

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Monday, January 31, 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:** Representative(s) Adams

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

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

**H 471:** **Rep. Kauffman** presented the **H 471**, explaining it relates to sales tax on short term rentals per statute 63-1803 and 63-1804. The bill clarifies who is responsible for the registering as a short-term rental marketplace facilitators and the distribution of online sales tax online sales. The bill also provides clarification about the amounts collected as sale taxes and the exemptions. The money collected from short-term rentals should go into the sales tax distribution fund, and the bill removes confusion if the seller is online or if the property is in Idaho or not.

**Rep. Kauffman** clarified how the bill is related to short-term renters with properties in Idaho, and the sales taxes collected on these properties should go into the normal distribution formula, as it was treated in the past years.

In answer to **Rep. Manwaring, Tom Shaner**, Tax Researcher Manager for the Tax Commission, confirmed the online short-term rentals sales tax have been going to the normal sales tax distribution for the last three years. **Mr. Shaner** explained that the on-line sales taxes regulation is related to business with no presence or nexus in the state. Mr. Shaner agreed to provide more information on request from Rep. Manwaring about how much sales tax is currently being allocated by rental marketplace facilitators.

**Rep. Nichols**, and **Rep. Necochea** declared a **Rule 80**.

**MOTION:** **Rep. Dixon** made a motion to send the **H 471** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Kauffman will sponsor the bill on the floor.

**H 472:** **Rep. Moyle** presented the **H 472**, explaining the bill will conform to the different changes to the internal revenue code that took place in the preceding year. The big cost in the bill is the increase of the age in which a dependent can receive the child tax credit from 17 and under to 18 and under. The bill also increases the amount from \$2,000 to \$3,000.

**Ms. Alejandra T. Cerna**, director of the Idaho Center for Fiscal Policy, explained that Congress made changes to the definition of child or dependent, expanding it to 18 years old. This change will provide help to Idaho families; an economic study found that 4% of Idaho families in Idaho would be impacted by this change. One of the notable drawbacks of this credit and how it is structured in Idaho, would be that it does not include all families in Idaho who pay taxes and have children in the house. An analysis performed by her team, found that families at \$26,000 or less of income would not be able to claim the adjusted definition to include a 17 year old, nor the regular Idaho child tax credit of every year. This issue should merit attention from policy makers. The increase of the credit from \$2,000 to \$3,000, will also give significant help to Idaho families. Ms. Alejandra T. Cerna, expressed her support for the bill.

**MOTION:** **Rep. Addis** made a motion to send the **H 472** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Moyle will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:18 a.m.

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Representative Harris  
Chair

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Anna Maria Mancini  
Secretary