

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, January 11, 2018

TIME: 9:00 A.M.

PLACE: Room EW42

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

**ABSENT/
EXCUSED:** Rep. Anderst

GUESTS: Cynthia Adrian, Idaho State Tax Commission; Tom Shaner, Idaho State Tax Commission, Brody Aston, Westerberg and Associates; Wayne Hammon, AGC; Betsy Russell, Spokesman-Review; Matt Warnick, DFM

Chairman Collins called the meeting to order at 9:00 a.m.

RS 25718: **Rep. Moyle** presented **RS 25718**, relating to the employment security law. This proposed legislation reduces the taxable wage rate used for determining unemployment insurance taxes by adjusting the wage index down. Rep. Moyle stated the legislation allows the director to issue credits instead of refunds, it moves the divisor down and declares an existing emergency to make the legislation retroactive to January 1, 2018.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 25718**. **Motion carried by voice vote.**

DOCKET NO. 35-0101-1701: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0101-1701**, Income Tax Administrative Rules, which was not part of the negotiated rules process. **Rule 075** is amended by deleting tax year 2012 and adding tax year 2015. **Rule 263** adds the tax year 2017 and the amount. **Rule 771** in reference to the grocery tax, adds a line stating "for tax years 2015 and after, the credit is one hundred dollars (\$100)". In response to a question concerning the tax year 2017 and the amount, Ms. Adrian clarified that the amount is tied to the consumer price index for the calendar year.

MOTION: **Rep. Erpelding** made a motion to approve **Docket No. 35-0101-1701**. **Motion carried by voice vote.**

DOCKET NO. 35-0102-1701: **Tom Shaner**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0102-1701** Idaho Sales Tax and Use Tax Administrative Rules, relating to data cabling installed in a building. **Rule 067** states fiber optic and communication cable installed in a building is presumed to be a real property improvement.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0102-1701**. **Motion carried by voice vote.**

DOCKET NO. 35-0102-1702: **Tom Shaner**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0102-1702. Rule 013** adds various examples relating to road and paving issues clarifying when taxes are owed and statutory reference. Mr. Shaner responded to a question regarding clarification of public entities by stating they are addressed in the rule. In response to questions regarding dissenting comments and reason for addressing the issue, Mr. Shaner stated most contractors comply and the statement was added for clarification purposes. **Rule 044** rearranged language to address recreational vehicles by replacing park trailer with park model recreational vehicle and statutory reference. **Rule 061** adds statutory reference. **Rule 079** added statutory reference and added a park model recreational vehicle. **Rule 099** adds statutory reference. **Rule 107** added statutory reference and added park model recreational vehicles. **Rule 128** removed a list of individual items and added statutory reference. **Leah Parsons**, Idaho State Tax Commission, gave testimony confirming ST-103 is obsolete.

MOTION: **Rep. Gannon** made a motion to approve **Docket No. 35-0102-1702. Motion carried by voice vote.**

DOCKET NO. 35-0102-1703: **Tom Shaner**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0102-1703. Rule 028** adds short-term or vacations rental and added statutory reference. Mr. Shaner confirmed the public was made aware by using a marketing campaign, reaching out to realtor's associations and posting the notice on the Idaho State Tax Commission's website. **Rule 103** deleted the rule.

MOTION: **Rep. Thompson** made a motion to approve **Docket No. 35-0102-1703. Motion carried by voice vote.**

ADJOURN : There being no further business to come before the committee, the meeting was adjourned at 9:37 a.m.

Representative Collins
Chair

Susan Steed
Secretary