

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 08, 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:** Rep. Nichols

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 09:00 a.m.

RS 29298: **Rep. Manwaring** introduced **RS 29298**. This proposed legislation refers to people with businesses in multiple states and eliminates double taxation for the Idaho-based companies with out-of-state sales. This situation is caused by the fact that most states have updated the calculation methodology of income tax from a 'three-factor' to a 'single-sales' factor. This proposal addresses out-of-state companies that are doing business in Idaho and are currently not paying taxes because of the 'single-sales' factor. The proposal provides a simplified tax system for multi-state income and a better tax environment for Idaho.

MOTION: **Rep. Addis** made a motion to introduce **RS 29298**. **Motion carried by voice vote.**

RS 29359: **Rep. Moyle** introduced **RS 29359** regarding the homeowner's exemption, specifically the case when individuals have more than one exemption. This proposal requires a county assessor to research if the person is qualified before granting the homeowner's exemption. Furthermore, the Tax Commission shall provide the information needed by the assessor to research if the homeowner is entitled to the exemption. In case the exemption is denied, the homeowner has 30 days to appeal. The proposal includes a fiscal note of \$10,000 to \$20,000 necessary for the Tax Commission to fulfill the requirements

MOTION: **Rep. Gestrin** made a motion to introduce **RS 29359**. **Motion carried by voice vote.**

RS 29402C1: **Rep. Moyle** introduced **RS 29402C1**, explaining that the current legislation allows transient personal property to be exempt from taxation. This proposal clarifies how this situation should be managed by the assessors and removes some unneeded language from the current legislation.

MOTION: **Rep. Dixon** made a motion to introduce **RS29402C1**. **Motion Carried by voice vote.**

Mr. Brandon Woolf, State Controller, introduced the transparency website, a single portal providing all the information for local governments. **H 73** enacted last year has been the genesis of the portal. The bill's objective was to create a committee that included three senators, three representatives, and a controller; to collaborate with local government to identify accounting, budgeting, and other financial reporting data, and to build the central registry. Mr. Woolf introduced the web portal to the audience showing its capabilities and the reports available.

Rep. Cannon asked if the online tool is available to anyone. **Mr. Woolf** replied the tool is not currently available to everyone, as it is still in the pilot phase with some counties. After this phase, the portal will be made available to the other counties. **Rep. Cannon** asked when the site will go live. **Mr. Woolf** answered it will be as quickly as possible, even if the bill identifies January 1, 2025 as the completion date.

Rep. Gastrin asked if the counties would incur extra expenditure for having the system in place. **Mr. Woolf** replied the burden will be on the State as much as possible.

Chairman Harris asked if there is an ongoing long-term auditing function. **Mr. Woolf** explained this aspect has not been solidified yet, but there will be a constant connection with the entities to make sure the reported data is correct.

Mr. Woolf introduced the next steps for the project, which include the completion of the pilot phase, the creation of a uniform reporting manual, the implementation of quality assurance, and the inclusion of other missing data like sales taxes.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:42 a.m.

Representative Harris
Chair

Anna Maria Mancini
Secretary