

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, January 29, 2020

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Stevenson, Representative(s) Moyle, Anderst, Chaney, Gestrin, Addis, Dixon, Furniss, Giddings, Nichols, Ricks, Kiska, Ellis, Mason, Necochea

**ABSENT/
EXCUSED:** Representative(s) Moyle, Furniss, Ricks

GUESTS: Rep. Steven Harris, House State Affairs, Tom Shaner, Idaho State Tax Commission, Derek Santos, Division of Financial Management, Jayme Sullivan, City of Boise, Bob Van Arnem, citizen, Fred Birnbaum, Idaho Freedom Foundation

Chairman Collins called the meeting to order at 9:02 a.m.

H 354 **Rep. Steven Harris** said that current statute states that if a taxing district chooses to have a budget that is less than the allowed amount, the difference (or foregone balance) can be used in a later year. **Rep. Harris** said that **H 354** would require a taxing district to explicitly reserve through a public resolution in order to access the reserved amount accumulated in a subsequent year. In response to a Committee question, Rep. Harris said any allowance that isn't reserved within a single year would be disclaimed and would not affect the current balance of the taxing district.

MOTION: **Rep. Addis** made a motion to send **H 354** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Harris** will sponsor the bill on the floor.

RS 27204: **Tom Shaner**, Idaho State Tax Commission, presented **RS 27204**, relating to a current income tax statute. **Mr. Shaner** said that **RS 27204** would update the effective date from January 1, 2019 to January 1, 2020, correlating with Idaho Code section 63-3004. He said **RS 27204** would capture any new tax laws that were passed in 2019, conform to the definition of Federal Taxable Income, and allow for adjustments for Idaho Taxable Income.

Tom Shaner referred to the Fiscal Note on **RS 27204**, saying that all information listed is in accordance to the Internal Revenue Code passed by Congress as of January 1, 2020. In response to a Committee question, Mr. Shaner stated that all items listed in the Fiscal Note have been in place for years and were passed as Federal laws.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 27204**. **Motion carried by voice vote.**

RS 27228: **Tom Shaner** presented **RS 27228** which would repeal the Idaho Estate and Transfer Tax Reform Act of 1988; after it was repealed, there was a 4-year phase out period, which ended on December 31, 2004. **Mr. Shaner** said that in the spirit of the Red Tape Reduction Act, the current statute was found to be obsolete and that by repealing the statute, it would not prevent a taxpayer from filing a return as long as the decedent died prior to January 1, 2005.

Tom Shaner said that **RS 27228** would also add one item to Property Tax Administration statute 63-701 of Idaho Code which would allow the Tax Commission to remove an unnecessary rule. Mr. Shaner said that statute 63-701 of Idaho Code contains the requirements to claim property tax relief with the exception of proving the claimant is a lawful resident. He said that **RS 27228** would add the resident requirement to the statute, therefore making the rule unnecessary. He said that there was also a change in statute 63-701(g)(5) where the word "or" was changed to "and" to clear up possible confusion about when there is a deductible on medical costs.

MOTION: **Vice Chairman Stevenson** made a motion to introduce **RS 27228. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:19 a.m.

Representative Collins
Chair

Mackenzie Gibbs
Secretary