

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Thursday, September 01, 2022

TIME: 3:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Grow, Senators Vick, Lakey, Souza (Funk), Bayer, Ricks, Semmelroth, and Nye

ABSENT/ EXCUSED: None

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 (Committee) to order at 3:32 p.m. He welcomed all to the meeting and stated no testimony would be taken at this meeting. The purpose of this meeting was for discussion and voting.

H 1 **TAXATION** - Amends, repeals, and adds to existing law to provide for income tax rebates, to provide for a cash transfer, to revise individual and corporate income tax rates, to establish and create the in-demand careers fund, and to provide sales tax distributions to public schools. No further testimony will be taken. **Chairman Rice** asked what was the will of the Committee.

MOTION: **Senator Lakey** moved to send **H 1** to the floor with a **do pass** recommendation. **Vice Chairman Grow** seconded the motion.

DISCUSSION: **Senator Bayer** stated she would vote for the bill with regrets. She remarked the tax rebate was not enough and that tax relief addressed other subjects. She noted her constituents complain about property tax and sales tax on groceries, but not income tax. **Senator Bayer** expressed she was frustrated the bill had three components and said there should have been three bills instead of one. She explained if legislators opposed something in the bill, they were put in a difficult position. She noted she hoped next year's Legislature would fix the problem.

Senator Lakey remarked there were definitely items in the bill he liked. He appreciated the rebate and said it was needed. He liked the conservative approach that was taken. He also liked the flat tax. The ongoing Consumer Price Index (CPI) adjustment made sure the increase would not be a static increase for people. He noted the Legislature had to decide how and when funds had to be spent. Improvement was needed in many areas with more work to be done.

Senator Vick expressed he thought the bill would have been much better if it was broken into three bills. He noted he had mixed feelings. However, one of his goals as a Senator was to get Idaho to a flat tax and that was important to him. The timing was good. He said he supported the bill in spite of some of his misgivings.

Senator Ricks commented he liked many parts of the bill and it presented a good balance. He remarked it was the right thing to do and good to be able to return money to the taxpayers. He liked the flat tax and was in support of the bill.

Vice Chairman Grow reported putting a bill together was a process and he commended the Governor's office and staff. He stated he would have recommended the payout be in property tax relief. He liked the flat tax. He noted the good thing about this bill was that it kept the authority with the Legislature as to how the money for education was appropriated and spent.

VOICE VOTE: The motion to send **H 1** to the floor with a **do pass** recommendation carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Rice** adjourned the meeting at 3:42 p.m.

Senator Rice
Chair

Linda Kambeitz
Secretary