

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Thursday, March 17, 2022

TIME: 2:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Grow, Senators Vick, Bayer, Ricks, Nye, and Semmelroth

ABSENT/ EXCUSED: Senators Lakey and Souza

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Rice** called the meeting of the Senate Local Government and Taxation Committee to order at 2:05 pm.

H 509 **Senator Vick** presented **H 509**. He explained that **H 509** increased the grocery tax credit from \$100 to \$120 per individual and from \$120 to \$140 for eligible seniors. This tax credit would begin in 2023 and the credit would be paid in 2024. **Senator Vick** further explained that the fiscal impact of increasing the grocery tax credit was \$32.4 million, but that was offset by the projected growth in the Tax Relief Fund. He noted that there had not been an increase in the grocery tax credit since 2015.

DISCUSSION: **Senator Nye** asked who benefits from this tax credit. **Senator Vick** replied that it benefitted most Idaho residents.

Senator Ricks commented that he estimated that the increase in the grocery tax credit amounted to about \$2000 or \$40 worth of groceries per week which essentially eliminated the sales tax on groceries.

TESTIMONY: **Miguel Legarreta**, President of the Associated Taxpayers of Idaho, provided additional information regarding who benefitted from **H 509**. He stated that a family of four making \$100,000 a year was slightly better off and that all eligible residents were able to receive the grocery tax credit, even those who did not file a tax return. In addition, when you included those who received food stamps, over 90% of Idahoans received a food credit or benefit.

MOTION: **Senator Vick** moved to send **H 509** to the floor with a **do pass** recommendation. **Senator Semmelroth** seconded the motion. The motion passed by **voice vote**. Senator Vick will carry the bill.

H 481 **Senator Bayer** presented **H 481**. She explained that **H 481** raised the value of a residence that will qualify for the circuit breaker program to 150% of the assessed median value of homes in the county. In addition, **H 481** provided that any home that is assessed at \$300,000 or less will automatically qualify for the circuit breaker program. **Senator Bayer** stated that this increased value prevented many elderly widows and widowers from being kicked off the circuit breaker program.

DISCUSSION: **Senator Nye** asked what this increased value of a qualifying residence meant in dollars. **Senator Bayer** explained that the value of the house would not make a difference in the amount of taxes paid, it was simply a factor in determining whether the residence qualified for the circuit breaker exemption. She further noted that the circuit breaker exemption resulted in property tax savings for individuals in the lowest income bracket of \$1500 a year and for those in the highest income bracket it resulted in a tax savings of \$250 per year. The median tax savings under the circuit breaker program was just under \$800 per year.

MOTION: **Senator Bayer** moved to send **H 481** to the floor with a **do pass** recommendation. **Senator Semmelroth** seconded the motion. The motion passed by **voice vote**. Senator Bayer will carry the bill on the floor.

ADJOURNMENT: There being no further business at this time, **Chairman Rice** adjourned the meeting at 2:20 pm.

Senator Rice
Chair

Meg Lawless
Secretary