

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 475

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE AD-
2 DITION OF A NEW SECTION 63-3622VV, IDAHO CODE, TO PROVIDE AN EXEMPTION
3 FROM THE SALES OR USE TAX ON CERTAIN MATERIALS USED IN CONNECTION WITH A
4 PUBLIC HIGHWAY OR STREET AND TO PROVIDE EXCEPTIONS; AND PROVIDING AN EF-
5 FECTIVE DATE.
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7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is
9 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
10 ignated as Section 63-3622VV, Idaho Code, and to read as follows:

11 63-3622VV. MATERIALS USED FOR PUBLIC HIGHWAYS OR STREETS. (1) There is
12 exempted from the taxes imposed by this chapter sales of materials to a con-
13 tractor or materials used by a contractor, regardless of whether the mate-
14 rials become a component of real property or improvement or fixture thereto,
15 when the following conditions are met:

16 (a) The materials are used under a contract with a federal, state,
17 county, highway district or city government entity or any political
18 subdivision or agency of such government entity, including contracts
19 for projects qualifying under section 63-3641, Idaho Code; and

20 (b) The primary purpose of the contract is the construction, improve-
21 ment, replacement or maintenance of a highway, public highway, public
22 street, or street, as defined by section 40-109, Idaho Code, including
23 bridges, traffic control devices, and facilities.

24 (2) The provisions of this section shall not apply to:

25 (a) Property that continues to be owned by the contractor after comple-
26 tion of a contract;

27 (b) Tools or equipment used by the contractor that do not become part
28 of the public highway or street, even if it is consumed as part of the
29 construction process;

30 (c) Any materials used by a private entity to develop any part of a pub-
31 lic highway or street that has not yet been dedicated to the public;

32 (d) Any materials that remain the property of public utilities as de-
33 fined in section 61-129, Idaho Code; and

34 (e) Materials that become part of a water or sewer system.

35 SECTION 2. This act shall be in full force and effect on and after Jan-
36 uary 1, 2017.