal law by removing the gross income requirement. It does not change required holding periods for the livestock and makes Idaho consistent with federal statute. He noted this proposed legislation has little or no fiscal impact.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24565C1**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:15 A.M.

Representative Collins
Chair

Bev Bean
Secretary