

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 11, 2016

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen (Hartgen), Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph

**ABSENT/
EXCUSED:** Representative(s) Scott, Thompson, Nye

GUESTS: Cynthia Adrian, Alan Dornfest, Idaho State Tax Commission; Ben Davenport, Associated Taxpayers of Idaho

Chairman Collins called the meeting to order at 9:00 A.M.

MOTION: **Rep. Trujillo** made a motion to approve the minutes of February 3, 2016. **Motion carried by voice vote.**

MOTION: **Rep. Kauffman** made a motion to approve the minutes of February 8, 2016. **Motion carried by voice vote.**

RS 24476: **Rep. Moyle** presented **RS 24476** dealing with forgone property tax increases. This proposed legislation will require non-school taxing districts that elect to take a forgone property tax increase to hold a hearing before a taxing district may budget a forgone tax increase. These districts will certify by resolution their (1) intent to take a forgone property tax increase, (2) the amount of the forgone property tax increase to be taken and (3) the purpose for which the forgone property tax increase is being budgeted. This proposed legislation was heard as an RS by this Committee recently and it was approved for introduction. After that hearing, it was discovered that some taxing districts such as community colleges do not hold annual budget hearings so a new RS was drafted which still requires notice, public hearing and a resolution but not necessarily held in conjunction with annual budget hearings.

MOTION: **Rep. Raybould** made a motion to introduce **RS 24476**. **Motion carried by voice vote.**

RS 24413: **Rep. Chaney** presented **RS 24413** which would exempt road materials used to construct, improve and maintain our public roads from sales/use tax. Currently, all the materials used to construct and build our roads are subject to the State's sales tax. This increases the cost of our highway projects and transfers dollars for roads into the General Fund. The competitive nature of the bidding process for these road projects will preclude bidders from not passing on the tax exemption savings in their bids and this legislation should produce an estimated increase in road funding.

MOTION: **Rep. Trujillo** made a motion to introduce **RS 24413**.

Rep. Kauffman stated that he would **support** this legislation but he is skeptical it will result in an increase in road funding and he fears the tax savings will end up in the contractor's pocket instead. **Rep. Rudolph** indicated he had the same concerns and is having difficulty supporting this.

**VOTE ON
MOTION:** **Chairman Collins** called for a vote on the motion to introduce **RS 24413**. **Motion carried by voice vote.** **Reps. Rudolph** and **Erpelding** requested to be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:07 A.M.

Representative Collins
Chair

Bev Bean
Secretary