

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Tuesday, March 07, 2023

**TIME:** 3:00 P.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Ricks, Vice Chairman Schroeder, Senators Grow, Cook, Bernt, Trakel, Rabe, and Just

**ABSENT/ EXCUSED:** Senator Adams

**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:** **Vice Chairman Schroeder** convened the meeting of the Senate Local Government and Taxation Committee (Committee) at 3:01 p.m.

**MINUTES APPROVAL:** **February 22, 2023. Senator Just** moved to approve the minutes of February 22, 2023. **Senator Rabe** seconded the motion. The motion to approve the minutes of February 22, 2023 passed by **voice vote**.

**MINUTES APPROVAL:** **February 23, 2023. Senator Just** moved to approve the minutes of February 23, 2023. **Senator Bernt** seconded the motion. The motion to approve the minutes of February 23, 2023 passed by **voice vote**.

**H 60** **Use Taxes. Representative Pickett** presented **H 60**. He explained that under current law a use tax was charged if an individual purchased certain items out of state within 90 days of moving to Idaho. Because the number of days in a month varied, **H 60** amended that to three months.

**MOTION:** **Senator Bernt** moved to send **H 60** to the floor with a **do pass** recommendation. **Senator Grow** seconded the motion. The motion to send **H 60** to the floor with a **do pass** recommendation passed by **voice vote**.

**H 50** **Sales Tax. Representative Palmer** presented **H 50**. He explained that this bill required more than 1000 special taxing districts to use funds received under Idaho Code § 63-3638(10)(c) for the purpose for which the special taxing district was formed.

**DISCUSSION:** **Senator Rabe** asked Representative Palmer whether a situation with a special taxing district brought this to his attention. **Representative Palmer** responded that a small highway district had transferred funds to the school district that were supposed to be used for roads. **Senator Rabe** asked whether there were any other special taxing districts that he was concerned about. **Representative Palmer** stated that with more than 1000 special taxing districts, there were likely others.

**Senator Just** and **Senator Rabe** each asked whether this bill prevented ACHD from using its funds for transit projects. **Representative Palmer** replied that he wasn't familiar with the ability of ACHD to accept state or federal transit funds and noted that ACHD had not testified against **H 50**.

**Vice Chairman Schroeder** asked for clarification on whether this bill specifically related to the use of sales tax distribution funds and not other funds. **Representative Palmer** replied that **H 50** was not specific to any funding and dealt primarily with the use of funds for the purpose for which the special taxing district was created. **Vice Chairman Schroeder** noted that the language, "use of funds received under the provisions of this subsection only," seemed to refer solely to use of sales tax distribution funds.

**MOTION:** **Senator Bernt** moved to send **H 50** to the floor with a **do pass** recommendation. **Senator Grow** seconded the motion.

**DISCUSSION:** **Senator Rabe** asked Representative Palmer to provide information regarding whether **H 50** prevented ACHD from using funds for transit projects prior to a vote on the floor .

**VOICE VOTE:** The motion to send **H 50** to the floor with a **do pass** recommendation passed by **voice vote**.

**H 172** **Income Taxes.** **Representative Ehlers** presented **H 172**. He explained that the legislature enacted changes to income tax rates during the previous session. The effective date was January 3, 2023. This created a lot of confusion and taxpayers had to calculate their taxes at the old rate for two days and at the new rate for the remainder of the year. **H 172** amended the effective date to January 1, 2023.

**TESTIMONY:** **Laura Lantz**, Executive Director of the Idaho Society of CPAs, expressed her appreciation for this bill.

**MOTION:** **Senator Grow** moved to send **H 172** to the floor with a **do pass** recommendation. **Senator Trakel** seconded the motion. The motion to send **H 172** to the floor with a **do pass** recommendation passed by **voice vote**.

**H 229** **Taxes.** **Representative Handy** presented **H 229**. He explained that **H 229** changed the date due for businesses to pay sales tax and withholding taxes from the 20th of each month until the end of each month. He noted that the Idaho State Tax Commission had reviewed this bill. The effective date was July 1, 2024.

**PASSED THE GAVEL:** Vice Chairman Schroeder passed the gavel back to Chairman Ricks.

**MOTION:** **Senator Just** moved to send **H 229** to the floor with a **do pass** recommendation. **Vice Chairman Schroeder** seconded the motion. The motion to send **H 229** to the floor with a **do pass** recommendation passed by **voice vote**.

**ADJOURNED:** There being no further business at this time, **Chairman Ricks** adjourned the meeting at 3:25 p.m.

---

Senator Ricks  
Chair

---

Meg Lawless  
Secretary