

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Tuesday, March 01, 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) Nichols, Okuniewicz

**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 29635:** **Rep. Addis** presented **RS 29635**. This legislation replaces **H 510** and makes technical corrections to legislation enacted in 2021 that provided state and local tax deductions (SALT) for income taxes paid by an Affected Business Entity (ABE) on behalf of its pass-through owners. This RS clarifies the process for tiered pass-through entities, the process for election, and eliminates ambiguous language that the Tax Commission recently has had concerns with, and clarifies the permanent building tax needs to be paid only once and not multiple times as previously suggested.

**MOTION:** **Rep. Chaney** made a motion to introduce **RS 29635**. **Motion carried by voice vote.**

**RS 29636:** **Rep. Kauffman** introduced **RS 29636**. This proposed legislation is related to last year's bill **H 276** which clarified that bonus depreciation taken on a federal income tax return but not allowed on a state return does not create income under Idaho law. That legislation was effective as of January 1, 2021. Because that was a clarification of existing law it was expected to apply to all cases – both those arising before and after January 1, 2021. Unfortunately, it has not been applied that way by the Tax Commission, which continues to conduct audits and assess taxes under its view of the "old" law for taxes due before January 1, 2021. This legislation reaffirms the policy enacted last year and removes ambiguities some suggest were contained in **H 276**. It is retroactive to apply to all taxpayers who have filed returns consistent with this policy.

**MOTION:** **Rep. Shepherd** made a motion to introduce **RS 29636**. **Motion carried by voice vote.**

**RS 29677:** **Rep. Cannon** introduced **RS 29677**. This proposed legislation is levelling the playing field bill in the tax reform field. This legislation would amend title 63, chapter 30 of the Idaho Code, where it provided a three-year statute of limitations on claims for credit or refund of overpayment of income taxes. The State Tax Commission, by contrast, has the ability to look back ten years in order to file claims against taxpayers for underpayment of taxes. This legislation would expand the window from three years to ten years for the purposes of claims for credit for overpayment of income taxes in certain categories.

Based on comparison to past years' data, this legislation would result in up to \$1 million being returned to taxpayers for overpayments.

**MOTION:** Rep. Shepherd made a motion to introduce **RS 29677. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:13 a.m.

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Representative Harris  
Chair

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Anna Maria Mancini  
Secretary