

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Monday, February 22, 2021

**TIME:** 9:00 A.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Harris, Vice Chairman Addis, Representatives Moyle, Chaney, Gestrin, Dixon, Nichols, Kauffman, Adams, Cannon, Hartgen, Manwaring, Okuniewicz, von Ehlinger, Weber, Necochea, Ruchti

**ABSENT/  
EXCUSED:** None

**GUESTS:** Art Evans, Medicaid; Fred Birnbaum, Idaho Freedom Foundation; Russ Westerberg, RMP; Brad Wills, Twin Falls Assessors Office; Lincoln Smyser; Brody Aston, Westerberg and Associates; Jake Cluff, BB&A; and Pam Waters, Idaho State Tax Commission (ISTC).

**Chairman Harris** called the meeting to order at 9:03 a.m.

**Chairman Harris** introduced and welcomed the page, **Isabella O'Neill** to the committee.

**MOTION:** **Rep. Necochea** made a motion to approve the minutes of the February 10, 2021 meeting. **Motion carried by voice vote.**

**H 211:** **Chairman Harris** announced **H 211** would not be before the committee due to the absence of the sponsor.

**H 213:** **Rep. Dustin Manwaring** said **H 213** allows Idaho Rebound for Small Businesses (Rebound) program cash grants to be subtracted from taxable income. It also clarified that forgiven Paycheck Protection Program (PPP) loans are not taxable for state income tax purposes. The funds are COVID-19 relief funds that are not taxable federally. The funds went directly to small businesses of under fifty people, to independent contractors, and self-employed individuals and are not ongoing state revenue.

Answering committee questions, **Rep. Manwaring** said if Rebound grants were taxable, the estimated cost would be \$4.96 million, but they are not taxable at the federal level. Dollar amount estimates cannot be made for forgiven PPP loans because the impacts are unknown since borrowers can apply for forgiveness anytime up to the maturity date of the loan.

**MOTION:** **Rep. Dixon** made a motion to send **H 213** to the floor with a **DO PASS** recommendation.

**Fred Birnbaum**, Idaho Freedom Foundation, spoke **in opposition** to **H 213** indicating he would possibly withdraw his objections to **H 213** upon specific clarifications of his concerns with the fiscal note where it says the cash grants and loans forgiveness are one-time money for revenue and emergency rental program assistance funds are included in taxable income because it is replacement income. He does not understand the distinction. He said it should be more clear.

**Rep. Manwaring** closed by saying Idaho Code §63-3022(u) treats emergency rental assistance program funds differently than one-time PPP or other relief grants because landlords who receive the funds are getting replacement income from those getting rental assistance, and the intent was not to give them a tax break because it is replacement income upon which they would otherwise be paying tax.

**Chairman Harris, Reps. Necochea, Ruchti, Chaney, Manwaring, Cannon, Weber and Nichols** declared a Rule 80 possible conflict.

**Rep. Nichols** spoke in support of **H 213** but indicated clarification regarding rental assistance should be made to the legislation before final hearing.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Necochea** requested to be recorded as voting **NAY**. **Rep. Manwaring** will sponsor the bill on the floor.

**H 214:**

**Rep. Dustin Manwaring** said **H 214** clarifies the ISTC chairman must have the advice and consent of the ISTC before assigning away administrative authority for personnel, budgetary or fiscal matters of the ISTC. Also, any unilateral actions taken by the chairman may be reviewed by the full ISTC upon the request of an ISTC commissioner. The changes ensure the ISTC will be held to the standards of other Idaho governing boards or bodies with administrative authority, and the paid commissioners and chairman are able to fulfill their responsibility and duties according to law and legislative intent. The chairman remains the administrative head but would be subject to the advice, consent and review of the full ISTC for his unilateral decisions before he can assign away the full, statutory authority of the ISTC. **Rep. Manwaring** could not find any other agencies run this way, and the legislation is a matter of good government and governance at the ISTC that ensures the statute is followed the way it was intended.

**MOTION:**

**Rep. Chaney** made a motion to send **H 214** to the floor with a **DO PASS** recommendation.

**Rep. Chaney** spoke in support of **H 214** saying Idaho Code §63-102 has been misinterpreted in a way allowing it to circumvent the statute and get around the legislature by mooting the requirement for minority party representation, allowing the Governor to replace the entire commission whenever he chooses rather than giving the commissioners independence with set terms, and bypassing the commission by setting them up as a post-decision review board. The statute has been on the books and followed correctly for years which evidences the intent of the statute was well articulated, however, it is the legislatures responsibility to clarify the statute which **H 214** does.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Manwaring** will sponsor the bill on the floor.

**H 212:**

**Senator Wintrow** presented **H 212** saying Certified Family Homes (CFH) provide 24-hour care and enact learning outcomes for adults with developmental or physical disabilities. CFHs provide an environment that is family-oriented, caring and homey versus an institution environment, as well as saves Idaho money by paying CFH homes about \$54 a day for care compared to \$265 a day for care in an institution. Circuit breaker relief in Idaho has an income threshold of under \$31,900 annually. CFH homeowners want to apply for the circuit breaker without their Medicaid payments for care for people with disabilities applying toward their Idaho income. The federal government does not treat the payments as income, and **H 212** proposes Idaho not treat the payments as income. The legislation does not guarantee they receive the circuit breaker. Only about 200 of the approximately 2,200 CFH homes would be impacted. **Senator Wintrow** indicated the fiscal analysis from the Legislative Services Office of Budget and Policy was on the very high side of what she thinks the fiscal note would actually be.

In response to committee questions, **Senator Wintrow** replied she did not know how many CFH homes cared for family members, and the number of homes altogether has decreased to approximately 2,200. She further said CFH homeowners do not get to deduct expenses for food, laundry or other basic necessities they supply from their income.

**Art Evans**, Bureau Chief, Development and Disability Services, Idaho Department of Health and Welfare (Bureau), spoke **in support of H 212**, informing the committee that approximately 1,800 of the people served by the Bureau are in CFHs. The state divisions overseeing licensing certify the homes, and the homeowners apply for Medicaid to set up goals, services and reimbursement. CFHs are the least expensive and most cost effective service the Bureau has to keep people out of institutions. The federal government has emphasized closing state institutions and moving those in need of their services into the community to live lives that would reflect how we all live.

Answering committee questions, **Mr. Evans** replied he did not know how many family members were in CFHs, and the estimates of the fiscal impact are hard to determine because there are no demographics upon which to make an estimate.

**Rep. Nichols** declared a Rule 80 possible conflict.

**Joann Vasko** spoke as a Certified Family Homeowner **in support of H 212** saying if the CFH falls in disrepair, the Idaho Department of Health and Welfare will not allow a person with disabilities in the home. The CFH program allows Idahoans to keep their family members with disabilities in their home.

**Senator Wintrow** closed by saying CFHs are a small subsidy that doesn't cost much money.

**MOTION:**

**Rep. Adams** made a motion to send **H 212** to the floor with a **DO PASS** recommendation.

**Rep. Moyle** spoke **in opposition to H 212** questioning why exceptions should not extend to other disability resources, social security, and military benefits.

**Rep. Adams** spoke **in support of H 212** indicating this committee had helped veterans with circuit breakers and should help others.

**VOTE ON MOTION:**

**Motion carried by voice vote. Rep. Necochea** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 9:54 a.m.

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Representative Harris  
Chair

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Lorrie Byerly  
Secretary