

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Monday, February 02, 2026

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Cannon, Vice Chairman Weber, Representatives Shepherd, Cheatum, Cornilles, Ehlers, Monks, Raymond, Hill, Raybould, Shirts, Barbieri, Rasor, Gannon, Berch

**ABSENT/
EXCUSED:** Representative(s) Hill

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 Cannon called the meeting to order at 9.00 AM.

H 559: **Rep. Ehlers** presented **H 559**, which brings Idaho's tax code into conformity with federal tax changes and provides tax relief for individual taxpayers. The fiscal note in the amount of \$155 million is reasonable, based on multiple evaluation methodologies, and does not include bonus depreciation, to which Idaho does not conform. The proposed changes are consistent with current budget forecasts and do not result in material deviations from the figures included in the budget.

The committee discussed the fiscal impact of **H 559**, particularly the treatment of research and development expenses for corporate taxpayers. Members raised questions regarding the transition from five-year amortization to full expensing beginning in 2025, the overlap between calendar and fiscal years, and the resulting effect on state revenues. The discussion also addressed budget balance considerations, potential adjustments in future fiscal years, and the reasonableness of the projected fiscal impact estimates.

Public testimony on **H 559** was presented both **in support** and **in opposition**. Supporters were primarily business representatives, taxpayer advocacy organizations, and certified public accountants, emphasizing tax conformity, administrative simplicity, and taxpayer certainty. Opponents included retirees, parents of children with disabilities, healthcare and mental health advocates, faith-based organizations, fiscal policy analysts, and community groups, who raised concerns about revenue losses, budget uncertainty, Medicaid, education funding, and impacts on vulnerable populations.

Ron Nate, President, Idaho Freedom Foundation; **Ken McClure**, Representing the Idaho Society of Certified Public Accountants; **Mark Wynn**, Vice President of Tax, Lamb Weston, CPA; **Miguel Legarreta**, President, Idaho Taxpayers Association, testified **in support** of **H 559**.

Elinor Cheney from the United Women in Faith; **Sally Stone**, retired CPA; **Bonnie M. Pfuff**; **Kathy Tidwell**; **Valerie Slavin**; **Alicia Mondor**; **Georgia Boatman**; **Stan Hall**; **Kendal Shaber**; **Judith M. Roesbery**; **Randy Morris**; **May Roberts**; **Debbie Johnson**; **Beth Markley**, executive director National Alliance on Mental Illness; **Tom Dominick**, Catholic Deacon at St. Mary's Catholic Church; **Donna Carlson**; **Emily Ballantyne**; **Paul Rolig**; **Kayla Dodson**; **Christine Pisani**, testified **in opposition** to **H 559**.

During discussion, committee members expressed both support, including for provisions eliminating taxes on tips and overtime pay, and concerns regarding potential budgetary risks and uncertainty surrounding the fiscal impact.

MOTION: **Rep. Monks** made a motion to send **H 559** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: Roll call vote requested by **Rep. Gannon**. **Motion carried by a vote of 12 AYE, 2 NAY and 1 Absent/Exused**. **Voting in favor** of the motion: **Chairman Cannon, Vice Chairman Weber, Reps. Shepherd, Cheatum, Cornilles, Ehlers, Monks, Raymond, Raybould, Shirts, Barbieri, Rasor**. **Voting in opposition** to the motion: **Reps. Gannon and Berch**. **Rep. Hill was absent/ excused**. **Rep. Ehlers** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 11:00 AM.

Representative Cannon
Chair

Iryna Moskvina
Secretary