

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 16, 2023

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Monks, Vice Chairman Cannon, Representatives Dixon(1), Manwaring, Weber, Shepherd, Cheatum, Cornilles, Durrant, Ehlers, Mickelsen, Pickett, Raymond, Wroten, Necochea, Burns

**ABSENT/
EXCUSED:** Dixon(1)

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Monks called the meeting to order at 9:00am.

MOTION: **Rep. Burns** made a motion to approve the minutes of March 8, 2023. **Motion carried by voice vote.**

RS 30666: **Rep. Redman** presented **RS 30666**, proposed legislation, making amendments to Sections 63-2552 and 63-2552A, Idaho Code, along with removing obsolete language and making technical corrections. This proposed legislation will make the retail sale of cigars in Idaho more competitive with neighboring states, and the internet. All tobacco products in Idaho are taxed on the wholesale sales price at 35%, with an additional 5% tax. All tobacco products, excluding cigars, will continue being subject to this 40% tax on the wholesale price, with cigars being capped at a tax of 0.50 cents per cigar.

MOTION: **Rep. Mickelsen** made a motion to introduce **RS 30666** **Motion carried by voice vote.**

RS 30690: **Rep. Ehlers** presented **RS 30690**, proposed legislation providing any data center as defined in Idaho Code, Section 63-3622VV(2)(f), making capital investments of least \$250,000,000 in five years and creating and maintaining at least 30 new jobs in two years shall be added to the property tax base assessment roll.

MOTION: **Rep. Wroten** made a motion to introduce **RS 30690**, and recommend it be sent directly to the Second Reading Calendar.

Rep. Cheatum aired his concern of interfering in urban renewal districts and spoke **in opposition** to the motion.

Rep. Burns spoke **in opposition** to the motion. Stated he would be a yes, but because the motion is to move to the Second Reading Calendar and not having time for additional public testimony, he will vote against the motion.

**ROLL CALL
VOTE:** **Rep. Cheatum** requested a roll call vote. **Motion carried by vote of 10 AYE and 5 NAY, 1 Absent/Excused. Voting in favor of the motion: Chairman Monks, Reps. Cannon, Weber, Shepherd, Cornilles, Durrant, Ehlers, Pickett, Raymond, Wroten. Voting in opposition to the motion: Reps. Manwaring, Cheatum, Mickelsen, Necochea, Burns. Rep. Dixon(1) is Absent/Excused.**

RS 30694: **Rep. Raymond** introduced **RS 30694**, proposed legislation to amend the Cigarette and Tobacco Products Taxes statute to include electronic smoking products and devices into the tobacco products definition to include all forms of tobacco, nicotine, and smoking devices. The bill provides parity between traditional tobacco products and new and emerging smoking devices. It addresses vape tax and gives some property tax relief. In addition, part of the revenue from this tax goes towards Idaho juvenile justice system funding programs aimed toward juvenile vape prevention.

MOTION: **Rep. Weber** made a motion to introduce **RS 30694. Motion carried by voice vote.**

RS 30675: **Rep. Monks** presented **RS 30675**, proposed legislation that would replace the property tax on electric utilities with a gross receipts tax at 1.2% rate on gross retail revenues. Idaho Code has similar gross receipt taxes in lieu of property tax for cooperative electric and gas companies and geothermal, solar, and wind energy producers.

MOTION: **Rep. Mickelsen** made a motion to introduce **RS 30675. Motion carried by voice vote.**

RS 30405C1: **Rep. Furniss** presented **RS 30405C1**, proposed legislation which amends and updates current statute, 63-602GG, Idaho Code, which provides a property tax exemption for qualified workforce and affordable housing developments in Idaho. It allows non-profit organizations to partner with for-profit entities on affordable housing projects and take advantage of other federal incentives for development. The proposed legislation also ensures the burden of new workforce housing construction will not negatively impact other local property taxpayers.

MOTION: **Rep. Mickelsen** made a motion to introduce **RS 30405C1. Motion carried by voice vote.**

S 1031: **Rep. Durrant** presented **S 1031**. Idaho Code provides an exemption from property taxes for certain properties owned by irrigation districts and canal companies. In most cases, applicable properties have been owned and operated by these entities for over a century. This bill would amend Section 63-602(3)(a) to exclude these properties from the requirement to submit annual requests for approvals to the county commissioners.

MOTION: **Rep. Burns** made a motion to send **S 1031** to the floor with a **DO PASS** recommendation.

Paul Arrington testified in support of **S 1031**.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Durrant** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:37am.

Representative Monks
Chair

Jazz Alexis
Secretary