

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 199

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 63-3024, IDAHO CODE, TO REVISE PRO-
2 VISIONS REGARDING THE INCOME TAX ON INDIVIDUALS, ESTATES, AND TRUSTS;
3 AMENDING SECTION 63-3025, IDAHO CODE, TO REVISE PROVISIONS REGARDING
4 THE CORPORATE INCOME TAX; AMENDING SECTION 63-3619, IDAHO CODE, TO
5 REVISE PROVISIONS REGARDING THE SALES TAX; AMENDING SECTION 63-3621,
6 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE USE TAX; AMENDING SEC-
7 TION 57-811, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE TAX RELIEF
8 FUND; AMENDING SECTION 63-3620F, IDAHO CODE, TO REVISE PROVISIONS RE-
9 GARDING CERTAIN ONLINE SALES TAXES; AMENDING SECTION 63-3638, IDAHO
10 CODE, TO REVISE PROVISIONS REGARDING THE DISTRIBUTION OF SALES AND USE
11 TAX REVENUE; REPEALING SECTION 63-3024A, IDAHO CODE, RELATING TO THE
12 FOOD TAX CREDIT; REPEALING SECTION 63-3077G, IDAHO CODE, RELATING TO
13 INFORMATION REGARDING THE FOOD TAX CREDIT; REPEALING SECTION 63-3077H,
14 IDAHO CODE, RELATING TO INFORMATION REGARDING THE FOOD TAX CREDIT;
15 AMENDING SECTION 32-706, IDAHO CODE, TO REMOVE A CODE REFERENCE; AMEND-
16 ING SECTION 40-721, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE;
17 AMENDING SECTION 40-720, IDAHO CODE, TO PROVIDE A CORRECT CODE REFER-
18 ENCE; AND DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION,
19 AND PROVIDING EFFECTIVE DATES.
20

21 Be It Enacted by the Legislature of the State of Idaho:

22 SECTION 1. That Section 63-3024, Idaho Code, be, and the same is hereby
23 amended to read as follows:

24 63-3024. INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS. For taxable
25 year 2001, and each taxable year thereafter, a tax measured by Idaho taxable
26 income as defined in this chapter is hereby imposed upon every individual,
27 trust, or estate required by this chapter to file a return.

28 (a) The tax imposed upon individuals, trusts and estates shall be com-
29 puted at the following rates:

30 When Idaho taxable income is:	The rate is:
31 Less than \$1,000	One and one hundred twenty-five 32 thousandths percent (1.125%)
33 \$1,000 but less than \$2,000	\$11.25, plus three and one hundred 34 twenty-five thousandths two and 35 eight-tenths percent (3.1252.8%) of the 36 amount over \$1,000

1	When Idaho taxable income is:	The rate is:
2	\$2,000 but less than \$3,000	\$42.50, plus three and six hundred
3		twenty-five thousandths <u>three-tenths</u>
4		percent (3.625 <u>3.3</u> %) of the amount over
5		\$2,000
6	\$3,000 but less than \$4,000	\$78.75, plus four and six hundred
7		twenty-five thousandths <u>hundredths</u>
8		percent (4.625 %) of the amount over \$3,000
9	\$4,000 but less than \$5,000	\$125, plus five and six hundred
10		twenty-five thousandths <u>two-tenths</u>
11		percent (5.625 <u>5.2</u> %) of the amount over
12		\$4,000
13	\$5,000 but less than \$7,500	\$181.25, plus six and six hundred twenty-
14		five thousandths <u>fifteen-hundredths</u>
15		percent (6.625 <u>6.15</u> %) of the amount over
16		\$5,000
17	\$7,500 and over	\$346.88, plus six and nine hundred
18		twenty-five thousandths <u>five-tenths</u>
19		percent (6.925 %) of the amount over \$7,500

20 For taxable year 2000 and each year thereafter, the state tax commission
21 shall prescribe a factor which shall be used to compute the Idaho income tax
22 brackets provided in subsection (a) of this section. The factor shall pro-
23 vide an adjustment to the Idaho tax brackets so that inflation will not re-
24 sult in a tax increase. The Idaho tax brackets shall be adjusted as follows:
25 multiply the bracket amounts by the percentage (the consumer price index for
26 the calendar year immediately preceding the calendar year to which the ad-
27 justed brackets will apply divided by the consumer price index for calendar
28 year 1998). For the purpose of this computation, the consumer price index
29 for any calendar year is the average of the consumer price index as of the
30 close of the twelve (12) month period for the immediately preceding calendar
31 year, without regard to any subsequent adjustments, as adopted by the state
32 tax commission. This adoption shall be exempt from the provisions of chapter
33 52, title 67, Idaho Code. The consumer price index shall mean the consumer
34 price index for all U.S. urban consumers published by the United States de-
35 partment of labor. The state tax commission shall annually include the fac-
36 tor as provided in this subsection to multiply against Idaho taxable income
37 in the brackets above to arrive at that year's Idaho taxable income for tax
38 bracket purposes.

39 (b) In case a joint return is filed by husband and wife pursuant to the
40 provisions of section 63-3031, Idaho Code, the tax imposed by this section
41 shall be twice the tax which would be imposed on one-half (1/2) of the aggre-
42 gate Idaho taxable income. For the purposes of this section, a return of a
43 surviving spouse, as defined in section 2(a) of the Internal Revenue Code,
44 and a head of household, as defined in section 2(b) of the Internal Revenue
45 Code, shall be treated as a joint return and the tax imposed shall be twice
46 the tax which would be imposed on one-half (1/2) of the Idaho taxable income.

1 (c) In the case of a trust that is an electing small business trust as
 2 defined in section 1361 of the Internal Revenue Code, the special rules for
 3 taxation of such trusts contained in section 641 of the Internal Revenue Code
 4 shall apply except that the maximum individual rate provided in this section
 5 shall apply in computing tax due under this chapter.

6 (d) The state tax commission shall compute and publish Idaho income
 7 tax liability for taxpayers at the midpoint of each bracket of Idaho taxable
 8 income in fifty dollar (\$50.00) steps to fifty thousand dollars (\$50,000),
 9 rounding such calculations to the nearest dollar. Taxpayers having income
 10 within such brackets shall file returns based upon and pay taxes according
 11 to the schedule thus established. The state tax commission shall promulgate
 12 rules defining the conditions upon which such returns shall be filed.

13 SECTION 2. That Section 63-3025, Idaho Code, be, and the same is hereby
 14 amended to read as follows:

15 63-3025. TAX ON CORPORATE INCOME. (1) For taxable years commencing on
 16 and after January 1, 2001, a tax is hereby imposed on the Idaho taxable income
 17 of a corporation, other than an S corporation, which transacts or is autho-
 18 rized to transact business in this state or which has income attributable to
 19 this state. The tax shall be equal to six and ~~nine hundred twenty-five thou-~~
 20 ~~sandths~~ five-tenths percent (6.925%) of Idaho taxable income.

21 (2) In the case of an S corporation that is required to file a return un-
 22 der section 63-3030, Idaho Code, a tax is hereby imposed at the rate provided
 23 in subsection (1) of this section upon both:

24 (a) Net recognized built-in gain attributable to this state. The
 25 amount of net recognized built-in gain attributable to this state shall
 26 be computed in accordance with section 1374 of the Internal Revenue
 27 Code subject to the apportionment and allocation provisions of section
 28 63-3027, Idaho Code.

29 (b) Excess net passive income attributable to this state. The amount of
 30 excess net passive income attributable to this state shall be computed
 31 in accordance with section 1375 of the Internal Revenue Code subject to
 32 the apportionment and allocation provisions of section 63-3027, Idaho
 33 Code.

34 (3) The tax imposed by subsection (1) or (2) of this section shall not
 35 be less than twenty dollars (\$20.00); provided further that the twenty dol-
 36 lar (\$20.00) minimum payment shall not be collected from nonproductive min-
 37 ing corporations.

38 (4) The tax imposed by this section shall not apply to corporations
 39 taxed pursuant to the provisions of section 63-3025A, Idaho Code.

40 SECTION 3. That Section 63-3619, Idaho Code, be, and the same is hereby
 41 amended to read as follows:

42 63-3619. IMPOSITION AND RATE OF THE SALES TAX. An excise tax is hereby
 43 imposed upon each sale at retail at the rate of ~~six~~ five and three-tenths per-
 44 cent (~~6~~5.3%) of the sales price of all retail sales subject to taxation under
 45 this chapter, and such amount shall be computed monthly on all sales at re-
 46 tail within the preceding month.

1 (a) The tax shall apply to, be computed on, and collected for all
 2 credit, installment, conditional or similar sales at the time of the sale or,
 3 in the case of rentals, at the time the rental is charged.

4 (b) The tax hereby imposed shall be collected by the retailer from the
 5 consumer.

6 (c) The state tax commission shall provide schedules for collection of
 7 the tax on sales ~~which~~ that involve a fraction of a dollar. The retailer
 8 shall calculate the tax upon the entire amount of the purchases of the con-
 9 sumer made at a particular time and not separately upon each item purchased.
 10 The retailer may retain any amount collected under the bracket system pre-
 11 scribed ~~which is~~ in excess of the amount of tax for which he is liable to the
 12 state during the period as compensation for the work of collecting the tax.

13 (d) It is unlawful for any retailer to advertise or hold out or state to
 14 the public or to any customer, directly or indirectly, that the tax or any
 15 part thereof will be assumed or absorbed by the retailer or that it will not
 16 be added to the selling price of the property sold or that, if added, it or any
 17 part thereof will be refunded. Any person violating any provision of this
 18 section is guilty of a misdemeanor.

19 (e) The state tax commission may by rule provide that the amount col-
 20 lected by the retailer from the customer in reimbursement of the tax be dis-
 21 played separately from the list price, the price advertised on the premises,
 22 the marked price, or other price on the sales slip or other proof of sale.

23 (f) The taxes imposed by this chapter shall apply to the sales to con-
 24 tractors purchasing for use in the performance of contracts with the United
 25 States.

26 SECTION 4. That Section 63-3621, Idaho Code, be, and the same is hereby
 27 amended to read as follows:

28 63-3621. IMPOSITION AND RATE OF THE USE TAX -- EXEMPTIONS. An excise
 29 tax is hereby imposed on the storage, use, or other consumption in this state
 30 of tangible personal property acquired on or after ~~October 1, 2006~~ January 1,
 31 2022, for storage, use, or other consumption in this state at the rate of ~~six~~
 32 five and three-tenths percent (5.3%) of the value of the property, and a re-
 33 cent sales price shall be presumptive evidence of the value of the property
 34 unless the property is wireless telecommunications equipment, in which case
 35 a recent sales price shall be conclusive evidence of the value of the prop-
 36 erty.

37 (a) Every person storing, using, or otherwise consuming, in this state,
 38 tangible personal property is liable for the tax. His liability is not ex-
 39 tinguished until the tax has been paid to this state except that a receipt
 40 from a retailer maintaining a place of business in this state or engaged in
 41 business in this state given to the purchaser is sufficient to relieve the
 42 purchaser from further liability for the tax to which the receipt refers.
 43 A retailer shall not be considered to have stored, used, or consumed wire-
 44 less telecommunications equipment by virtue of giving, selling, or other-
 45 wise transferring such equipment at a discount as an inducement to a consumer
 46 to commence or continue a contract for telecommunications service.

47 (b) Every retailer engaged in business in this state, and making sales
 48 of tangible personal property for the storage, use, or other consumption in
 49 this state, not exempted under section 63-3622, Idaho Code, shall, at the

1 time of making the sales or, if storage, use or other consumption of the tan-
2 gible personal property is not then taxable hereunder, at the time the stor-
3 age, use or other consumption becomes taxable, collect the tax from the pur-
4 chaser, and give to the purchaser a receipt therefor in the manner and form
5 prescribed by the state tax commission.

6 (c) The provisions of this section shall not apply when the retailer
7 pays sales tax on the transaction and collects reimbursement for such sales
8 tax from the customer.

9 (d) Every retailer engaged in business in this state or maintaining a
10 place of business in this state shall register with the state tax commission
11 and give the name and address of all agents operating in this state the loca-
12 tion of all distributions or sales houses or offices or other places of busi-
13 ness in this state and such other information as the state tax commission may
14 require.

15 (e) For the purpose of the proper administration of this act and to pre-
16 vent evasion of the use tax and the duty to collect the use tax, it shall be
17 presumed that tangible personal property sold by any person for delivery in
18 this state is sold for storage, use, or other consumption in this state. The
19 burden of proving the sale is tax-exempt is upon the person who makes the
20 sale unless he obtains from the purchaser a resale certificate to the ef-
21 fect that the property is purchased for resale or rental. It shall be pre-
22 sumed that sales made to a person who has completed a resale certificate for
23 the seller's records are not taxable and the seller need not collect sales or
24 use taxes unless the tangible personal property purchased is taxable to the
25 purchaser as a matter of law in the particular instance claimed on the resale
26 certificate.

27 A seller may accept a resale certificate from a purchaser prior to the
28 time of sale, at the time of sale, or at any reasonable time after the sale
29 when necessary to establish the privilege of the exemption. The resale cer-
30 tificate relieves the person selling the property from the burden of proof
31 only if taken from a person who is engaged in the business of selling or rent-
32 ing tangible personal property and who holds the permit provided for by sec-
33 tion 63-3620, Idaho Code, or who is a retailer not engaged in business in
34 this state, and who, at the time of purchasing the tangible personal prop-
35 erty, intends to sell or rent it in the regular course of business or is un-
36 able to ascertain at the time of purchase whether the property will be sold
37 or will be used for some other purpose. Other than as provided elsewhere in
38 this section, when a resale certificate, properly executed, is presented to
39 the seller, the seller has no duty or obligation to collect sales or use taxes
40 in regard to any sales transaction so documented, regardless of whether the
41 purchaser properly or improperly claimed an exemption. A seller so relieved
42 of the obligation to collect tax is also relieved of any liability to the pur-
43 chaser for failure to collect tax or for making any report or disclosure of
44 information required or permitted under this chapter.

45 The resale certificate shall bear the name and address of the purchaser,
46 shall be signed by the purchaser or his agent, shall indicate the number of
47 the permit issued to the purchaser, or that the purchaser is an out-of-state
48 retailer, and shall indicate the general character of the tangible personal
49 property sold by the purchaser in the regular course of business. The cer-

1 tificate shall be substantially in such form as the state tax commission may
2 prescribe.

3 (f) If a purchaser who gives a resale certificate makes any storage or
4 use of the property other than retention, demonstration, or display while
5 holding it for sale in the regular course of business, the storage or use is
6 taxable as of the time the property is first so stored or used.

7 (g) Any person violating any provision of this section is guilty of a
8 misdemeanor and punishable by a fine not in excess of one hundred dollars
9 (\$100), and each violation shall constitute a separate offense.

10 (h) It shall be presumed that tangible personal property shipped or
11 brought to this state by the purchaser was purchased from a retailer, for
12 storage, use, or other consumption in this state.

13 (i) It shall be presumed that tangible personal property delivered out-
14 side this state to a purchaser known by the retailer to be a resident of this
15 state was purchased from a retailer for storage, use, or other consumption in
16 this state. This presumption may be controverted by evidence satisfactory
17 to the state tax commission that the property was not purchased for storage,
18 use, or other consumption in this state.

19 (j) When the tangible personal property subject to use tax has been sub-
20 jected to a general retail sales or use tax by another state of the United
21 States in an amount equal to or greater than the amount of the Idaho tax, and
22 evidence can be given of such payment, the property will not be subject to
23 Idaho use tax. If the amount paid the other state was less, the property will
24 be subject to use tax to the extent that the Idaho tax exceeds the tax paid
25 to the other state. For the purposes of this subsection, a registration cer-
26 tificate or title issued by another state or subdivision thereof for a vehi-
27 cle or trailer or a vessel as defined in section 67-7003, Idaho Code, shall be
28 sufficient evidence of payment of a general retail sales or use tax.

29 (k) The use tax herein imposed shall not apply to the use by a nonres-
30 ident of this state of a motor vehicle ~~which is~~ registered or licensed un-
31 der the laws of the state of his residence and ~~is~~ not used in this state more
32 than a cumulative period of time totaling ninety (90) days in any consecutive
33 twelve (12) months and ~~which~~ is not required to be registered or licensed un-
34 der the laws of this state. The use tax herein shall also not apply to any use
35 of a motor vehicle ~~which is~~ registered or licensed under the laws of the state
36 of residence of a nonresident student while such nonresident student is en-
37 rolled as a full-time student in an institution of postsecondary education
38 that is both physically located in Idaho and recognized as accredited by the
39 state board of education.

40 (l) The use tax herein imposed shall not apply to the use of household
41 goods, personal effects and personally owned vehicles or personally owned
42 aircraft by a resident of this state if such articles were acquired by such
43 person in another state while a resident of that state and primarily for use
44 outside this state and if such use was actual and substantial, but if an arti-
45 cle was acquired less than three (3) months prior to the time he entered this
46 state, it will be presumed that the article was acquired for use in this state
47 and that its use outside this state was not actual and substantial. The use
48 tax herein imposed shall not apply to the use of household goods, personal
49 effects and personally owned vehicles or personally owned aircraft by ac-
50 tive duty military personnel temporarily assigned in this state and spouses

1 who accompany them if such articles were acquired prior to receipt of orders
 2 to transfer to Idaho or three (3) months prior to moving to Idaho, whichever
 3 time period is shorter. For purposes of this subsection, "resident" shall be
 4 as defined in section 63-3013 or 63-3013A, Idaho Code.

5 (m) The use tax herein imposed shall not apply to the storage, use, or
 6 other consumption of tangible personal property ~~which~~ that is or will be in-
 7 corporated into real property and ~~which~~ has been donated to and has become
 8 the property of:

9 (1) A nonprofit organization as defined in section 63-36220, Idaho
 10 Code; or

11 (2) The state of Idaho; or

12 (3) Any political subdivision of the state.

13 This exemption applies whether the tangible personal property is incorpo-
 14 rated in real property by the donee, a contractor, or subcontractor of the
 15 donee, or any other person.

16 (n) The use tax herein imposed shall not apply to tastings of food and
 17 beverages, including, but not limited to, wine and beer. For the purposes of
 18 this subsection, a tasting of wine and beer shall be defined as the maximum
 19 serving allowed by state or federal laws for such occasions provided to a po-
 20 tential customer, at no charge, at a location where like or similar beverages
 21 are sold. For nonalcoholic beverages and food, a tasting shall be defined as
 22 a sample from a unit available for sale at the tasting location.

23 (o) The use tax herein imposed shall not apply to donations of food or
 24 beverages, or both, to individuals or nonprofit organizations. For the pur-
 25 poses of this section, "nonprofit organization" means those nonprofit en-
 26 tities currently registered with the secretary of state pursuant to section
 27 30-30-102, Idaho Code.

28 (p) The use tax herein imposed shall not apply to a retailer supplying
 29 prepared food or beverages free of charge to its employee when that retailer
 30 sells prepared food or beverages in its normal course of business.

31 SECTION 5. That Section 57-811, Idaho Code, be, and the same is hereby
 32 amended to read as follows:

33 57-811. TAX RELIEF FUND. (1) There is hereby created in the state
 34 treasury the tax relief fund to which shall be credited all moneys remitted
 35 from sections 63-3620F and 63-3638, Idaho Code, from federal grants, dona-
 36 tions, or moneys from any other source. ~~Moneys in the fund are intended to~~
 37 ~~fund future tax relief statutes enacted by the legislature and may be ex-~~
 38 ~~pende pursuant to appropriation.~~ All interest earned on the investment of
 39 idle moneys in the fund shall be ~~returned~~ transferred to the general fund.

40 (2) The state controller shall divide the balance of the tax relief fund
 41 as of July 15, 2021, into quarters. The first quarter of the fund balance
 42 shall be transferred to the general fund on January 1, 2022. The second quar-
 43 ter of the fund balance shall be transferred to the general fund on January
 44 1, 2023. The third quarter of the fund balance shall be transferred to the
 45 general fund on January 1, 2024. The remaining fund balance shall be trans-
 46 ferred to the general fund on January 1, 2025.

47 SECTION 6. That Section 63-3620F, Idaho Code, be, and the same is hereby
 48 amended to read as follows:

1 63-3620F. DISTRIBUTION OF TAX COLLECTED BY MARKETPLACE FACILITATORS
2 AND OUT-OF-STATE RETAILERS. (1) State sales and use taxes collected by
3 retailers without a physical presence in Idaho, as described in section
4 63-3611(3)(h), Idaho Code, and state sales and use taxes collected on trans-
5 actions facilitated for third-party sellers by marketplace facilitators, as
6 described in section 63-3605E, Idaho Code, shall be distributed as provided
7 in this section.

8 (2) From June 1, 2019, through June 30, 2024~~1~~, all state sales and use
9 taxes described in subsection (1) of this section shall be distributed by the
10 state tax commission as follows:

11 (a) An amount of money shall be distributed to the state refund account
12 sufficient to pay current refund claims under this section. All refunds
13 authorized for payment by the state tax commission shall be paid through
14 the state refund account and those moneys are continuously appropri-
15 ated; and

16 (b) All remaining funds received pursuant to this section shall be
17 distributed to the tax relief fund established in section 57-811, Idaho
18 Code.

19 (3) On and after July 1, 2024~~1~~, all state sales and use taxes described
20 in subsection (1) of this section shall be distributed by the state tax com-
21 mission as follows:

22 (a) An amount of money shall be distributed to the state refund account
23 sufficient to pay current refund claims under this section. All refunds
24 authorized for payment by the state tax commission shall be paid through
25 the state refund account, and those moneys are continuously appropri-
26 ated; and

27 (b) The remaining funds shall be distributed ~~through the distribu-~~
28 ~~tion formula set forth for other sales and use tax revenue in section~~
29 ~~63-3638, Idaho Code, except that the remainder after distribution shall~~
30 ~~not be paid to the general fund pursuant to section 63-3638(15), Idaho~~
31 ~~Code, but shall instead be paid to the tax relief fund established in~~
32 ~~section 57-811, Idaho Code to the general fund.~~

33 (4) Marketplace facilitators must obtain a separate seller's permit
34 and collect and remit under that separate permit for state sales and use
35 taxes collected on transactions facilitated for third-party sellers.

36 SECTION 7. That Section 63-3638, Idaho Code, be, and the same is hereby
37 amended to read as follows:

38 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
39 chapter, except as may otherwise be required in sections 63-3203, ~~63-3620F,~~
40 and 63-3709, Idaho Code, and except as provided in subsection (1~~6~~5) of this
41 section, shall be distributed by the state tax commission as follows:

42 (1) An amount of money shall be distributed to the state refund account
43 sufficient to pay current refund claims. All refunds authorized under this
44 chapter by the state tax commission shall be paid through the state refund
45 account, and those moneys are continuously appropriated.

46 (2) Five million dollars (\$5,000,000) per year is continuously appro-
47 priated and shall be distributed to the permanent building fund, provided by
48 section 57-1108, Idaho Code.

1 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
2 is continuously appropriated and shall be distributed to the water pollution
3 control fund established by section 39-3628, Idaho Code.

4 (4) An amount equal to the sum required to be certified by the chair-
5 man of the Idaho housing and finance association to the state tax commis-
6 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
7 appropriated and shall be paid to any capital reserve fund established by
8 the Idaho housing and finance association pursuant to section 67-6211, Idaho
9 Code. Such amounts, if any, as may be appropriated hereunder to the capital
10 reserve fund of the Idaho housing and finance association shall be repaid for
11 distribution under the provisions of this section, subject to the provisions
12 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
13 tion, as soon as possible, from any moneys available therefor and in excess
14 of the amounts the association determines will keep it self-supporting.

15 (5) An amount equal to the sum required by the provisions of sections
16 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
17 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
18 paid as provided by sections 63-709 and 63-717, Idaho Code.

19 (6) An amount required by the provisions of chapter 53, title 33, Idaho
20 Code.

21 (7) An amount required by the provisions of chapter 87, title 67, Idaho
22 Code.

23 (8) For fiscal year 2011 and each fiscal year thereafter, four million
24 one hundred thousand dollars (\$4,100,000), of which two million two hundred
25 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
26 (44) counties in equal amounts and one million nine hundred thousand dol-
27 lars (\$1,900,000) shall be distributed to the forty-four (44) counties in
28 the proportion that the population of the county bears to the population of
29 the state. For fiscal year 2012 and for each fiscal year thereafter, the
30 amount distributed pursuant to this subsection shall be adjusted annually
31 by the state tax commission in accordance with the consumer price index for
32 all urban consumers (CPI-U) as published by the U.S. department of labor,
33 bureau of labor statistics, but in no fiscal year shall the total amount
34 allocated for counties under this subsection be less than four million one
35 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
36 justment required in this section shall be distributed to each county in the
37 proportion that the population of the county bears to the population of the
38 state. Each county shall establish a special election fund to which shall
39 be deposited all revenues received from the distribution pursuant to this
40 subsection. All such revenues shall be used exclusively to defray the costs
41 associated with conducting elections as required of county clerks by the
42 provisions of section 34-1401, Idaho Code.

43 (9) One dollar (\$1.00) on each application for certificate of title
44 or initial application for registration of a motor vehicle, snowmobile,
45 all-terrain vehicle or other vehicle processed by the county assessor or the
46 Idaho transportation department, excepting those applications in which any
47 sales or use taxes due have been previously collected by a retailer, shall be
48 a fee for the services of the assessor of the county or the Idaho transporta-
49 tion department in collecting such taxes and shall be paid into the current

1 expense fund of the county or state highway account established in section
2 40-702, Idaho Code.

3 (10) Eleven and five-tenths percent (11.5%) is continuously appro-
4 priated and shall be distributed to the revenue-sharing account, which is
5 hereby created in the state treasury, and the moneys in the revenue-sharing
6 account will be paid in installments each calendar quarter by the state tax
7 commission on and after July 1, 2020, as follows, provided that the amount of
8 moneys remitted shall be the greater of the amount remitted for the period
9 January 1, 2021, through December 31, 2021, or the amount the percentage in
10 this subsection yields:

11 (a) Forty-five and two-tenths percent (45.2%) shall be paid to the var-
12 ious cities as follows:

13 (i) The revenue-sharing amount calculated by the state tax com-
14 mission for the various cities for each quarter of fiscal year 2020
15 shall be the base amount for current quarterly revenue distribu-
16 tion amounts. The state tax commission shall calculate the per
17 capita distribution for each city resulting from the previous fis-
18 cal year's distributions.

19 (ii) If there is no change in the amount of the revenue-sharing
20 account from the same quarter of the previous fiscal year, then the
21 various cities shall receive the same amount received for the same
22 quarter of the previous fiscal year.

23 (iii) If the balance of the revenue-sharing account for the cur-
24 rent quarter is greater than the balance of the revenue-sharing
25 account for the same quarter of the previous fiscal year, then:

26 1. If the distributions made to the cities during the same
27 quarter of the previous fiscal year were below the base
28 amount established in fiscal year 2020, then the various
29 cities shall first receive a proportional increase up to the
30 base amount for each city and up to a one percent (1%) in-
31 crease over such base amount. Any remaining moneys shall be
32 distributed to cities with a below-average per capita dis-
33 tribution in the proportion that the population of that city
34 bears to the population of all cities with below-average per
35 capita distributions within the state.

36 2. If the distributions made to the cities during the same
37 quarter of the previous fiscal year were at or above the
38 base amount established in fiscal year 2020, then the cities
39 shall receive the same distribution they received during the
40 same quarter of the previous fiscal year plus a proportional
41 increase up to one percent (1%). Any remaining moneys shall
42 be distributed to the cities with a below-average per capita
43 distribution in the proportion that the population of that
44 city bears to the population of all cities with a below-aver-
45 age per capita distribution within the state.

46 (iv) If the balance of the revenue-sharing account for the cur-
47 rent quarter is less than the balance of the revenue-sharing ac-
48 count for the same quarter of the previous fiscal year, then the
49 cities shall first receive a proportional reduction down to the
50 base amount established in fiscal year 2020. If further reduc-

1 tions are necessary, the cities shall receive reductions based on
2 the proportion that each city's population bears to the population
3 of all cities within the state.

4 (b) Forty-seven and one-tenth percent (47.1%) shall be paid to the var-
5 ious counties as follows:

6 (i) Fifty-nine and eight-tenths percent (59.8%) of the amount to
7 be distributed under this paragraph (b) of this subsection shall
8 be distributed as follows:

9 1. One million three hundred twenty thousand dollars
10 (\$1,320,000) annually shall be distributed one forty-fourth
11 (1/44) to each of the various counties; and

12 2. The balance of such amount shall be paid to the various
13 counties, and each county shall be entitled to an amount in
14 the proportion that the population of that county bears to
15 the population of the state; and

16 (ii) Forty and two-tenths percent (40.2%) of the amount to be dis-
17 tributed under this paragraph (b) of this subsection shall be dis-
18 tributed as follows:

19 1. Each county that received a payment under the provisions
20 of section 63-3638(e), Idaho Code, as that subsection ex-
21 isted immediately prior to July 1, 2000, during the fourth
22 quarter of calendar year 1999, shall be entitled to a like
23 amount during succeeding calendar quarters.

24 2. If the dollar amount of money available under this sub-
25 section (10) (b) (ii) in any quarter does not equal the amount
26 paid in the fourth quarter of calendar year 1999, each
27 county's payment shall be reduced proportionately.

28 3. If the dollar amount of money available under this sub-
29 section (10) (b) (ii) in any quarter exceeds the amount paid
30 in the fourth quarter of calendar year 1999, each county
31 shall be entitled to a proportionately increased payment,
32 but such increase shall not exceed one hundred five percent
33 (105%) of the total payment made in the fourth quarter of
34 calendar year 1999.

35 4. If the dollar amount of money available under this sub-
36 section (10) (b) (ii) in any quarter exceeds one hundred five
37 percent (105%) of the total payment made in the fourth quar-
38 ter of calendar year 1999, any amount over and above such
39 one hundred five percent (105%) shall be paid to the various
40 counties in the proportion that the population of the county
41 bears to the population of the state; and

42 (c) Seven and seven-tenths percent (7.7%) of the amount appropriated in
43 this subsection shall be paid to the several counties for distribution
44 to special purpose taxing districts as follows:

45 (i) Each such district that received a payment under the provi-
46 sions of section 63-3638(e), Idaho Code, as such subsection ex-
47 isted immediately prior to July 1, 2000, during the fourth quarter
48 of calendar year 1999, shall be entitled to a like amount during
49 succeeding calendar quarters.

1 (ii) If the dollar amount of money available under this subsec-
2 tion (10) (c) in any quarter does not equal the amount paid in the
3 fourth quarter of calendar year 1999, each special purpose taxing
4 district's payment shall be reduced proportionately.

5 (iii) If the dollar amount of money available under this subsec-
6 tion (10) (c) in any quarter exceeds the amount distributed under
7 paragraph (c) (i) of this subsection, each special purpose tax-
8 ing district shall be entitled to a share of the excess based on
9 the proportion each such district's current property tax budget
10 bears to the sum of the current property tax budgets of all such
11 districts in the state. The state tax commission shall calculate
12 district current property tax budgets to include any unrecovered
13 forgone amounts as determined under section 63-802(1) (e), Idaho
14 Code. When a special purpose taxing district is situated in more
15 than one (1) county, the state tax commission shall determine the
16 portion attributable to the special purpose taxing district from
17 each county in which it is situated.

18 (iv) If special purpose taxing districts are consolidated, the
19 resulting district is entitled to a base amount equal to the sum of
20 the base amounts received in the last calendar quarter by each dis-
21 trict prior to the consolidation.

22 (v) If a special purpose taxing district is dissolved or disin-
23 corporated, the state tax commission shall continuously distrib-
24 ute to the board of county commissioners an amount equal to the
25 last quarter's distribution prior to dissolution or disincorpora-
26 tion. The board of county commissioners shall determine any re-
27 distribution of moneys so received.

28 (vi) Taxing districts formed after January 1, 2001, are not en-
29 titled to a payment under the provisions of this paragraph (c) of
30 this subsection.

31 (vii) For purposes of this paragraph (c) of this subsection, a spe-
32 cial purpose taxing district is any taxing district that is not a
33 city, a county, or a school district.

34 (11) Amounts calculated in accordance with section 2, chapter 356, laws
35 of 2001, for annual distribution to counties and other taxing districts be-
36 ginning in October 2001 for replacement of property tax on farm machinery and
37 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
38 districts, the state tax commission shall distribute one-fourth (1/4) of
39 this amount certified quarterly to each county. For school districts, the
40 state tax commission shall distribute one-fourth (1/4) of the amount certi-
41 fied quarterly to each school district. For nonschool districts, the county
42 auditor shall distribute to each district within thirty (30) calendar days
43 from receipt of moneys from the state tax commission. Moneys received by
44 each taxing district for replacement shall be utilized in the same manner
45 and in the same proportions as revenues from property taxation. The moneys
46 remitted to the county treasurer for replacement of property exempt from
47 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
48 counties and other taxing districts and budgeted at the same time, in the
49 same manner and in the same year as revenues from taxation on personal prop-
50 erty which these moneys replace. If taxing districts are consolidated, the

1 resulting district is entitled to an amount equal to the sum of the amounts
2 received in the last calendar quarter by each district pursuant to this
3 subsection prior to the consolidation. If a taxing district is dissolved
4 or disincorporated, the state tax commission shall continuously distribute
5 to the board of county commissioners an amount equal to the last quarter's
6 distribution prior to dissolution or disincorporation. The board of county
7 commissioners shall determine any redistribution of moneys so received. If
8 a taxing district annexes territory, the distribution of moneys received
9 pursuant to this subsection shall be unaffected. Taxing districts formed
10 after January 1, 2001, are not entitled to a payment under the provisions
11 of this subsection. School districts shall receive an amount determined by
12 multiplying the sum of the year 2000 school district levy minus .004 times
13 the market value on December 31, 2000, in the district of the property exempt
14 from taxation pursuant to section 63-602EE, Idaho Code, provided that the
15 result of these calculations shall not be less than zero (0). The result of
16 these school district calculations shall be further increased by six per-
17 cent (6%). For purposes of the limitation provided by section 63-802, Idaho
18 Code, moneys received pursuant to this section as property tax replacement
19 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
20 shall be treated as property tax revenues.

21 (12) Amounts necessary to pay refunds as provided in section 63-3641,
22 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
23 stration pilot project fund created in section 63-3641, Idaho Code.

24 (13) Amounts calculated in accordance with subsection (4) of section
25 63-602KK, Idaho Code, for annual distribution to counties and other taxing
26 districts for replacement of property tax on personal property tax exemp-
27 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
28 amounts are continuously appropriated unless the legislature enacts a dif-
29 ferent appropriation for a particular fiscal year. For purposes of the
30 limitation provided by section 63-802, Idaho Code, moneys received pursuant
31 to this section as property tax replacement for property exempt from taxa-
32 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
33 tax revenues. If taxing districts are consolidated, the resulting district
34 is entitled to an amount equal to the sum of the amounts that were received in
35 the last calendar year by each district pursuant to this subsection prior to
36 the consolidation. If a taxing district or revenue allocation area annexes
37 territory, the distribution of moneys received pursuant to this subsection
38 shall be unaffected. Taxing districts and revenue allocation areas formed
39 after January 1, 2013, are not entitled to a payment under the provisions of
40 this subsection.

41 ~~(14) Amounts collected from purchasers and paid to the state of Idaho by~~
42 ~~retailers that are not engaged in business in this state and which retailer~~
43 ~~would not have been required to collect the sales tax, less amounts other-~~
44 ~~wise distributed in subsections (1) and (10) of this section, shall be dis-~~
45 ~~tributed to the tax relief created in section 57-811, Idaho Code. The state~~
46 ~~tax commission will determine the amounts to be distributed under this sub-~~
47 ~~section.~~

48 ~~(15) Any moneys remaining over and above those necessary to meet and~~
49 ~~reserve for payments under other subsections of this section shall be dis-~~
50 ~~tributed to the general fund.~~

1 (165) One percent (1%), but not less than fifteen million dollars
2 (\$15,000,000), is continuously appropriated and shall be distributed to the
3 transportation expansion and congestion mitigation fund established in sec-
4 tion 40-720, Idaho Code. The distribution provided for in this subsection
5 must immediately follow the distribution provided for in subsection (10) of
6 this section.

7 SECTION 8. That Section [63-3024A](#), Idaho Code, be, and the same is hereby
8 repealed.

9 SECTION 9. That Section [63-3077G](#), Idaho Code, be, and the same is hereby
10 repealed.

11 SECTION 10. That Section [63-3077H](#), Idaho Code, be, and the same is
12 hereby repealed.

13 SECTION 11. That Section 32-706, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 32-706. CHILD SUPPORT. (1) In a proceeding for divorce or child sup-
16 port, the court may order either or both parents owing a duty of support to a
17 child to pay an amount reasonable or necessary for his or her support and edu-
18 cation until the child is eighteen (18) years of age, without regard to mari-
19 tal misconduct, after considering all relevant factors which may include:

- 20 (a) The financial resources of the child;
21 (b) The financial resources, needs, and obligations of both the custo-
22 dial and noncustodial parents which ordinarily shall not include a par-
23 ent's community property interest in the financial resources or obli-
24 gations of a spouse who is not a parent of the child, unless compelling
25 reasons exist;
26 (c) The standard of living the child enjoyed during the marriage;
27 (d) The physical and emotional condition and needs of the child and his
28 or her educational needs;
29 (e) The availability of medical coverage for the child at reasonable
30 cost as defined in section 32-1214B, Idaho Code; and
31 (f) The actual tax benefit recognized by the party claiming the federal
32 child dependency exemption.

33 (2) If the child continues his high school education subsequent to
34 reaching the age of eighteen (18) years, the court may, in its discretion,
35 and after considering all relevant factors which include those set forth in
36 subsection (1) of this section, order the continuation of support payments
37 until the child discontinues his high school education or reaches the age of
38 nineteen (19) years, whichever is sooner.

39 (3) All child support orders shall notify the obligor that the order
40 will be enforced by income withholding pursuant to chapter 12, title 32,
41 Idaho Code. Failure to include this provision does not affect the validity
42 of the support order. The court shall require that the social security num-
43 bers of both the obligor and obligee be included in the order or decree.

44 (4) In a proceeding for the support of a child or a minor parent, the
45 court may order the parent(s) of each minor parent to pay an amount reason-
46 able or necessary for the support and education of the child born to the minor

1 parent(s) until the minor parent is eighteen (18) years of age, after consid-
2 ering all relevant factors which may include:

3 (a) The financial resources of the child;

4 (b) The financial resources of the minor parent;

5 (c) The financial resources, needs and obligations of the parent of the
6 minor parent;

7 (d) The physical and emotional condition and needs of the child and his
8 or her educational needs; and

9 (e) The availability of medical coverage for the child at reasonable
10 cost as defined in section 32-1214B, Idaho Code.

11 (5) The legislature hereby authorizes and encourages the supreme court
12 of the state of Idaho to adopt and to periodically review for modification
13 guidelines that utilize and implement the factors set forth in subsections
14 (1) through (4) of this section to create a uniform procedure for reaching
15 fair and adequate child support awards. There shall be a rebuttable pre-
16 sumption that the amount of the award which would result from the applica-
17 tion of the guidelines is the amount of child support to be awarded, unless
18 evidence is presented in a particular case that indicates that an applica-
19 tion of the guidelines would be unjust or inappropriate. If the court de-
20 termines that circumstances exist to permit a departure from the guidelines,
21 the judge making the determination shall make a written or specific finding
22 on the record that the application of the guidelines would be unjust or in-
23 appropriate in the particular case before the court. When adopting guide-
24 lines, the supreme court shall provide that in a proceeding to modify an ex-
25 isting award, children of the party requesting the modification who are born
26 or adopted after the entry of the existing order shall not be considered.

27 (6) If the court awards one (1) parent the right to claim tax benefits
28 associated with his child or children, the court order need not list every
29 applicable tax benefit. The parent who was awarded the tax benefits for
30 the child or children shall attach a copy of the court order to his income
31 tax return. The state tax commission shall recognize the award of tax ben-
32 efits with respect to the child or children as applying to the child tax
33 credit under section 63-3029L, Idaho Code, ~~the food tax credit under section~~
34 ~~63-3024A, Idaho Code,~~ and any and all other state and federal tax deductions,
35 exemptions, and credits for which the parent qualifies, unless the court
36 order specifies otherwise.

37 SECTION 12. That Section 40-721, Idaho Code, be, and the same is hereby
38 amended to read as follows:

39 40-721. TRANSPORTATION EXPANSION AND CONGESTION MITIGATION PROGRAM
40 CAPITAL PROJECT FUND -- TRANSPORTATION EXPANSION AND CONGESTION MITIGATION
41 PROGRAM DEBT SERVICE FUND. (1) There is hereby established in the state trea-
42 sury the transportation expansion and congestion mitigation program capital
43 project fund that shall include any draw by the Idaho transportation board of
44 proceeds from the transportation bonds or notes issued by the Idaho housing
45 and finance association in accordance with chapter 62, title 67, Idaho Code,
46 to finance improvements described in section 40-720, Idaho Code. Interest
47 earned on the investments of idle moneys in the transportation expansion
48 and congestion mitigation program capital project fund shall be paid to the
49 transportation expansion and congestion mitigation program capital project

1 fund. Disbursements from this fund shall be paid over as requested by the
2 Idaho transportation board and shall be made for projects in accordance with
3 section 40-720, Idaho Code. All moneys in the fund are hereby continuously
4 appropriated to the department.

5 (2) There is hereby established in the state treasury the transporta-
6 tion expansion and congestion mitigation program debt service fund for the
7 purpose of paying the principal, interest, and other amounts required for
8 transportation bonds or notes of the Idaho housing and finance association
9 in accordance with chapter 62, title 67, Idaho Code, issued to finance im-
10 provements described in section 40-720, Idaho Code. The fund shall include
11 amounts distributed pursuant to sections 40-720(7) and 63-3638(165), Idaho
12 Code, provided that such moneys distributed to the transportation expansion
13 and congestion mitigation program debt service fund pursuant to this subsec-
14 tion shall be used for payment of principal, interest, and other amounts re-
15 quired for transportation bonds or notes issued by the Idaho housing and fi-
16 nance association for improvements described in section 40-720, Idaho Code.
17 Interest earned on the investment of idle moneys in the transportation ex-
18 pansion and congestion mitigation program debt service fund shall be paid to
19 the transportation expansion and congestion mitigation program debt service
20 fund. From moneys within this fund, there are hereby continuously appropri-
21 ated such amounts as from time to time shall be certified by the Idaho housing
22 and finance association to the state controller, the state treasurer, and
23 the Idaho transportation board as necessary for payment of principal, in-
24 terest, and other amounts required for transportation bonds or notes of the
25 Idaho housing and finance association in accordance with chapter 62, title
26 67, Idaho Code, issued for improvements described in section 40-720, Idaho
27 Code, which amounts shall be paid over as directed by the association. Any
28 funds in excess of the amount necessary to meet the payment authorized in
29 this section shall be transferred to the transportation expansion and con-
30 gestion mitigation fund established in section 40-720, Idaho Code.

31 SECTION 13. That Section 40-720, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 40-720. TRANSPORTATION EXPANSION AND CONGESTION MITIGATION PROGRAM
34 -- FUND ESTABLISHED. (1) The Idaho transportation department shall es-
35 tablish and maintain a transportation expansion and congestion mitigation
36 program.

37 (2) The fund established pursuant to this section shall finance
38 projects that expand the state system to address and mitigate transportation
39 congestion. The projects shall be evaluated by the Idaho transportation
40 department and shall be chosen by the Idaho transportation board based on a
41 policy that may include mitigation of traffic times, improvement to traffic
42 flow and mitigation of traffic congestion.

43 (3) There is hereby established in the state treasury the transporta-
44 tion expansion and congestion mitigation fund, to which shall be deposited:

- 45 (a) All moneys distributed pursuant to section 63-2520, Idaho Code;
46 (b) All moneys distributed pursuant to section 63-3638, Idaho Code; and
47 (c) Any other appropriated moneys for funding the transportation ex-
48 pansion and congestion mitigation program.

1 (4) Interest earned on the investment of idle moneys in the fund shall
2 be paid to the fund. All moneys in the fund shall be used for the transporta-
3 tion expansion and congestion mitigation program.

4 (5) The Idaho housing and finance association is hereby authorized
5 to issue bonds, secured by otherwise unobligated moneys in the fund estab-
6 lished in subsection (3) of this section, for the purpose of financing state
7 transportation projects approved by the Idaho transportation board. The
8 Idaho transportation board shall take into consideration the mitigation of
9 traffic congestion from the state campus site located at 11311 West Chinden
10 Boulevard, Boise, as a priority when approving transportation projects.
11 Moneys from the fund established in subsection (3) of this section shall
12 be used to pay any of the principal, interest, and other amounts for state
13 transportation projects approved by the Idaho transportation board and re-
14 quired for bonds issued pursuant to this subsection in accordance with the
15 provisions of chapter 62, title 67, Idaho Code. If such bonds are issued,
16 moneys in the fund shall first be continuously appropriated and used for
17 repayment of said bonds in accordance with subsection (7) of this section.

18 (6) The authority provided in subsection (5) of this section shall be
19 used only to issue bonds on an approved resolution by the Idaho transporta-
20 tion board requesting that the Idaho housing and finance association issue
21 bonds contingent upon:

22 (a) The availability of otherwise unobligated moneys in the fund, es-
23 tablished in subsection (3) of this section, necessary to meet bond ser-
24 vice obligations;

25 (b) The moneys disbursed being used in accordance with United States
26 treasury regulations to ensure tax-exempt status is retained, unless
27 tax-exempt bonds are not available; and

28 (c) The issuance of bonds at prevailing market rates of interest.

29 (7) From moneys in the fund established in this section, there are
30 hereby continuously appropriated first such amounts as from time to time
31 shall be certified by the Idaho housing and finance association to the state
32 controller, the state treasurer, and the Idaho transportation board as
33 necessary for payment of principal, interest, and other amounts required
34 for transportation bonds or notes of the Idaho housing and finance associ-
35 ation in accordance with chapter 62, title 67, Idaho Code, that are issued
36 to finance improvements described in this section, which amounts shall not
37 exceed the amount received and transferred from section 63-3638(165), Idaho
38 Code, which amounts shall be transferred to the transportation expansion
39 and congestion mitigation program debt service fund established in section
40 40-721(2), Idaho Code.

41 SECTION 14. An emergency existing therefor, which emergency is hereby
42 declared to exist, Sections 1, 2, 5, 6, 8, 9, 10, and 11 of this act shall be
43 in full force and effect on and after passage and approval, and retroactively
44 to January 1, 2021. Sections 3, 4, 7, 12, and 13 of this act shall be in full
45 force and effect on and after January 1, 2022.