

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, March 15, 2016

TIME: 8:30 A.M.

PLACE: Room EW42

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

**ABSENT/
EXCUSED:** Representative(s) Moyle

GUESTS: Jonathan Parker, Holland & Hart; Ryan Armbruster, Redevelopment Association

Chairman Collins called the meeting to order at 8:30 A.M.

MOTION: **Rep. Kauffman** made a motion to approve the minutes of March 8, 2016. **Motion carried by voice vote.**

RS 24102C2: **Rep. Nielsen** presented **RS 24102C2** regarding an income tax deduction for health insurance premiums. He stated the purpose of this proposed legislation is to help and encourage Idaho citizens to purchase health insurance by eliminating income taxes on the individual or family share of the premium. Currently, health insurance premiums are deductible only if you itemize your deductions. This proposed legislation would make those health insurance premiums tax deductible whether you itemized or not by subtracting it from taxable income. He noted that everyone is required to purchase health insurance so those premiums should be tax deductible.

Responding to a Committee question about medical savings accounts which use tax free dollars to pay for medical expenses and whether these tax deductions are duplications, **Rep. Nielsen** explained you could not take these deductions if you used a medical savings account to pay your health insurance premiums.

MOTION: **Rep. Nate** made a motion to introduce **RS 24102C2**. **Motion carried by voice vote.** **Reps. Nye** and **Erpelding** requested they be recorded as voting **NAY**.

RS 24564C1: **Rep. Nielsen** presented **RS 24564C1** related to health care and medical tax deductions. The purpose of this legislation is to help and encourage Idaho citizens to seek out and utilize health care providers by eliminating income taxes on those services. This proposed legislation would make tax deductible all out-of-pocket expenses which are for medical or health related needs. It would not include over-the-counter medications. He pointed out that this would be phased in over a three-year period starting in 2017 so that it would become fully deductible after the 3rd year.

MOTION: **Rep. Nate** made a motion to introduce **RS 24564C1**. **Motion carried by voice vote.** **Reps. Nye** and **Erpelding** requested they be recorded as voting **NAY**.

RS 24735: **Rep. Youngblood** presented **RS 24735** dealing with urban renewal. He explained that this is the second version of proposed legislation which is the result of many months of study by the Urban Renewal Interim Committee. He noted that the earlier legislation heard by this committee needed several corrections.

This proposed legislation will allow governing boards of urban renewal agencies to be elected if the local government body adopts an ordinance to do so. And, when an urban renewal plan is modified, the base value for the year immediately following shall include the current year's equalized assessed value of the taxable property in a revenue allocation area. It will also provide for an election when a project financed by economic development funds will not be subject to property taxation. Finally, it will establish a repository at the Idaho State Tax Commission for Urban Renewal Plans or modification to those plans as there is not currently a centralized repository.

MOTION: **Rep. Anderst** made a motion to introduce **RS 24735. Motion carried by voice vote. Rep. Nye** requested he be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 8:55 A.M.

Representative Collins
Chair

Bev Bean
Secretary