

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Thursday, January 27, 2022

**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, Weber, Shepherd, Necochea, Ruchti

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of the session the sign-in sheet will be filed with the minutes in the legislative Library.

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

**RS 29236:** **Rep. Addis** presented **RS 29236**. The purpose of this proposed legislation is to clarify the scope of a sales tax exemption available for "personally owned" vehicles and other property brought to Idaho by new residents of the state. Specifically to confirm that "personally owned" property includes property owned through a grantor trust. For all practical purposes, and for income tax purposes, property owned by a grantor trust is treated as personally owned by the individual. This bill will resolve disputes between taxpayers and the State Tax Commission that have arisen.

There is no fiscal impact of this bill if it is recognized that property held in grantor trusts already meets the requirement of the statute that the property must be personally owned, and that this bill is a clarification and confirmation of that conclusion. Additionally, it is probable that a prior Idaho Supreme Court decision would uphold the result that this amendment clarifies. Therefore, this amendment would eliminate audit and the cost of appeals. If that were not the case, the fiscal impact would still be de minimus.

**MOTION:** **Rep. Manwaring** made a motion to introduce **RS 29236**. **Motion carried by voice vote.**

**RS 29276** **Rep. Sheperd** introduced the **RS 29276** saying the RS is related to property tax reduction. This proposed legislation would put a threshold of 300,000 dollars or 150% of the median assessed valuation, whichever is greater. The cost to the State for the proposal would be \$1.1 million.

**Rep. Ruchti** reported that the Idaho State Tax Commission has included manufactured homes on the assessments, and this could lower the median price of a home which leads people to easily exit the qualification for the benefit. **Rep. Shepherd** replied that the median assessed values reported by the Tax Commission, and based on the 125% as of current law, is much lower in many counties than others.

**Rep. Moyle** asked if Shoshone County offered any hardship cases, as current code allows county commissioners to provide tax breaks. Furthermore, he asked Rep. Shepherd if the taxing districts are causing the problem with their inflated budgets.

**Rep. Shepherd** replied that he doesn't have the information and hopes to provide more details for a long-term fix for the problem.

**Rep. Moyle** he says would support a motion to introduce the proposal but, recommended being careful to not overuse the General Fund that may affect other programs. Rep. Moyle also reminded that these budgets are set by the local elected county officials.

**Rep. Nichols** expressed her support for a motion, to introduce the RS.

**MOTION:** **Rep. Necochea** made a motion to introduce **RS 29276**. **Motion carried by voice vote.**

**RS 29278** **Rep. Addis** introduced **RS 29278**. This proposal relates to the existing distributions of sales tax dollars to Idaho's local taxing districts. Specifically, it increases the distribution schedule from a quarterly distribution to monthly distribution, improving the cash flow position of Idaho's local taxing entities.

There is no impact to the General Fund in adopting this bill. Some local taxing districts may see a reduction in fund balances due to the more frequent receipt of state funds.

**Rep. Weber** expressed his support for the proposal as it may help the cities to better budget in forecasting their cash flow.

In answering committee questions regarding if this change in the schedule would increase the number of transactions managed by the State Tax Commission, **Rep. Addis** replied that almost all of the transactions are electronic, and this change would have no additional cost. **Rep. Moyle** proposed to investigate if the local governments can use this change in schedule to provide some relief in property tax.

**MOTION:** **Rep. Weber** made a motion to introduce **RS 29278**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:45 a.m.

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Representative Harris  
Chair

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Anna Maria Mancini  
Secretary