

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Tuesday, February 06, 2024

TIME: 3:00 P.M.

PLACE: Room WW53

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

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 Ricks** called the meeting of the Senate Local Government and Taxation Committee (Committee) to order at 3:02 p.m.

S 1265 **Vice Chairman Schroeder** presented **S 1265**. Pursuant to Senate Rule 39 (H), he declared a conflict of interest. He explained that this bill was drafted by the Crouch City Treasurer and he was the Crouch City Attorney.

Vice Chairman Schroeder addressed Senator Grow's question from the Committee's meeting of January 31, 2024 regarding whether he had considered the rate of inflation from 2019 until the present. Vice Chairman Schroeder calculated that rate using the Federal Reserve Bank of Minneapolis inflation calculator. The current value of \$250,000, with inflation from 2019 to the present, was \$527,319. He further stated that a CPA had recommended raising the threshold to \$500,000 rather than \$350,000, but that he felt the threshold should remain at \$350,000.

DISCUSSION: **Senator Rabe** asked how many cities this bill affected. **Vice Chairman Schroeder** responded that he wasn't sure. He stated that he represented four to five cities that the bill affected. **Chairman Ricks** noted that Kelley Packer, Executive Director, Association of Idaho Cities, was present and indicated that 23 cities would be affected.

MOTION: **Senator Bernt** moved to send **S 1265** to the floor with a **do pass** recommendation. **Senator Grow** seconded the motion.

DISCUSSION: **Senator Rabe** noted that she worked for a non-profit organization that was audited annually and that it took a lot of time and effort.

Chairman Ricks commented that audits were a large expense for small cities.

VOICE VOTE: The motion passed by **voice vote**.

H 410 **Representative Cannon** presented this bill. He explained that **H 410** codified two long-standing policies of the Idaho State Tax Commission (Commission). The first was that income earned by members of a federally recognized Indian tribe who lived outside of Idaho and worked off a reservation in Idaho was subject to Idaho income tax. The second was that income earned by members of a federally recognized Indian tribe who lived outside of Idaho, but worked within the boundaries of an Indian reservation within Idaho was not subject to Idaho income tax.

Tyrell Stevenson, Legislative Director for the Coeur d'Alene Indian tribe, further stated that the tribe worked closely with the Commission on this legislation.

MOTION: **Senator Just** moved to send **H 410** to the floor with a **do pass** recommendation. **Vice Chairman Schroeder** seconded the motion. The motion passed by **voice vote**.

MINUTES APPROVAL: **Vice Chairman Schroeder** moved to approve the minutes of January 24, 2024. **Senator Cook** seconded the motion. The motion passed by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Ricks** adjourned the meeting at 3:13 p.m.

Senator Ricks
Chair

Meg Lawless
Secretary