

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
10:00 A.M.
Room EW42
Wednesday, January 11, 2017

SUBJECT	DESCRIPTION	PRESENTER
	Organizational Meeting	

COMMITTEE MEMBERS

Chairman Collins	Rep Hartgen
Vice Chairman Trujillo	Rep Kauffman
Rep Moyle	Rep Chaney
Rep Raybould	Rep Nate
Rep Anderst	Rep Thompson
Rep Dayley	Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

Fred Swanstrum
Room: EW53
Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, January 11, 2017

TIME: 10:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Max Prad, Realtors; Jason Kreizenbek, Luke Kickup, Lobby Idaho; Katrine Franks, Governor's Office; Tom Shaner, Tax Commission

Chairman Collins called the meeting to order at 9:01 A.M.

Chairman Collins welcomed the committee to the start of another legislative session. He introduced **Rep. Stevens, Rep. Gestrin, Rep. Troy, and Rep. Gannon** as new members of the committee. He also introduced Page **Gabriel Hooper** and Secretary **Fred Swanstrum** who will be assisting the committee this session.

Chairman Collins asked members to review the proposed Administrative Rules from the Tax Commission which will be considered by the full committee at subsequent meetings. These proposed Rules are available on the Idaho Legislature Website.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:09 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, January 17, 2017

SUBJECT	DESCRIPTION	PRESENTER
Docket Nos.	Review of Rules - Idaho State Tax Commission	
<u>35-0101-1602</u>	Income Tax Administrative Rules	Cynthia Adrian, Idaho State Tax Commission
<u>35-0201-1601</u>	Tax Commission Administration and Enforcement Rules	Cynthia Adrian
<u>35-0102-1601</u>	Idaho Sales & Use Tax Administrative Rules	Marni Odermann, Idaho State Tax Commission
<u>35-0102-1602</u>	Idaho Sales & Use Tax Administrative Rules	Marni Odermann
<u>35-0102-1603</u>	Idaho Sales & Use Tax Administrative Rules	Marni Odermann
<u>35-0110-1601</u>	Idaho Cigarette and Tobacco Products Tax Administrative Rules	Tom Shaner, Idaho State Tax Commission

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, January 17, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson

GUESTS: Cythia Adrian, Tom Shaner, Marni Odeerman, Elliot Werk, Idaho State Tax Commission; Greg Casey, Veritas Advisors; Kris Ellis, IOP; Melissa Nelson, ISCPA; Miguel Legarreta, Associated Taxpayers

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

MOTION: **Rep. Kauffman** made a motion to approve the minutes of the January 11, 2017 meeting. **Motion carried by voice vote.**

DOCKET NO. 35-0101-1602: **Cythia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0101-1602**, Income Tax Administrative Rules, which was part of the negotiated rules process. **Rule 006** is amended to add the year information for the MTC Recommended Formula. **Rule 075** is amended to add the tax bracket for 2016 while removing the bracket from 2011 to maintain historical data for the past five years. **Rule 263** is amended to update the amount of guaranteed payments sourced as compensation. **Rule 771** is amended to update the current tax year and the applicable grocery credit which has now reached its maximum. **Rule 872** is amended to become consistent with **H 353**. **Rule 874** is amended to conform to the deadlines stipulated in **H 352**.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0101-1602** . **Motion carried by voice vote.**

DOCKET NO. 35-0201-1601: **Cythia Adrian**, Idaho State Tax Commission, presented **Docket No. 35-0201-1602**, Tax Commission Administration and Enforcement Rules. **Rule 310** is amended to add the interest rate for 2017.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0201-1601** . **Motion carried by voice vote.**

DOCKET NO. 35-0102-1601: **Marni Odeermann**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0102-1601**, Idaho Sales & Use Tax Administrative Rules. **Rule 079** is amended to create a clarification about equipment and supplies used in the performance of a quality control function which is integral in maintaining specific product standards that are exempt. **Rules 080, 081, and 082** are amended to create similar clarification regarding lumber manufacturing, underground mining, and above ground, open pit, mining respectively. **Rule 083** is amended to clarify language for taxpayers regarding the passage of **H 386** pertaining to farming and ranching transportation exemptions. **Rule 096** is amended to remove a hand tool exclusion that allowed hand tools to be exempt from sales and use tax. **Rule 102** is amended to remove an exclusion for chain saws that cost \$100.00 or less and removes section G entirely. Both **Rule 96** and **102** were negotiated. **Rule 100** is amended to exempt various forms of eye wear in order to be consistent with **H 75**. **Rule 107** is amended to incorporate multiple statutory changes in order to be consistent with **H 348**.

- MOTION:** Rep. **Anderst** made a motion to approve **Docket No. 35-0102-1601** . **Motion carried by voice vote.**
- DOCKET NO. 35-0102-1602:** **Marni Odermann**, Idaho State Tax Commission, presented **Docket No. 35-102-1602**, Idaho Sales & Use Tax Administrative Rules. **Rule 037** is amended to make the language consistent with **H 540**.
- MOTION:** Rep. **Dayley** made a motion to approve **Docket No. 35-0102-1602** . **Motion carried by voice vote.**
- DOCKET NO. 35-0102-1603:** **Marni Odermann**, Idaho State Tax Commission, presented **Docket No. 35-102-1603**, Idaho Sales & Use Tax Administrative Rules. **Rule 011** is amended to correct language regarding a reference to the Older Americans Act in order to make it consistent with **H 11**.
- MOTION:** Rep. **Trujillo** made a motion to approve **Docket No. 35-0102-1603** . **Motion carried by voice vote.**
- DOCKET NO. 35-0110-1601:** **Tom Shaner**, Idaho State Tax Commission, presented **Docket No. 35-0110-1601**, Idaho Cigarette and Tobacco Products Tax Administrative Rules. **Rule 017** is amended to clarify procedures in regard to how bonds are set for wholesalers.
- MOTION:** Rep. **Trujillo** made a motion to approve **Docket No. 35-0110-1601** . **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:36 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Wednesday, January 18, 2017

SUBJECT	DESCRIPTION	PRESENTER
Docket Nos.	Review of Rules- Idaho State Tax Commission	
<u>35-0103-1601</u>	Property Tax Administrative Rules	Alan Dornfest, Idaho State Tax Commission
<u>35-0103-1602</u>	Property Tax Administrative Rules	Alan Dornfest
<u>35-0103-1603</u>	Property Tax Administrative Rules	Alan Dornfest
<u>35-0103-1605</u>	Property Tax Administrative Rules	Alan Dornfest
<u>35-0103-1606</u>	Property Tax Administrative Rules	Alan Dornfest

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, January 18, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Gestrin

GUESTS: Alan Dornfest, Idaho State Tax Commission; Migeul Legarreta, Associated Tax Payers

Chairman Collins called the meeting to order at 9:01 A.M.

DOCKET NO. 35-0103-1601: **Alan Dornfest**, Tax Policy Supervisor, Idaho State Tax Commission, presented **Docket No. 35-0103-1601**, Property Tax Administrative Rules. **Rule 625** is amended to change the phrase "shall not" to "may" in order to eliminate redundancies in occupancy tax filing procedures. **Rule 631** contains a new exemption that has been changed to add examples agreed upon by the Department of Commerce to provide clarity.

MOTION: **Representative Trujillo** made a motion to approve **Docket No. 35-0103-1601** . **Motion carried by voice vote.**

DOCKET NO. 35-0103-1602: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1602**, Property Tax Administrative Rules. **Rule 114** is amended to raise the cap for reporting the properties receiving the homeowner's exemption. **Rule 317** has examples added to provide clarity. **Rule 609** is amended to conform to **H 431**. **Rule 802** is amended in accordance with **H 606** and adds a table exemplifying proper proportional assessments. **Rule 803** is changed in five ways: the language is made consistent with **H 534**, **S 1447** and **H 74**, procedures are implemented to prevent double-dipping, and language is removed due to expiring **Idaho Code 631405A**. **Rule 804** is made consistent with **H 606** and also adds various exemptions, changes the base reset date for administrative logistics, implements procedures to prevent double-dipping, and adds notification procedures that go into effect if a new revenue allocation is not reported. **Rule 805** is amended to prevent double-dipping and also removes an unnecessary duplication of plans.

MOTION: **Rep. Anderst** made a motion to approve **Docket No. 35-0103-1602** . **Motion carried by voice vote.**

DOCKET NO. 35-0103-1603: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1603**, Property Tax Administrative Rules. **Rule 020** is changed to remove language that directed value assessors to use a guide and added language directing assessors appraise recreational vehicles at market value.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0103-1603** . **Motion carried by voice vote.**

DOCKET NO. 35-0103-1605: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1605**, Property Tax Administrative Rules. **Rule 006** has references deleted that no longer exist, verification changes are updated, and the "effective date" is removed due to its obsolescence per the guidance of the Department of Administration. **Rule 809** extends the time period correction notices will be received by the Tax Commission.

MOTION: Rep. Thompson made a motion to approve **Docket No. 35-0103-1605** . **Motion carried by voice vote.**

DOCKET NO. 35-0103-1606: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1606**, Property Tax Administrative Rules. **Rule 995** is amended to add a specific timetable for when a district goes back into compliance with reporting requirements.

MOTION: **Representative Trujillo** mode a motion to approve **Docket No. 35-0103-1606** . **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:35 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, January 19, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS24813	Spousal Tax Relief	Tom Shaner, Idaho State Tax Commission
RS24815	Taxes, Perfected Protest	Tom Shaner
RS24816	Taxes, Admin Redetermination, Staff	Tom Shaner
RS24833	Tobacco Permits, Terminology	Tom Shaner
RS24814	Internal Revenue Code	Tom Shaner

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, January 19, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Gestrin

GUESTS: Cynthia Adrian, Marni Odermann, Doreen Warren, Tom Shaner, Idaho State Tax Commission; Françoise Cleveland, AARP-Idaho; Melissa Nelson, ISCPA; Miguel Legarreta, Associated Taxpayer; Skip Smyser

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

RS 24813: **Tom Shaner**, Idaho State Tax Commission, presented **RS 24813** concerning spousal tax relief. The proposed legislation corrects repeals and replaces code numbers and corrects references to various statutes. Mr. Shaner explained that the proposed legislation promotes transparency and helps software developers.

MOTION: **Rep. Dayley** made a motion to introduce **RS 24813**. **Motion carried by voice vote.**

RS 24815: **Tom Shaner**, Idaho State Tax Commission, presented **RS 24815** concerning perfected protest. The proposed legislation clarifies the process a taxpayer must follow to file a protest appeal, strikes language that conveys contradictory and confusing information, adjusts grammatical components per the recommendation of Legislative Services, and adds language and procedures related to the filing of a perfected protest. In response to various questions and concerns regarding the burden on taxpayers in the appeals process, Mr. Shaner reiterated that the Tax Commission is heavily invested in providing sufficient time and resources to assure tax payers have adequate access to the appeals process.

MOTION: **Rep. Anderst** made a motion to introduce **RS 24815**. **Motion carried by voice vote.**

RS 24816: **Tom Shaner**, Idaho State Tax Commission, presented **RS 24816** concerning administrative redetermination. This proposed legislation amends a part of Idaho code to provide language establishing that individuals who submit a protest have a right to an independent redetermination if their first protest is denied. Mr. Shaner explained that this proposed legislation would implement a specific review agency within the tax commission, composed of existing staff, to oversee the redetermination process. The proposed legislation also contains language that limits the communication between the original evaluators, and the redetermination evaluators.

MOTION: **Rep. Moyle** made a motion to introduce **RS 24816**. **Motion carried by voice vote.**

RS 24833: **Tom Shaner**, Idaho State Tax Commission, presented **RS 24833** concerning tobacco permit terminology. The proposed legislation corrects obsolete language within **Idaho Code 63-255** to create clarity and transparency.

MOTION: **Rep. Raybould** made a motion to introduce **RS 24833**. **Motion carried by voice vote.**

- RS 24814:** **Tom Shaner**, Idaho State Tax Commission, presented **RS 24814** concerning Internal Revenue Code. This proposed legislation updates references to the Internal Revenue Code and conforms Idaho income tax to the Internal Revenue Code that affects taxable years beginning in 2016.
- MOTION:** **Rep. Kauffman** made a motion to introduce **RS 24814**. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:46 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Monday, January 23, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>RS24821</u>	Grocery tax credit language	Cythia Adrian, Idaho State Tax Commission
<u>RS24822</u>	Valuation of rate regulated electric companies	Alan Dornfest, Idaho State Tax Commission
<u>RS24885</u>	Prop tax relief/Roth IRA distribution	Alan Dornfest
<u>RS24834</u>	Sales tax, nonresident vehicle exemption	Marni Odermann, Idaho State Tax Commission
<u>RS24878</u>	Wine direct shipper license/suspend	Tom Shaner, Idaho State Tax Commission

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, January 23, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Troy, Rep. Chaney

GUESTS: Alan Dornfest, Pam Waters, Marni Odermann, Cynthia Adrian, Don Anderson, Don Williams, Doreen Warren, Idaho State Tax Commission; Roger Seiber, Wine Institute; Katrina Basle; Miguel Legarreta, Associated Taxpayers; Breland Draper, IORC; Francoise Cleveland, AARP Idaho

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of January 18, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Trujillo** made a motion to approve the minutes of January 19th, 2017. **Motion carried by voice vote.**

RS 24821: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **RS 24821** concerning grocery tax credit language. The proposed legislation removes obsolete language regarding scheduled increases.

MOTION: **Rep. Erpelding** made a motion to introduce **RS 24821**. **Motion carried by voice vote.**

RS 24822: **Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission, presented **RS 24822** concerning the valuation of rate regulated electric companies. The proposed legislation amends **Idaho Code 63-205** to include a fixed capitalization rate to account for flotation costs.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24822**. **Motion carried by voice vote.**

RS 24885: **Alan Dornfest**, Idaho State Tax Commission, presented **RS 24885** concerning property tax relief and Roth IRA distribution. This proposed legislation amends **Idaho Code 63-701** by removing a portion requiring a nontaxable portion of a Roth IRA distribution.

MOTION: **Rep. Trujillo** made a motion to introduce **RS 24885**. **Motion carried by voice vote.**

RS 24834: **Marni Odermann**, Sales Tax Policy Specialist, Idaho State Tax Commission, presented **RS 24834** concerning nonresident vehicle exemptions. The proposed legislation changes the number of days nonresidents can use certain vehicles, vessels, or trailers if the vehicles were purchased exempt from Idaho Tax. The change will harmonize differing policy language.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24834**. **Motion carried by voice vote.**

RS 24878: **Don Williams**, Tax Policy Specialist, Idaho State Tax Commission, presented **RS 24878** concerning wine direct shipper licenses. The proposed legislation would amend **Idaho Code 23-1331** to provide a technical correction regarding wine shipper permits. In response to a question regarding past issues, Tax Specialist, **Don Anderson**, Idaho State Tax Commission, explains the necessity of the change in correcting a legislative oversight.

MOTION: **Rep. Erpelding** made a motion to introduce **RS 24878**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:23 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, January 24, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>H 22</u>	Spousal Tax Relief	Cynthia Adrian, Idaho State Tax Commission
<u>H 23</u>	Taxes, Perfected Protest	Cynthia Adrian
<u>H 24</u>	Taxes, Administrative Redetermination, Staff	Cynthia Adrian
<u>H 25</u>	Tobacco Permits, Terminology	Cynthia Adrian
<u>H 26</u>	Internal Revenue Code	Cynthia Adrian

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, January 24, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Moyle

GUESTS: Cynthia Adrian, Doreen Warren, Mike Chakarun, Idaho State Tax Commission; Miguel Legarreta, Associated Taxpayers

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

MOTION: **Rep. Trujillo** made a motion to approve the minutes of January 17th, 2017. **Motion carried by voice vote.**

H 22: **Cythia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **H 22** concerning spousal tax relief. The legislation amends existing code by renumbering a statute and providing a wording reform. The legislation is intended to be tax payer friendly and promotes transparency.

MOTION: **Rep. Kauffman** made a motion to send **H 22** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

H 23: **Cythia Adrian**, Idaho State Tax Commission, presented **H 23** concerning perfected protest. The legislation adds clarifying language, strikes confusing and contradictory language, and makes administrative technical changes. In response to various questions, **Cynthia Adrian** reiterated that the actual protest requirements have been consistent for the past twenty years.

MOTION: **Rep. Trujillo** made a motion to send **H 23** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.

H 24: **Cythia Adrian**, Idaho State Tax Commission, presented **H 24** concerning administrative redetermination. The legislation amends **Idaho Code 63-3045** to establish an independent review for appeals and limit communication between original auditors and auditors examining an appeal.

MOTION: **Rep. Gannon** made a motion to send **H 24** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gannon** will sponsor the bill on the floor.

H 25: **Cythia Adrian**, Idaho State Tax Commission, presented **H 25** concerning tobacco permit terminology. The legislation corrects obsolete language in **Idaho Code 63-2555** to provide clarity and promote transparency.

MOTION: **Rep. Thompson** made a motion to send **H 25** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.

H 26: **Cythia Adrian**, Idaho State Tax Commission, presented **H 26** concerning Internal Revenue Code. This legislation is the annual conformity bill and will establish a change to match the federal rate. The fiscal impact is predicted to be insignificant.

MOTION: **Rep. Trujillo** made a motion to send **H 26** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Nate and Hartgen** requested they be recorded as voting **NAY**. **Rep. Trujillo** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:34 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, January 26, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS24985	Vacation Rentals, Limits, Tax	Jim Clark, JC & Associates
RS25047C1	Income Tax, Individual/Corporate, Revised	Rep. Moyle
RS25048	Personal Property Tax, Exemption	Rep. Trujillo
H 29	Grocery Tax Credit Amount	Cynthia Adrian, Idaho State Tax Commission
H 30	Electric Utilities	Alan Dornfest, Idaho State Tax Commission
H 31	Property Tax Relief	Alan Dornfest
H 32	Sales Tax, Nonresident Vehicle Exemptions	Marni Odermann, Idaho State Tax Commission
H 33	Wine Direct Shipper Permit	Don Williams, Idaho State Tax Commission

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

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Vice Chairman Trujillo	Rep Kauffman
Rep Moyle	Rep Chaney
Rep Raybould	Rep Nate
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Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, January 26, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Erpelding

GUESTS: Don Anderson, Alan Dornfest, Pam Waters, Cynthia Adrian, Marni Odermann, Doreen Warren, Don Williams, Idaho State Tax Commission; Miguel Legarreta, ATI; Jane Wittmeyer, Wittmeyer and Associates; Françoise Cleveland, AARP Idaho; Donna Yule, IPEA; Elizabeth Criner, ISDA, NWFPA

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of Monday, January 23, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Trujillo** made a motion to approve the minutes of Tuesday, January 24, 2017. **Motion carried by voice vote.**

RS 24985: **Jim Clark**, JC and Associates, presented **RS 24985** concerning limits on vacation rentals. The proposed legislation will provide a statewide standard for the taxation of online lodging marketplaces.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24985**. **Motion carried by voice vote.**

RS 25047C1: **Rep. Moyle** presented **RS 25047C1** concerning a revision to individual and corporate tax. The proposed legislation will implement various tax reductions and provide tax exemptions for individuals.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25047C1**. **Motion carried by voice vote.**

RS 25048: **Rep. Trujillo** presented **RS 25048** concerning personal property tax exemptions. The proposed legislation raises the \$100,000 exemption mark to \$250,000.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25048**. **Motion carried by voice vote.**

H 29: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **H 29** concerning the grocery tax credit amount. This bill removes obsolete language.

MOTION: **Rep. Thompson** made a motion to send **H 29** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gestrin** will sponsor the bill on the floor.

H 30: **Alan Dornfest**, Property Tax Bureau Chief, Idaho State Tax Commission, presented **H 30** concerning electric utilities. The legislation creates a specific amount to be included in the capitalization rate to account for flotation costs.

MOTION: **Rep. Trujillo** made a motion to send **H 30** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Trujillo** will sponsor the bill on the floor.

H 31: **Alan Dornfest**, Idaho State Tax Commission, presented **H 31** concerning property tax relief. The legislation deals with the income determination for the circuit breaker property tax exemption program. The amendment would exclude the nontaxable portion of the Roth IRA distribution to correct distribution complications.

MOTION: **Rep. Chaney** made a motion to send **H 31** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Chaney** will sponsor the bill on the floor.

H 32: **Marni Odermann**, Idaho State Tax Commission, presented **H 32** concerning nonresident vehicle sales tax exemptions. The legislation amends **Idaho Code 63-3622R** to create congruency between registration periods and harmonize language across various exemptions.

MOTION: **Rep. Nate** made a motion to send **H 32** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nate** will sponsor the bill on the floor.

H 33: **Don Williams**, Tax Policy Specialist, Idaho State Tax Commission, presented **H 33** concerning wine direct shipper permits. The legislation makes a technical correction that adds "wine direct shippers" to existing Idaho Code to allow Idaho State Police Alcohol Beverage Control to revoke a wine shipper permit for failure to comply with state laws.

MOTION: **Rep. Troy** made a motion to send **H 33** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Troy** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:42 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, January 31, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS24903	Sales Tax, Exempt Free Medical Clinics	Rep. Kauffman
RS25039C1	Taxation, New Construction	Rep. Trujillo
H 67	Income Tax, Individual/ Corporate	Rep. Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, January 31, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Cynthia Adrian, Marni Odermann, Tom Shaner, Doreen Warren, Idaho State Tax Commission; Dustin Hurst, Idaho Reporter; Donna Yule, IPEA; Tanner J. Beymer, Idaho Free and Charitable Clinic Association; Elinor Cheney, League of Women Voters; Josh Campbell, Genesis Community Clinic; Russell Westerberg, RMP; John Watts, Idaho Chamber Alliance; Savannah Slater, Teresa Baker, ID. Association of Counties; Elizabeth Criner, NWFPA, ISDA; Miguel Legarreta, Associated Taxpayers, Suzanne Budge, SPS Associates LLC

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

RS 24903: **Rep. Kauffman** presented **RS 24903** concerning sales tax exemptions for free medical clinics. The proposed legislation adds a definition for "free medical clinics" and establishes tax exemptions for those clinics.

MOTION: **Rep. Anderst** made a motion to introduce **RS 24903**. **Motion carried by voice vote.**

RS 25039C1: **Rep. Trujillo** presented **RS 25039C1** concerning taxation on new construction. The proposed legislation will establish that, if a property goes exempt and is removed from property tax rules, the corresponding tax amount will also be removed from the budget capacity rules.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25039C1**. **Motion carried by voice vote.**

H 67: **Rep. Moyle** presented **H 67** concerning individual and corporate income tax. The legislation eliminates the first \$750.00 of an individual's income tax, and reduces both the corporate and individual income tax rate from 7.4% to 7.2%. In response to various concerns regarding the fiscal impact, Rep. Moyle explained that the estimated fiscal impact is based on a static amount that does not account for the revenue potential inherent in the tax reduction, and, consequently, the fiscal impact will likely be much lower. In response to concerns that the reduction was not significant enough, Rep. Moyle emphasized that this legislation is an effective and comprehensive start.

Donna Yule, Executive Director of Idaho Public Employee Association, spoke **in opposition** of **H 67** with concerns about infrastructure and maintenance funding issues. She cited a survey from the Boise State Department of Public Service that found the majority of Idahoans would rather see an infrastructure investment than a tax break. She also argued that the tax breaks would only provide a minor benefit to average Idahoans while creating a substantial detriment to infrastructure funds.

Elinor Cheney, representing the Women's League of Idaho, spoke **in opposition** of **H 67** with concerns about potential harm to STEM education due to lack of funding for teacher salaries and access to education for young women.

John Watts, representing the Idaho Chamber Alliance, spoke **in support** of the bill because it will stimulate local economies and make Idaho look much more competitive in comparison to neighboring states. Without rate reduction, he argues that Idaho alliances will struggle.

Miguel Lagarreta, President of Associated Taxpayers of Idaho, spoke **in support** of the bill which he says will provide transparency, relief to Idaho citizens, and improve Idaho's economic ranking across the board.

Rep. Moyle responded to the concerns of those speaking against the bill by explaining that there would not be any harm to education funding with the passage of the bill and reiterated that the bill would make Idaho more economically competitive with Western states.

MOTION: **Rep. Thompson** made a motion to send **H 67** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: **Rep. Hartgen** requested a **roll call vote** on the motion to send **H 67** to the floor with a **DO PASS** recommendation. **Motion carried** by a vote of **14 AYE, 2 NAY**. **Voting in favor** of the motion: **Rep. Trujillo, Rep. Moyle, Rep. Raybould, Rep. Anderst, Rep. Dayley, Rep. Hartgen, Rep. Kauffman, Rep. Chaney, Rep. Nate, Rep. Thompson, Rep. Gestrin, Rep. Stevenson, Rep. Troy** and **Chairman Collins**. **Voting in opposition** to the motion: **Rep. Erpelding** and **Rep. Gannon**. **Rep. Moyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:58 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, February 02, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 82	Sales Tax Exemptions for Free Medical Clinics	Rep. Kauffman
H 83	Taxation, New Construction	Rep. Trujillo
RS25019	Taxing Districts, Budgets	Rep. Moyle
RS25062	Property Tax Value Assessment Notice	Rep. Nate

COMMITTEE MEMBERS

Chairman Collins	Rep Hartgen
Vice Chairman Trujillo	Rep Kauffman
Rep Moyle	Rep Chaney
Rep Raybould	Rep Nate
Rep Anderst	Rep Thompson
Rep Dayley	Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 02, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Chaney

GUESTS: Ray Stark, Boise Metro Chamber; Steve Wallace, Lee Heinrich, BTA; Tanner Beymer, Josh Campbell, Idaho Free and Charitable Clinic Association; Teresa Baker, Idaho Association of Counties; Karen Sorivor, Vineyard Medical Clinic; Steve Davis, Genesis Community HHL; Tom Bowman, Canyon Clinic; Dieuwke Spencer, Mary Sheridan, DHW Public Health; Arne Walker, Wellness Tree Clinics; Covey Suter, AHW Public Health; Russ Hendricks, Idaho Farm Bureau; Miguel Lagarreta, Associated Taxpayers of Idaho

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

H 82: **Rep. Kauffman** presented **H 82** concerning tax exemptions for free medical clinics. The legislation will create a sales tax exemption for free medical clinics that are registered with the Department of Health and Welfare.

Tanner Beymer, Idaho Free and Charitable Clinic Association, spoke **in support** of the legislation because the clinics provide vital services to the citizens of Idaho and the tax exemptions will give the state of Idaho a strong return on investment due to the care they provide.

Josh Campbell, Programs Director of Genesis Medical Clinic, spoke **in support** of the legislation because it will greatly benefit clinics that bring both quantitative and qualitative support for Idaho citizens.

Russ Hendricks, Idaho Farm Bureau, spoke **in support** of the legislation because the Idaho Farm Bureau is committed to legislation that helps local communities and medical clinics.

MOTION: **Rep. Hartgen** made a motion to send **H 82** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

H 83: **Rep. Trujillo** presented **H 83** concerning taxation on new construction. The legislation is intended to ensure fairness to taxpayers by removing property tax exemptions from the budget capacity. If a property becomes exempt within five years, the value will be removed from the budget capacity as well. In response to various concerns regarding maintenance fees in relation to the budget capacity, Rep. Trujillo reiterated that the bill will create fairness on behalf of the taxpayers.

Teresa Baker, Legislative Affairs Director of Idaho Association of Counties, spoke **in opposition** of the legislation because she believes that time needs to be spent on assessing the fiscal impact of the legislation on localities in which exemptions will be removed from the budget capacity.

**ORIGINAL
MOTION:** **Rep. Anderst** made a motion to send **H 83** to the floor with a **DO PASS** recommendation including the fiscal note revision.

SUBSTITUTE MOTION: Rep. Gannon made a motion to **HOLD H 83** at the call of the chair until the fiscal impact on localities could be assessed.

ROLL CALL VOTE ON SUBSTITUTE MOTION: Chairman Collins called for a roll call vote on the substitute motion to **HOLD H 83** at the call of the chair. **Motion failed** by a vote of **5 AYE, 10 NAY, 1 Absent/Excused**. **Voting in favor** of the motion: Rep. Hartgen, Rep. Kauffman, Rep. Thompson, Rep. Gannon, Rep. Erpelding. **Voting in opposition** to the motion: Rep. Trujillo, Rep. Moyle, Rep. Raybould, Rep. Anderst, Rep. Dayley, Rep. Nate, Rep. Gestrin, Rep. Stevenson, Rep. Troy, Chairman Collins. Rep. Chaney was absent/excused.

VOTE ON ORIGINAL MOTION: Chairman Collins called for a vote on the motion to send **H 83** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote**. Reps. Gannon and Erpelding requested they be recorded as voting **NAY**. Rep. Trujillo will sponsor the bill on the floor.

RS 25019: Rep. Moyle presented **RS 25019** concerning forgone balances. The proposed legislation will give local control to determine what happens to forgone balances by requiring a resolution to be passed prior to balance allocation.

MOTION: Rep. Anderst made a motion to introduce **RS 25019**. **Motion carried by voice vote**.

RS 25062: Rep. Nate presented **RS 25062** concerning property tax value assessment notices. Rep. Nate explained the proposed legislation is in need of changes to align with recommendations from various state agencies before it is introduced.

MOTION: Rep. Raybould made a motion to return **RS 25062** to the sponsor. **Motion carried by voice vote**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:55 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, February 07, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25130	Urban Renewal, Construction	Rep. Trujillo
RS25157	Property Tax/Exemption AMT Increase	Rep. Trujillo
H 103	Taxing Districts, Budgets	Rep. Moyle
	Committee Discussion on Fiscal Impact Statements	

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 07, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Troy

GUESTS: Elaine Clegg, City of Boise; Brian Blad, City of Pocatello, Laura Lantz, IAHD; Jonathan Parker, Holland and Hart; Larry Maneely, Ada County; Russell Westerberg, CCDC; Miguel Legarreta, ATI; Nick Veldhouse, IAHD; John Watts, Library Association; Wayne Hoffman, Idaho Freedom Foundation

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of January 26, 2017. **Motion carried by voice vote**

MOTION: **Rep. Trujillo** made a motion to approve the minutes of January 31, 2017. **Motion carried by voice vote.**

RS 25130: **Rep. Trujillo** presented **RS 25130** concerning urban renewal construction. The proposed legislation will revise the definition of subsequent role related to urban renewal and clarify exemptions in relation to the construction roll.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 25130**. **Motion carried by voice vote.**

RS 25157 **Rep. Trujillo** presented **RS 25157** concerning property tax exemptions. The proposed legislation expands the personal property tax exemption from \$100,000 to \$250,000 and adds language concerning county reimbursements.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25157**. **Motion carried by voice vote.**

H 103: **Rep. Moyle** presented **H 103** concerning budgets of taxing districts. The legislation will give local commissioners more autonomy by allowing them to make proportional decisions on allocating yearly forgone balances.

John Watts, Idaho Library Association, spoke **in opposition** of **H 103** citing concerns the public would not have access to hearings in relation to forgone balance decisions and the legislation may tie the hands of future legislators.

Wayne Hoffman, President of the Idaho Freedom Foundation, spoke **in support** of **H 103** because the legislation would benefit tax payers by lowering the chance of them experiencing a high debt burden. He believes the bill is effective and conservative legislation.

Brian Blad, Mayor of Pocatello, spoke **in opposition** of **H 103** with concerns the legislation would tie the hands of local governments and remove local control. He believes the legislation would force localities to take the full 3% forgone balance every year. He believes it is not the right time for this type of legislation. In response to extensive questions inquiring how the legislation could tie the hands of counties when it would be adding additional options for those counties, Mayor Blad reiterated the legislation may push commissioners to make extreme choices.

Elaine Clay, City Council President of Boise and Executive Counciller for the Association of Idaho Cities, spoke **in opposition** of **H 103** for multiple reasons. First, she believes the current system in place works well without modification which can be seen by local officials taxing at a low rate. She also believes the legislation would incentivize local officials to raise local tax rates. She is also concerned the legislation would tie the hands of future legislators based on the decisions of those holding office before them.

Rep. Moyle reiterated the legislation simply gives local officials more control by adding a third option for making decisions on forgone balances which actually increases local accountability. He also reiterated the bill is specifically referring to the yearly 3% rate and not the entire forgone balance under the control of local officials. Consequently, he argued the concern regarding future legislators being subject to the decisions of prior legislators represents a misunderstanding of what the bill actually does.

MOTION: **Rep. Anderst** made a motion to send **H 103** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Erpelding and Gannon** requested they be recorded as voting **NAY**. **Rep. Moyle** will sponsor the bill on the floor.

The committee discussed changes to Joint Rule 18.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:38 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Friday, February 10, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS24831C1	Forest Lands Tax, Timber Evaluation	Steve Fiscus, Property Tax Administrator, Idaho State Tax Commission
RS25062C1	Property Tax Notice	Rep. Nate
RS25166	Sales/use tax, Definition Revised	Rep. Clow
H 116	Urban Renewal, Construction Roll	Rep. Trujillo

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Friday, February 10, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Dayley, Rep. Erpelding

GUESTS: Steve Fiscus, Tom Shaner, Don Williams, Doreen Warren, Idaho state Tax Commission; Jonathan Parker, Holland and Hart; Ryan Armbruster, Elam & Burke; Miguel Legarreta, ATI

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

MOTION: **Rep. Trujillo** made a motion to approve the minutes of February 2, 2017. **Motion carried by voice vote.**

RS 24813C1: **Steve Fiscus**, Administrator for Property Tax Division, Idaho State Tax Commission, presented **RS 24813C1** concerning Forest Lands Tax. The proposed legislation extends the current methodology for timber evaluation for five years.

MOTION: **Rep. Moyle** made a motion to introduce **RS 24813C1**. **Motion carried by voice vote.**

RS 2562C1: **Rep. Nate** presented **RS 2562C1** concerning Property Tax Notices. The proposed legislation will create a tax notice for the cost of each individual approved bond to each taxpayer according to their property value. In response to concerns about the logistics of implementation, Rep. Nate argued the benefits of transparency for the taxpayer outweigh the potential logistical burdens.

MOTION: **Rep. Anderst** made a motion to introduce **RS 2562C1**. **Motion carried by voice vote.**

RS 25166: **Rep. Clow** presented **RS 25166** concerning a revised definition in sales tax. The proposed legislation adds a three part alteration to the definition of a state retailer. The legislation will help in the taxation of outside retailers doing substantial business in Idaho.

MOTION: **Rep. Raybould** made a motion to introduce **RS 25166**. **Motion carried by voice vote.**

MOTION: **Rep. Trujillo** made a motion to **HOLD H 116** at the call of the chair. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:27 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, February 14, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1016	Tax Appeals, Compensation	Steve Wallace, Director, State Board of Tax Appeals
S 1032	Permanent Building Fund, Obsolete References	Morgan Howard, Senate Intern
H 118	Cemeteries, Endowment Care Funds	Jim Burns, Securities Bureau Chief, Idaho Department of Finance
RS25147	Tax Adjust, College Savings Program	Rep. Troy

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 14, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson, Rep. Gannon

GUESTS: Steve Wallace, Cindy Pollock, Lee Heinrich, Board of Tax Appeals; Christine Stoll, Ideal 529; Morgan Howard, Senator Johnson; Jim Burns, Patty Highley, Department of Finance; Tim Hill, SDE; Russell Westerberg

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

S 1016: **Steve Wallace**, Director and Clerk, Board of Tax Appeals, presented **S 1016** concerning compensation tax appeals. The legislation would amend the daily compensation paid to the board of tax appeals from \$200.00 a day to \$300.00 a day. The purpose of this is to attract and retain qualified members.

MOTION: **Rep. Chaney** made a motion to send **S 1016** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Nate and Moyle** requested they be recorded as voting **NAY.** **Rep. Chaney** will sponsor the bill on the floor.

S 1023: **Morgan Howard**, Senate Intern, presented **S 1023** concerning the permanent building fund. The legislation would correct obsolete references.

MOTION: **Rep. Raybould** made a motion to send **S 1023** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Raybould** will sponsor the bill on the floor.

H 118: **Jim Burns**, Securities Bureau Chief, Idaho Department of Finance, presented **H 118** concerning Cemetery Endowment Funds. The legislation will enable the Idaho Department of Finance to temporarily freeze the trust of a cemetery engaging in noncompliant activities in order to get operations back into compliance.

MOTION: **Rep. Trujillo** made a motion to send **H 118** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Stevenson** requested she be recorded as voting **NAY.** **Rep. Trujillo** will sponsor the bill on the floor.

RS 25147: **Rep. Troy** presented **RS 25147** concerning the College Savings Program. The proposed legislation increases the tax deduction in place from \$4,000 to \$6,000 for each family to help them meet their savings goal.

MOTION: **Rep. Chaney** made a motion to introduce **RS 25147.** **Motion carried by voice vote.** **Rep. Stevenson** requested to be recorded as voting **NAY.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:29 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, February 16, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 153	Forest Lands Tax, Timber Valuation	Steve Fiscus, Property Tax Administrator, Idaho State Tax Commission
H 154	Property Tax Notice	Rep. Nate
RS25070	Tax Exemptions, Qualified Projects	Rep. Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 16, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson

GUESTS: Kelli D. Brassfield, Donna D. Peterson, Idaho Association of Counties; Emily McClure, Hancock, Stimson, and Molpus; Brian Stutzman, Larry Lyon, Donald Shanz, taxpayers; Miguel Legarreta, ATI

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

H 153: **Steve Fiscus**, Property Tax Administrator, Idaho State Tax Commission, presented **H 153** concerning timber valuation. The legislation amends **Idaho Code 63-1705** by creating a continuation of methodology in relation to timber valuations for tax purposes.

Emily McClure, Hancock, Stimson and Moplus, spoke **in support** of **H 153** because it was negotiated and will help the state.

MOTION: **Rep. Trujillo** made a motion to send **H 153** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Troy** will sponsor the bill on the floor.

H 154: **Rep. Nate** presented **H 154** concerning property tax notices. The legislation amends **Idaho Code 63-902** by putting bond information directly on tax statements. The goal of the legislation is to promote transparency for taxpayers. In response to various questions concerned with potential costs, Rep. Nate explained that any costs would be outweighed by the benefits of transparency.

Kelli Brassfield, Idaho Association of Counties, spoke **in opposition** of **H 154** with concerns about the potential costs. She estimates the change would cause a three minute increase in the time it takes to create each individual tax notice and could cause significant reprogramming costs.

Donna Peterson, County Treasurer, Idaho Association of Counties, spoke **in opposition** of **H 154** because of the complexity and costs involved in providing individualized notices. In response to various questions concerning the actual costs of implementing the considered changes, she could not provide an accurate estimate but believes the cost would be significant.

Brian Stutzman, an Idaho taxpayer, spoke **in support** of **H 154** for transparency reasons. As the person who brought the legislation to **Rep. Nate**, Mr. Stutzman had to go through a long and confusing process to find out how much he was actually paying in taxes toward a local bond. He believes the taxpayers deserve transparency as to where their tax money is going. Various questions identified concerns about inconsistencies in how taxpayers receive their tax notices.

Larry Lyon, an Idaho taxpayer, spoke **in support** of **H 154** because he believes the potential costs incurred from the legislation are outweighed by the benefits in transparency. He dismissed ideas that adding a simple notice on a tax statement would be a difficult task given the technology available.

Donald Shanz, an Idaho taxpayer, spoke **in support of H 154** because taxpayers deserve to know where their money goes. He provided the analogy that something as simple as a grocery bill will indicate exactly what is being charged and he believes the state should extend the same courtesy to taxpayers.

Rep. Nate dismissed concerns the bill would lead to burdensome costs and reiterated the benefits of transparency.

ORIGINAL MOTION:

Rep. Trujillo made a motion to send **H 154** to General Orders with an amendment as follows: Remove the "two years" requirement on page 2, lines 1 and 2, and change the word "may" on the fiscal note to "will."

SUBSTITUTE MOTION:

Rep. Hartgen made a motion to send **H 154** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Collins requested a roll call vote on the substitute motion. **Motion failed by a vote of 6 AYE, 8 NAY, and 2 absent/excused. Voting in favor of the motion: Reps. Moyle, Hartgen, Chaney, Nate, Gannon, and Collins. Voting in opposition to the motion: Reps. Trujillo, Raybould, Anderst, Dayley, Gestrin, Stevenson, Troy, and Erpelding. Reps. Kauffman and Thompson were absent/excused.**

VOTE ON ORIGINAL MOTION:

Motion carried by voice vote. Rep. Nate will sponsor the bill on the floor.

RS 25070:

Rep. Kerby presented **RS 25070** concerning tax exemptions for qualified projects. The proposed legislation would help existing business expand and grow by altering the required investment amount and implementing a variety of pro-small business components.

MOTION:

Rep. Raybould made a motion to introduce **RS 25070. Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:26 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Wednesday, February 22, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25297	Recorder's Fees/Certain Instruments	Rep. Blanksma
RS25319	Tax Districts, Forgone Balance	Rep. Moyle
RS25040	Income Tax, Precious Metals Bullion	Rep. Moyle
H 192	Tax Exemptions, Qualified Projects	Rep. Moyle
H 185	Tax Adjust, College Savings Program	Rep. Troy

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Fred Swanstrum
Room: EW53
Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, February 22, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding (Gugino), Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Patrick Hodges, Christine Stoll, Ideal - Idaho College Savings; Michael Ryan, Associated Students University of Idaho; Kelli Brassfield, Teresa Baker, Idaho Association of Counties; Amber Pence, City of Boise; Larry Maneely, Ada County; John Watts, Idaho Chamber Alliance; Tim Hill, SDE; Arlen Wittrack, ON Semiconductor; Miguel Legarreta, ATI; Megan Ronk, Idaho Department of Commerce

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

MOTION: **Rep. Anderst** made a motion to approve the minutes of Tuesday, February 7th, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Kauffman** made a motion to approve the minutes of Friday, February 10th, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Trujillo** made a motion to approve the minutes from Tuesday, February 14th, 2017. **Motion carried by voice vote.**

RS 25297: **Rep. Blanksma** presented **RS 25297** concerning flat fees. She explained the legislation is supported by the Idaho Land Title Association, the Idaho Association of Realtors, and others.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25297**. **Motion carried by voice vote.**

RS 25319: **Rep. Moyle** presented **RS 25319** concerning forgone balances. The proposed legislation is an altered version of **H 103** which has been changed to increase clarity in the language regarding the actions that can be taken on forgone balance amounts.

MOTION: **Rep. Nate** made a motion to introduce **RS 25319** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote.** **Rep. Moyle** will sponsor the bill on the floor.

RS 25040: **Rep. Moyle.** presented **RS 25040** concerning precious metals. The proposed legislation would make exempt precious metals bullion from capital gains tax.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25040**. **Motion carried by voice vote.**

H 192: **Rep. Moyle** presented **H 192** concerning tax exemptions for qualified projects. The legislation increases project eligibility and lowers the threshold to \$500,000.

John Watts, Idaho Chamber Alliance, spoke **in support** of **H 192** because it simplifies the process for qualification, is friendly to the public, and will improve the technical education in Idaho.

Arlen Wittrack, ON Semiconductor, spoke **in support** of the **H 192** because it is a positive investment in Idaho communities and increases Idaho competitiveness.

Megan Ronk, Director of the Idaho Department of Commerce, spoke **in support** of **H 192** because economic development is extremely competitive between states and the legislation is important for helping rural communities remain competitive with neighboring areas in other states. **Rep. Gannon** stated that the legislation could further focus on rural communities.

MOTION: **Rep. Gestrin** made a motion to send **H 192** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: **Rep. Gannon** made a substitute motion to send **H 192** to General Orders.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Rep. Anderst** requested a roll call vote on the substitute motion. **Motion failed by a vote of 2 AYE, 14 NAY. Voting in favor** of the motion: **Reps. Gugino and Gannon. Voting in opposition** to the motion: **Reps. Trujillo, Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Collins.**

VOTE ON ORIGINAL MOTION: **Motion carried by voice vote. Reps. Gugino and Gannon** requested they be recorded as voting **NAY. Rep. Moyle** will sponsor the bill on the floor.

H 185: **Rep. Troy** presented **H 185** concerning college savings. The legislation would create a \$6,000 tax deduction to help citizens meet their college savings goals and is intended to increase the amount of Idahoans pursuing an education.

Christy Stoll, Executive Director of the Idaho Savings Program, spoke **in support** of **H 185**. She presented information illustrating the details of the Idaho Savings Program and provided figures demonstrating how the proposed legislation would ultimately help Idahoans pursue an education for themselves and for their children.

Michael Ryan, Associated Students at University of Idaho, spoke **in support** of the bill because the students that he has talked to view it as a necessity and would help make Idaho academically competitive.

MOTION: **Rep. Thompson** made a motion to send **H 185** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Nate** requested that he be recorded as voting **NAY. Rep. Troy** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:18 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
8:30 A.M.
Room EW42
Monday, February 27, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25236	Tax Credit Against Violence	Rep. Kauffman
RS25246	Tax Credits, Medical Organizations	Rep. Erpelding
RS25316	Reimbursement Incentive	Morgan Howard, Intern
RS25343	Short Term/Vacation Rental Marketplace	Pam Eaton
RS24919C1	Sales and Use Tax Rebate, Information Technology	Bobbi-Jo Meuleman, Chief Operating Officer, Idaho Department of Commerce
RS25369	Sales Tax and Highway Distribution Account	Rep. Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Fred Swanstrum
Room: EW53
Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, February 27, 2017

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Nick Veldhouse, Laura Lantz, IAHO; Morgan Howard, Office of Senator Johnson; Rand Spiniar, IDHOA; Elizabeth Criner, ISDA; Miguel Legarreta, Associated Taxpayers; Marni Odermann, Tom Shaner, Idaho State Tax Commission; Braden Jensen, Idaho Farm Bureau; Colby Cameron, Sullivan and Reberger; Jonathan Parker, Holland and Hart; Pam Eaton, Idaho Restaurant and Lodging Association; Jack Carman

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of Thursday, February 16th, 2017. **Motion carried by voice vote.**

RS 25236: **Rep. Kauffman** presented **RS 25236** concerning tax credits for crisis centers. The proposed legislation would add "volunteers against violence or its foundations" to **Idaho Code 63-3029C**.

MOTION: **Rep. Hartgen** made a motion to introduce **RS 25236**. **Motion carried by voice vote.**

RS 25246: **Rep. Erpelding** stated **RS 25246** has an error within it.

MOTION: **Rep. Erpelding** made a motion to return **RS 25246** to the sponsor. **Motion carried by voice vote.**

RS 25316: **Morgan Howard**, Intern for Senator Johnson, presented **RS 25316** concerning redundant language. The proposed legislation simply removes redundant language in existing law regarding franchises to increase clarity.

MOTION: **Rep. Gannon** made a motion to introduce **RS 25316**. **Motion carried by voice vote.**

RS 25343: **Pam Eaton**, Executive Director of the Idaho Restaurant and Lodging Association, presented **RS 25343** which defines a vacation or short term rental marketplace and assures all taxes owed by those defined entities are due. The legislation is intended to protect private property rights for both owners and neighbors.

MOTION: **Rep. Trujillo** made a motion to introduce **RS 25343**. **Motion carried by voice vote.**

RS 24919C1: **Bobbi-Jo Meuleman**, C.O.O. of Idaho Department of Commerce, introduced **RS 24919C1** concerning equipment tax rebates for data centers. She explained Idaho has a variety of favorable factors contributing to data center companies' desire to come to Idaho; however, the proposed legislation would allow Idaho's tax laws to be competitive with surrounding states to which Idaho has lost business.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24919C1**. **Motion carried by voice vote.**

RS 25369: **Rep. Moyle** presented **RS 25369** concerning fuel tax and funding for Idaho State Police. The proposed legislation would take 1% of the sales tax and direct it toward the Idaho Law Enforcement Fund apportioned at a rate of 60/40 with the 40% going toward local government and 60% going toward the highway account.

MOTION: **Rep. Chaney** made a motion to introduce **RS 25369**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:01 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
8:00 A.M.
Room EW42
Wednesday, March 01, 2017

SUBJECT	DESCRIPTION	PRESENTER
RS25408C1	Personal Property Tax Exemption	Rep. Moyle
RS25327	Tax Credit Rate, Certain Scholarships	Rep. Vander Woude
H 216	Short-Term Vacation Rental Marketplace	Pam Eaton, Idaho Lodging and Restaurant Association

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins
Vice Chairman Trujillo
Rep Moyle
Rep Raybould
Rep Anderst
Rep Dayley

Rep Hartgen
Rep Kauffman
Rep Chaney
Rep Nate
Rep Thompson
Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, March 01, 2017

TIME: 8:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Lauren Pollard, Rand Spinak, IDHOA Inc.; Marc Carignan, Gem Accounts; Jim Reed, RCDB; Tom Shaner, ISTC; Harold Ott, IRSA; Christian Welp, Catholic Church; Miguel Legarreta, Associated Taxpayers of Idaho; Derek Pollard, Elizabeth Criner, NWFPA; Jason Krezenbeck, Lobby Idaho, Expedia; Russel Westerberg, RMP; Teresa Baker, IAC; Alex Larsen, IAC; John Eaton, Realtors

Chairman Collins called the meeting to order at 8:18 A.M.

RS 25408C1: **Rep. Moyle.** presented **RS 25408C1** concerning tax exemptions for new and existing plants. This proposed legislation addresses concerns with similar legislation in the past by changing the word "resolution" to "ordinance" and adding the word "uniformly."

MOTION: **Rep. Chaney** made a motion to introduce **RS 25048C1** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote.** **Reps. Gannon and Erpelding** requested they be recorded as voting **NAY.** **Rep. Moyle** will sponsor the bill on the floor.

RS 25327: **Rep. Vander Woude** presented **RS 25327** concerning tax credits for special needs children and low-income families. The proposed legislation provides an 80% tax credit for those who donate to the scholarship and alleviates increases to the education budget.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25327.** **Motion carried by voice vote.**

H 216: **Pam Eaton** President and C.E.O. of Idaho Lodging and Restaurant Association, presented **H 216.** The legislation was created to deal with the short-term rental marketplace and protects property rights of both those renting their homes and the neighbors near rentals. **H 216** does a variety of things such as providing definitions of these marketplaces, puts in place procedures to ensure taxes are due, ensures localities cannot create policies with the direct intention of preventing the existence of these marketplaces, and also provides guidelines to help property owners protect their property values if rentals cause problems.

John Eaton, Government Affairs Director for Idaho Association of Realtors, spoke **in support** of the legislation, explaining this assures the language both ensures the cities ability to regulate rental marketplaces while simultaneously limiting their power enough to prevent them from outright preventing the marketplaces from existing.

Teresa Baker, Idaho Association of Counties, spoke **in opposition** of the legislation with concerns from the Idaho Association of Counties.

Derek Pollard, a Meridian resident, spoke **in support** of the legislation because it prevents unfair targeting of rental places and protects property rights.

MOTION: **Rep. Trujillo** made a motion to send **H 216** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Trujillo** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:13 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
8:30 A.M.
Room EW42
Thursday, March 02, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 215	Reimbursement Incentive	Morgan Howard, Intern
H 206	Income Tax, Precious Metals Bullion	Rep. Moyle
H 217	Sales and Use Tax Rebate, Information Technology	Bobbi-Jo Meulemann, C.O.O., Idaho Department of Commerce
H 218	Law Enforcement Fund Distribution Revision	Rep. Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Fred Swanstrum
Room: EW53
Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 02, 2017

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Troy

GUESTS: Reed Disney, Lucas Cinnemeyer, DataSite; Jonathan Parker, Holland and Hart; Tom Shaner, Marni Odermann, Cynthia Adrian, Idaho State Tax Commission; Joan Condie, Cheryl Goettsche, ICBA; Matt Klinger, Fiberglass Data Center; Jeff Leonnig, Involta; Max Pond, Realtors; Alex Lebeau, IACI; Fred Birnbaum, Idaho Freedom Foundation; Stefan Gleason, Sound Money Defense League; Teresa Baker, IAC; Michelle Williams, ICBA; Jay Larsen, ITC; Amber Pence, City of Boise; Miguel Legarreta, Associated Taxpayers; John Eaton, Realtors

Chairman Collins called the meeting to order at 9:01 A.M.

H 215: **Morgan Howard**, intern for Senator Johnson, presented **H 215** concerning the franchise tax. This legislation does two things: it adds franchise tax to the new state revenues and excludes taxes that have been or will be introduced by the federal government. The purpose is to create clarity.

MOTION: **Re.p Trujillo** made a motion to send **H 215** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Trujillo** will sponsor the bill on the floor.

H 206: **Stefan Gleason**, Sound Money Defense League, presented **H 206** concerning tax exemptions for precious metals bullion. After a brief explanation of historical significance of precious metals as a currency, he explained the legislation would back out the federal income loss someone reports on precious metals out of their Idaho taxable income by defining precious metals for a tax exemption. While there is a fiscal impact, the legislation is also intended as a statement of fiscal freedom and sound income. After concerns regarding the potential this legislation would be "picking a favorite" in terms of investments, Mr. Gleason reiterated these precious metals are an actual currency which makes them different from other investments.

Fred Birnbaum, Idaho Freedom Foundation, spoke **in support** of the legislation. He has concerns with a tremendously unbalanced federal budget and massive inflation. He believes this bill is a prospective measure which will help fight inflation and protect Idaho from the devaluation of the dollar.

MOTION: **Rep. Nate** made a motion to send **H 206** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Moyle** will sponsor the bill on the floor.

H 217:

Bobbi-Jo Meulemann, C.O.O. of Idaho Department of Commerce, presented **H 217** concerning the Idaho information technology tax rebate. Because we live in a data driven society, this legislation will help Idaho be competitive in bringing in large scale data centers and grow the technology ecosystem. Since Idaho is low risk for a variety of reasons including our low natural disaster rates, free cooling, proximity to the data pipeline, and good renewable energy platforms, we are a strong candidate for data center business in Idaho. However, due to the 20 other states offering tax rebates including five bordering states, Idaho has lost substantial business opportunities in the past and will continue to do so in the future due to the lack of tax rebate. This rebate would make Idaho competitive by creating a tax rebate with a \$1,000,000 minimum investment threshold which qualifies them for a tax rebate of purchases totalling \$5,000,000 or more.

Reed Disney, representing DataSite, spoke **in support** of the legislation because Idaho has an ideal location for it and the rebate will help data centers maximize the business potential within Idaho. Additionally, since these data centers must renew their equipment every 3-5 years, Idaho will receive the massive amount of business coming from the renewal process.

Cheryl Goettsche, Cable One and ICBA, spoke **in support** of the legislation for a variety of reasons. First, she reaffirms Idaho is the perfect climate but lacks in tax incentives. She also goes further in explaining the potential revenue of these businesses. She estimates Idaho has lost \$10,000,000 in reoccurring revenue from companies that have decided against coming to Idaho.

Jeff Leonnig, representing INVOLTA, spoke **in support** of the legislation. He argues this legislation is critical in keeping data center businesses here who are being courted by neighboring states. Additionally, he believes it will help local communities.

Alex Labeau, President of the Idaho Association of Commerce, spoke **in support** of the legislation because it is of tremendous financial benefit to Idaho. Though the fiscal note indicates a negative fiscal impact, it does not take into account all of the money potentially being brought into the state and the consequent financial benefits that arise as a consequence.

Jay Larson, President of Idaho Technology Counsel, spoke **in support** of the legislation stating this is critical legislation for the data driven world we are living in. He believes we have indeed lost tremendous business opportunities to other states and this would remedy future losses.

MOTION:

Rep Chaney made a motion to send **H 217** to the floor with a **DO PASS** recommendation. **Rep. Kauffman** invoked Rule 38 stating a possible conflict of interest but he would be voting on the motion. **Motion carried by voice vote.** **Rep. Gannon** requested he be recorded as voting **NAY**. **Rep. Chaney** will sponsor the bill on the floor.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Moyle made a unanimous consent request to **HOLD H 218** in committee. There being no objection, the request was granted.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 9:32 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, March 09, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1080	Property Taxes, County Auditors	Kelli Brassfield, Idaho Association of Counties

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

Fred Swanstrum
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email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 09, 2017
TIME: 9:00 A.M.
PLACE: Room EW42
MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon
**ABSENT/
EXCUSED:** Rep. Kauffman, Rep. Troy, Rep. Moyle
GUESTS: Tracie Lloyd, Kelly Brassfield, Donna Peterson, IAC
Chairman Collins called the meeting to order at 9:01 A.M.
MOTION: **Rep. Dayley** made a motion to approve the minutes of Wednesday, February 22nd, 2017. **Motion carried by voice vote.**
MOTION: **Rep. Trujillo** made a motion to approve the minutes of Monday, February 27th, 2017. **Motion carried by voice vote.**
MOTION: **Rep. Dayley** made a motion to approve the minutes of Wednesday, March 1st, 2017. **Motion carried by voice vote.**
MOTION: **Rep. Trujillo** made a motion to approve the minutes of Thursday, March 2nd, 2017. **Motion carried by voice vote.**
S 1080: **Kelli Brassfield**, Idaho Association of Counties, presented **S 1080** concerning property taxes and county auditors. This legislation corrects unnecessary restrictions on property rolls.
MOTION: **Rep. Trujillo** made a motion to send **S 1080** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gannon** will sponsor the bill on the floor.
ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:07 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #1
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Tuesday, March 14, 2017

SUBJECT	DESCRIPTION	PRESENTER
<u>RS25531C1</u>	Relating to Revenue and Taxation; reduction in taxable market value with exemptions	Rep. Trujillo
<u>RS25534</u>	Relating to Taxation; to revise certain rates of income taxation	Rep. Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

Fred Swanstrum
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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, March 14, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson, Rep. Troy, Rep. Erpelding, Rep. Gannon

GUESTS: Kelli Brassfield, Idaho Association of Counties; Tom Shaner, Idaho State Tax Commission; Miguel Legarreta, Associated Taxpayers of Idaho; Jonathan Parker, Holland and Hart

Chairman Collins called the meeting to order at 9:01 A.M.

MOTION: **Rep. Raybould** made a motion to approve the minutes of Thursday, March 9th, 2017. **Motion carried by voice vote.**

RS 25531C1: **Rep. Trujillo** presented **RS 25531C1** concerning a reduction in taxable market value exemptions. The first part would take the construction roll, and if a property became exempt, remove it from the budgeting capacity on the other side. This correction addresses concerns with the previous proposed legislation such as changing the five year time period to a two year time period.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 25531C1**. **Motion carried by voice vote.**

**UNANIMOUS
CONSENT
REQUEST:** **Chairman Collins** made a unanimous consent request to return **RS 25534** to the sponsor. There being no objection, the request was granted.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:06 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
8:30 A.M.
Room EW42
Thursday, March 16, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 263	Tax credits, medical residency placement organizations	Rep. Erpelding
H 283	Rev and tax, prop tax/budget adjust	Rep. Trujillo

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Shelby Winkel
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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 16, 2017

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Representatives Moyle and Thompson

GUESTS: Genie Sue Weppner and Andy Wilker, Hindson Foundation; Russell Westerberg, Rocky Mountain Power; Susie Pouliout and Ken McClure, Idaho Medical Association; Kent Kunz, Idaho State University; Seth Grigg, Association of Idaho Cities; Teresa Baker, Idaho Association of Counties; Jonathan Parker, Holland and Hart

Chairman Collins called the meeting to order at 8:31 A.M.

H 263: **Rep. Erpelding** presented **H 263**, which is an income tax credit for charitable contributions to medical residency programs. This bill will allow individuals and corporations to donate to residency programs and receive a tax credit, which in turn will grow the residency programs in Idaho. The fiscal note for this legislation is \$75,000, which is based on the amount of charitable contributions medical residency programs have received.

In response to questions from the committee, **Rep. Erpelding** clarified it would not be good policy, from an auditing perspective, for donors to try to channel money to the student directly. This legislation has nothing to do with individuals and the credits must be Idaho based.

MOTION: **Rep. Trujillo** made a motion to send **H 263** to the floor with a **DO PASS** recommendation.

In response to questions from the committee, **Rep. Erpelding** stated the redundancy in the bill is due to the effective date. The code section includes a sunset date that goes into effect in 2020. The language change had to be made in both places of session law because of the sunset date.

Andy Wilker, physician, Hindson Foundation, and **Kent Kuntz**, Idaho State University, testified **in support** of **H 263**. Mr. Wilker said 50% of physicians practice within 50 miles of where they completed their residencies. Mr. Kuntz said the legislation encourages people to donate to foundations and create additional residents in the future, which will address Idaho's doctor shortage.

VOTE ON MOTION: **Chairman Collins** called for a vote on the motion to send **H 263** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.

H 283: **Rep. Trujillo** presented **H 283** which incorporates **H 83**, although it does two separate things: It inserts the time frame period to two years, and maintains "alterations" in the language. The second change this legislation makes is remove properties from the budgeting capacity side when the properties have been removed from the revenue side.

In response to questions from the committee, **Rep. Trujillo** clarified this bill does not take from the new construction roll. The bill has two parts: the new construction portion of the bill deals only with new construction; the second part of the bill addresses when the state, and only the state, purchases buildings, and to thus remove them from the revenue side and the budget capacity side. She is not sure how much this legislation would change Boise's budgeting capacity. She reiterated that the bill only addresses state-purchased property.

Seth Grigg, executive director, Association of Idaho Cities, testified **in opposition** to **H 283**. The new language regarding state buildings is concerning because there is no time limitations. If sizable properties are purchased by the state, then there will be a significant budgeting effect. This legislation stands to have a sizable impact on taxing districts.

In response to questions from the committee, **Mr. Grigg** said there would be tax shifts. He did not know how many cities are operating at a full 3% a year and how many are not. It is less common for larger cities to take the full 3%, but smaller cities usual take 3%. If the state purchases sprawling complexes, there will still be a demand for service-delivery (like the fire department, the police department, etc.) that have a cost and has to be paid from somewhere. Currently, state-owned property is not on the tax rolls, but the budgeting capacity of the tax district remains the same.

Teresa Baker, Idaho Association of Counties, testified **in opposition** to **H 283**. She stated this legislation is an unnecessary change to statute. There still is a need to provide services to property the state purchases.

In response to committee questions, **Ms. Baker** said the PILOT is based on the budget capacity of the tax-valued entities.

Rep. Trujillo presented her closing testimony. She reminded the committee that there are things in statute that help cities and counties in a budgeting capacity: foregone and new construction. This legislation would not impede the Department of Fish and Game from collecting fees in lieu of taxes. These properties have never been completely exempted from taxing; they are only being removed from the revenue side.

MOTION:

Rep. Chaney made a motion to send **H 283** to the floor with a **DO PASS** recommendation.

In opposition to the motion, **Rep. Gannon** stated as services still need to be provided for fire, police, road maintenance, and schools for these properties, then it does not make sense that the budget is correspondingly reduced.

In support of the motion, **Rep. Troy** said she appreciated the changes made on the legislation and supports the motion, though she reserves the right to listen to her county commissioners. **Rep. Hartgen** said he would be more comfortable if there was a feathering down of costs, because a large property would require more costs, but he supports the motion despite this reservation.

VOTE ON MOTION:

Chairman Collins called for a vote on the motion to send **H 283** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Trujillo** will sponsor the bill on the floor.

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

Representative Collins
Chair

Shelby Winkel
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Monday, March 20, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 118aaS	Relating to Cemeteries; administration of the Cemetery Endowment Care Fund.	Rep. Trujillo

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Fred Swanstrum
Room: EW53
Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, March 20, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson

GUESTS: Miguel Lagarreta, Associated Taxpayers of Idaho

Chairman Collins called the meeting to order at 9:02 A.M.

H 118aaS: **Rep. Trujillo** presented **H 118aaS** relating to cemeteries. The senate amendment makes a technical correction to the legislation.

MOTION: **Rep. Gannon** made a motion to concur with the amendment made in the Senate to **H 18aaS**. **Motion carried by voice vote.** **Rep. Stevenson** requested she be recorded as voting **NAY**. **Rep. Trujillo** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting as adjourned at 9:05 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Wednesday, March 22, 2017

SUBJECT	DESCRIPTION	PRESENTER
HCR 29	Building Authority Department of Administration	Rep. Anderst
H 315	State Buildings Acquisition of Facility	Rep. Anderst

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

COMMITTEE SECRETARY

Fred Swanstrum
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Phone: 332-1125
email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, March 22, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Bob VanArnem, citizen; Tami Hamiston, Idaho Department of Administration

Chairman Collins called the meeting to order at 9:01 A.M.

MOTION: **Rep. Dayley** made a motion to approve the minutes of Tuesday, March 14th, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Trujillo** made a motion to approve the minutes of Thursday, March 16th, 2017. **Motion carried by voice vote.**

MOTION: **Rep. Kauffman** made a motion to approve the minutes of Monday, March 20th, 2017. **Motion carried by voice vote.**

HCR 29: **Rep. Anderst** presented **HCR 29** concerning building authority. This resolution starts a process so the state can go through due diligence and establish a sale agreement for a potential state facility based on initial terms established over months of negotiation. After explaining the background and technical details of the potential project, he was asked a variety of questions. In response to concerns regarding the language which may give too much power to the Department of Administration, Rep. Anderst assured it was to allow the department to effectively negotiate a deal. He also assured there are a variety of checks in place to be sure everyone is informed throughout the process.

Wayne Meuleman, Executive Director of Idaho State Building Authority, responded to various concerns from the committee. Regarding concerns about the language within the legislation pertaining to construction authority, he explained any language was only specific to this particular acquisition. Regarding concerns about the bond risk, he explained the risk is low because the state is not financially obligated if the bonds fail which is an already calculated risk. Additionally, he explains this is a safe investment due to its proximity and its marketability if it must be sold in the future.

MOTION: **Rep. Raybould** made a motion to send **HCR 29** to the floor with a **DO PASS** recommendation.

Bob VanArdem, a citizen of Idaho, spoke about his concerns with the nature of the language in the legislation which he wanted to be more strongly worded.

Rep. Nate spoke **in opposition** to the legislation because he feels this is not the best deal nor the right time to buy.

Rep. Trujillo spoke **in support** of the legislation because she believes it is a great deal and is a safe and smart purchase for Idaho.

Rep. Chaney spoke **in support** of the legislation because, despite his concerns for the broad language, he thinks the purchase would be a fast return on investment and would ultimately be very profitable.

Rep. Troy spoke in support of the legislation with slight reservations regarding the time line.

Rep. Gannon spoke in support of the legislation because he believes it is a profitable investment which will increase efficiency and provide a more permanent location for state agencies like the Idaho State Tax Commission which has been renting for years.

Rep. Hartgen spoke in support of the legislation despite his lingering concerns about the language.

VOTE ON ORIGINAL MOTION:

Motion carried by voice vote. Rep. Nate requested he be recorded as voting **NAY. Rep. Anderst** will sponsor the bill on the floor.

H 315:

Rep. Anderst presented **H 315** concerning state building acquisitions. The legislation is a companion bill with **HCR 29** that amends a section to allow the Department of Administration to manage the existing leases if they were to follow through with the acquisition of the facility.

MOTION:

Rep. Trujillo made a motion to send **H 315** 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 9:51 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AGENDA
HOUSE REVENUE & TAXATION COMMITTEE
9:00 A.M.
Room EW42
Thursday, March 23, 2017

SUBJECT	DESCRIPTION	PRESENTER
S 1195	Employment Security Law	Mark Warbis, Office of Governor Otter

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Collins Rep Hartgen
Vice Chairman Trujillo Rep Kauffman
Rep Moyle Rep Chaney
Rep Raybould Rep Nate
Rep Anderst Rep Thompson
Rep Dayley Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

Fred Swanstrum
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email: hrev@house.idaho.gov

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 23, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Miguel Legarreta, Associated Taxpayers of Idaho; Ken Edmunds, IDOC
Chairman Collins called the meeting to order at 9:03 A.M.

MOTION: **Rep. Trujillo** made a motion to approve the minutes of Wednesday, March 22, 2017. **Motion carried by voice vote.**

S 1195: **Mark Warbis**, Communications Director, Office of the Governor, presented **S 1195** concerning employment security law. The legislation seeks to avoid a statutory increase in the rates employers experience by changing the fund size multiplier. This is one of the variables in the complicated formula for the tax rate. Failing to make this change will raise the tax rate for Idaho employers unnecessarily.

MOTION: **Rep. Chaney** made a motion to send **S 1195** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: **Rep. Moyle** made a substitute motion to send **S 1195** to General Orders. In response to constitutional concerns with the proposed amendment, Rep. Moyle explained he has spoken to the Office of the Attorney General where he was assured the legislation was constitutional.

VOTE ON SUBSTITUTE MOTION: **Rep. Trujillo** requested a roll call vote on the substitute motion. **Motion carried by a vote of 11 AYE and 5 NAY. Voting in favor of the motion: Reps. Trujillo, Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Thompson, Gestrin, Stevenson, Collins. Voting in opposition to the motion: Reps. Chaney, Nate, Troy, Erpelding, Gannon. Rep. Moyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:24 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary

AMENDED AGENDA #2
HOUSE REVENUE & TAXATION COMMITTEE
1:30 P.M.
Room EW42
Monday, March 27, 2017

SUBJECT	DESCRIPTION	PRESENTER
H 67aaS, aaS	Income Tax Revision	Rep. Moyle

COMMITTEE MEMBERS

Chairman Collins
Vice Chairman Trujillo
Rep Moyle
Rep Raybould
Rep Anderst
Rep Dayley

Rep Hartgen
Rep Kauffman
Rep Chaney
Rep Nate
Rep Thompson
Rep Gestrin

Rep Stevenson
Rep Troy
Rep Erpelding
Rep Gannon

COMMITTEE SECRETARY

Fred Swanstrum
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Phone: 332-1125
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MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, March 27, 2017

TIME: 1:30 P.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst (Minnette), Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: The sign in sheet will be retained in the committee secretary's office until the end of the session. Following the end of the session, the sign in sheet will be filed with the minutes in the Legislative Library.

Chairman Collins called the meeting to order at 1:32 P.M.

MOTION: **Rep. Trujillo** made a motion to approve the minutes of Thursday, March 23rd, 2017. **Motion carried by voice vote.**

H 67 aaS, aaS: **Senator Bayer** presented **H 67 aaS, aaS**. The amendments to the legislation create a tax exemption for the purchase of food intended for human consumption, and also establishes complimentary language addressing the definition of eligible food, flow of information, revenue sharing, and other logistical components. He explains this is more straightforward than a tax credit and many other states have similar laws in place.

Fred Birnbaum, Idaho Freedom Foundation, spoke **in support** of the legislation. Despite concerns with states that have passed similar legislation, he argues Idaho is unique enough to dispel concerns. He also believes the costs will be offset by the revenue from recent legislation will bring tax revenue to the state. He believes this legislation allows lawmakers to focus on citizens as people who need to feed their families rather than as a revenue source.

Steve Ackerman, resident of Idaho, spoke **in support** of the legislation. He believes the average Idahoan would save approximately \$45.00 a month if the legislation were to become law. He also believes the extra money available to Idahoans will help offset the loss of state revenue.

Bob Neugebayer, publisher of the Gem State Patriot, spoke **in support** of the legislation. He believes repealing this tax will play an integral role in helping Idaho citizens be healthy by giving them more money to spend on nutritional options. He also argues the tax disproportionately targets the poor who spend a greater proportion of their money on food than those who are more wealthy. Consequently, he sees the law as unnecessarily taxing the people who need the most financial flexibility. He also argues the increased choice in food options would ultimately reduce medical costs because Idahoans would have more autonomy in making nutritional food choices.

Darcy James, IIRAH, spoke **in support** of the legislation. She believes the taxes will substantially hurt taxpayers unnecessarily as food prices rise. She also believes there should not be a tax on human necessities such as food.

Eileen Stadowski, Idaho's Farmers Market Association, spoke **in support** of the legislation. She argues the legislation would help keep farmer's market prices stable.

Tammy Nichols, Idaho taxpayer, spoke **in support** of the legislation. As a mother, she has calculated she spends from \$1,200.00 to \$1,500.00 a year on grocery taxes. Often times, she crosses state lines to save money on groceries.

Julia Page, board member of the Idaho Organization of Resource Councils, spoke **in support** of the legislation. She believes the current grocery tax is cumbersome, inefficient, and unfairly targets Idahoans who are struggling the most.

Kay Hummel, Idaho Citizen, spoke **in support** of the legislation. She gave a brief history of her family who came to Idaho to pursue new opportunities in 1895. She believes removing the grocery tax will enable more people to do the same and will help those who are already here. She sees many people struggling across the state, and many are compelled to cross state lines to avoid Idaho taxes. She believes the new taxes Amazon will pay the state will help to offset the loss of state revenue.

Seith Grigg, Executive Director of the Association of Idaho Cities, explained although he opposed the original amendment, the Association of Idaho Cities are now neutral toward the legislation rather than opposed.

Christina Stucker-Gassi, volunteer with the Agriculture Industry Task Force, spoke **in support** of the legislation.

Senator Bayer explained there are a variety of moral, business, and economic arguments to be made in favor of this legislation. He also believes this is wonderful timing for the legislation.

MOTION: **Rep. Thompson** made a motion to concur with the amendments made in the senate to **H 67 aaS, aaS**.

Rep. Hartgen spoke **in support** of the motion despite his concerns with the S.N.A.P. eligibility standard.

ROLL CALL VOTE: **Rep. Trujillo** requested a roll call vote on the motion. **Motion carried by a vote of 16 AYE and 0 NAY. Voting in favor of the motion: Reps. Collins, Trujillo, Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon. Rep. Moyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:42 P.M.

Representative Collins
Chair

Fred Swanstrum
Secretary