

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, January 29, 2019

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Stevenson, Representatives Moyle, Anderst, Dayley, Chaney, Gestrin, Addis, Dixon, Furniss, Giddings, Nichols, Ricks, Erpelding, Ellis, Mason

**ABSENT/
EXCUSED:** Representative(s) Moyle, Dayley, Chaney, Erpelding

GUESTS: None

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

MOTION: **Rep. Stevenson** made a motion to approve the minutes of January 17, 2019.
Motion carried by voice vote.

MOTION: **Rep. Stevenson** made a motion to approve the minutes of January 22, 2019.
Motion carried by voice vote.

MOTION: **Rep. Stevenson** made a motion to approve the minutes of January 24, 2019.
Motion carried by voice vote.

RS 26564C1: **Rep. Clark Kauffman**, said **RS 26564C1** authorizes a non-refundable income tax credit for shortline railroad infrastructure investment and maintenance by providing a 40% income tax credit on the value of up-front, qualified infrastructure investment. The credit is capped at \$3,500 per mile of shortline railroad track in Idaho. Improved shortline railroad infrastructure will allow heavier and fully loaded rail cars to move more commodity product at less cost to a grower or shipper. The improved and continually maintained railroad infrastructure will increase safety, efficiency and reliability for commodity shippers. If the income tax credit is not used by the shortline railroad, the credit may be transferred one time to railroad customers and vendors, but it is directed to go back into the railroad infrastructure. The Idaho State Tax Commission will administer the program and report approved investments and corresponding value. The effective date is January 1, 2020 and the legislation sunsets after five years.

MOTION: **Rep. Stevenson** made a motion to introduce **RS 26564C1**. **Motion carried by voice vote.**

RS 26538: **Senator Grant Burgoyne** stated **RS 26538** fixes how a circuit breaker or a one-hundred percent veterans property tax exemption is applied to property taxes. The occupancy tax stands in for property tax during the first year of new construction on an occupied residence so the exceptions do not apply. Although circuit breaker and disabled veterans exemptions are applicable to residential property taxes, current law does not make them applicable to the occupancy tax. Because the benefit is not available to a newly constructed resident during the year of construction, it is subject to the occupancy tax and not property tax. **RS 26538** corrects this oversight. These exemptions are funded by the state from General Funds and counties do not pay for them. The estimated fiscal impact is \$68,000. He discussed eligibility requirements for the circuit breaker exemption, informing the committee it is an income-based exemption that declines as income increases. The proposed legislation includes housekeeping changes such as amending titles, notification requirements, language correction provisions, a retroactive effective date and reference updates to Idaho Code and federal law.

MOTION: Rep. Anderst made a motion to introduce **RS 26538**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:18 a.m.

Representative Collins
Chair

Lorrie Byerly
Secretary