

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, March 05, 2019

TIME: 9:30 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) Chaney

GUESTS: Tom Shaner, Idaho State Tax Commission (ISTC); Laura Lantz ISCPA; Jonathan Parker, PPA; Elliot Werk, ISTC; Sarah Bettwieser, TURO.

Chairman Collins called the meeting to order at 9:31 a.m.

MOTION: **Rep. Stevenson** made a motion to approve the minutes of February 28, 2019. **Motion carried by voice vote.**

RS 26543: **Rep. John Vander Woude** stated **RS 26543** deals with homeowners' exemptions. Home values have sky rocketed in the last four or five years due to the increasing number of people moving to Idaho, which creates a larger burden for homeowners. Idaho used to index the homeowners exemption, but then the index was removed. It is time to take a look at indexing the homeowner's exemption again due to the rapid increase in home values.

MOTION: **Rep. Erpelding** made a motion to introduce **RS 26543**. **Motion carried by voice vote.**

RS 26891C1: **Rep. Sally Toone** presented **RS 26891C1** saying it relates to ambulance service districts to revise the maximum property tax levy rate for an ambulance service district. There are nine districts in Idaho that do not have a hospital in their district, including Lincoln County, who presently has the maximum mill levy of 4%, which only generates one-third of their operating expenses. Recreation and hospital districts can mill 6%, but ambulance districts cannot, so this change would offer consistency in the code. To raise the tax levy rate, an ambulance district has to go before voters.

In response to committee questions, **Rep. Toone** responded there are several ambulance districts at maximum mill levy right now.

MOTION: **Rep. Ellis** made a motion to introduce **RS 26891C1**. **Motion carried by voice vote.**

RS 26646C1: **Rep. Clark Kauffman** informed the committee there are no county-wide taxing districts for fairs in Idaho. If two county fairs combine, a taxing district can be formed. **RS 26646C1** allows creation of a taxing district within one county. The language in the proposed legislation is similar to that used to create a cemetery or recreation district, except a two-thirds majority vote is required rather than a simple majority vote, the petitioner pays the election costs, and if it passes with a two-thirds majority, then it goes to the county commissioners to put the issue on the ballot.

In response to committee questions, **Rep. Kauffman** replied that providing for the entire population of a county to attend the fair without cost is in the language of the proposed legislation at page 6, line 9 regarding the purpose of creating and maintaining fairs.

MOTION: Rep. Anderst made a motion to introduce **RS 26646C1**. **Motion carried by voice vote.** Reps. Giddings and Nichols requested to be recorded as voting **NAY**.

RS 27006: Rep. Doug Ricks said **RS 27006** addresses hospital property tax exemptions. The trend in hospitals is to form alliances with doctors by buying out their practices. The proposed legislation ensures doctors' offices bought out by larger medical facilities and hospitals do not come off their property tax rolls with the tax burden shifted to other taxpayers. Idaho Code §63-602D specifies to maintain exempt status from property tax, a facility has to have 24-hour emergency care and any administrative buildings have to be attached to that 24-hour care facility to continue to receive the property tax exemption. It also provides if they have shifted off the property tax roll, they will not be added as new construction because they would be double taxed. **RS 27006** does not impact government owned property and charitable status tax exemptions.

Rep. Furniss invoked Rule 38 stating a possible conflict of interest.

MOTION: Rep. Anderst. made a motion to introduce **RS 27006**. **Motion carried by voice vote.**

RS 27053: Rep. Mike Moyle informed the committee **RS 27053** deals with the *South Dakota v Wayfair* United States Supreme Court ruling regarding the state collection of sales tax on online sales. Many Idaho citizens do not realize they have to remit this tax. A market place facilitator sets up a process to collect and remit the online sales tax when they have sales of over \$100,000 in Idaho. The rate is six percent and does not include local option districts. The proposed legislation provides when the tax is collected, ISTC keeps it separate and deposits it in a tax relief fund. It sets aside new revenues, estimated at about \$30 million, to hopefully alleviate grocery or income tax, although it does not specify a certain tax, just the provision of tax relief. **RS 27053** goes to form and not through a distribution formula, providing a way for tax to go into a special fund for tax relief, and for taxpayers to be notified of tax.

MOTION: Rep. Anderst made a motion to introduce **RS 27053**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:48 a.m.

Representative Collins
Chair

Lorrie Byerly
Secretary