

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, February 13, 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

GUESTS: Chelsea Wilson, PPA; Brody Aston, Westerberg Associates; Liam Stokes, Veritas LLP; Amber Pence, City of Boise, Jess Harrison, AID.

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

MOTION: **Rep. Stevenson** made a motion to approve the minutes of February 7, 2019 and February 11, 2019. **Motion carried by voice vote.**

RS 26808: **Rep. Jason Monks** gave a history of sales tax in Idaho, including the distribution bases and formula updates, and discussed sales tax revenue sharing to local taxing districts. Rep. Monks remarked **RS 26808** does not address special purpose taxing districts at all. He stated there was concern when the sales tax proposal was first put together it would not follow population as well as it should. The formula does account for population, but begins with an old base, a property value component that is carried forward. So where a community's property value is sky rocketing, they receive a big boost, and communities that are not, receive less. **RS 26808** sets the base at what cities and counties are getting now. If there is zero growth the next year, nothing changes, and if there is growth, it will be divided based upon population, going to counties below the average. If sales tax decreases, everyone gets less, both under this legislation's formula and as things are currently. The formula in **RS 26808** will bring everyone closer and closer in amount, and it will be done through growth.

In response to committee questions, **Rep. Monks** stated it is not known where purchases are made when a business has multiple store locations in Idaho, such as Albertson's.

MOTION: **Rep. Dayley** made a motion to introduce **RS 26808**.

In response to committee questions about the formula, **Rep. Monks** explained the central formula is a per capita number they look at every quarter of every year and calculate what the average number is. Then they look at the amount of money they have and distribute it based upon population. If you are above the average number, you are not going to get any of the first monies distributed. If you are below the average, you will receive money until you get up to the average. The average is recalculated every year, so it is a new average each year which shrinks down the spread. Rep. Monks indicated some cities love the new formula and some hate it. He further opined looking where money started would be a non-starter, especially for small communities. Revenue generated in the Treasure Valley spreads all over the state in things like roads. Upon committee requests for a predictive yearly comparison, Rep. Monks outlined the difficulties involved in future projecting, but said they could do a five-year look-back comparison if **RS 26808** is introduced for printing.

**VOTE ON
MOTION:**

Motion carried by voice vote.

Chairman Collins recognized and thanked the page, **Arianna Carlson**, for her help with the committee.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:30 a.m.

Representative Collins
Chair

Lorrie Byerly
Secretary