

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 67, As Amended in the Senate, As Amended in the Senate

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION POLICIES REGARDING FOOD; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3622VV, IDAHO CODE, TO PROVIDE A SALES AND USE TAX EXEMPTION FOR FOOD SOLD FOR HUMAN CONSUMPTION AND TO PROVIDE A DEFINITION OF "FOOD"; REPEALING SECTION 63-3024A, IDAHO CODE, RELATING TO THE GROCERY TAX CREDIT; REPEALING SECTION 63-3077G, IDAHO CODE, RELATING TO THE EXCHANGE OF INFORMATION WITH THE DEPARTMENT OF CORRECTION; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE A DISTRIBUTION; AND PROVIDING EFFECTIVE DATES.

Be It Enacted by the Legislature of the State of Idaho:

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

63-3622VV. FOOD FOR HUMAN CONSUMPTION. There is hereby exempted from the taxes imposed by this chapter the sale of food sold for human consumption. The types and kinds of food products eligible for exemption by this section shall be the same types and kinds of food products that are eligible for purchases with benefits provided under the federal supplemental nutrition assistance program (SNAP) and do not include restaurant sales of food.

As used in this section, "food" shall have the same definition as provided in 7 U.S.C. 2012 as that section existed on January 1, 2017.

SECTION 2. That Section [63-3024A](#), Idaho Code, be, and the same is hereby repealed.

SECTION 3. That Section [63-3077G](#), Idaho Code, be, and the same is hereby repealed.

SECTION 4. That Section 63-3638, Idaho Code, be, and the same is hereby amended to read as follows:

63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this chapter, except as may otherwise be required in sections 63-3203 and 63-3709, Idaho Code, shall be distributed by the state tax commission as follows:

(1) An amount of money shall be distributed to the state refund account sufficient to pay current refund claims. All refunds authorized under this chapter by the state tax commission shall be paid through the state refund account, and those moneys are continuously appropriated.

(2) Five million dollars (\$5,000,000) per year is continuously appropriated and shall be distributed to the permanent building fund, provided by section 57-1108, Idaho Code.

1 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
2 is continuously appropriated and shall be distributed to the water pollution
3 control account established by section 39-3628, Idaho Code.

4 (4) An amount equal to the sum required to be certified by the chair-
5 man of the Idaho housing and finance association to the state tax commis-
6 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
7 appropriated and shall be paid to any capital reserve fund, established by
8 the Idaho housing and finance association pursuant to section 67-6211, Idaho
9 Code. Such amounts, if any, as may be appropriated hereunder to the capital
10 reserve fund of the Idaho housing and finance association shall be repaid for
11 distribution under the provisions of this section, subject to the provisions
12 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
13 tion, as soon as possible, from any moneys available therefor and in excess
14 of the amounts which the association determines will keep it self-support-
15 ing.

16 (5) An amount equal to the sum required by the provisions of sections
17 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
18 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
19 paid as provided by sections 63-709 and 63-717, Idaho Code.

20 (6) An amount required by the provisions of chapter 53, title 33, Idaho
21 Code.

22 (7) An amount required by the provisions of chapter 87, title 67, Idaho
23 Code.

24 (8) For fiscal year 2011, and each fiscal year thereafter, four million
25 one hundred thousand dollars (\$4,100,000), of which two million two hundred
26 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
27 (44) counties in equal amounts, and one million nine hundred thousand dol-
28 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
29 ties in the proportion that the population of the county bears to the popula-
30 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
31 the amount distributed pursuant to this subsection, shall be adjusted annu-
32 ally by the state tax commission in accordance with the consumer price index
33 for all urban consumers (CPI-U) as published by the U.S. department of la-
34 bor, bureau of labor statistics, but in no fiscal year shall the total amount
35 allocated for counties under this subsection, be less than four million one
36 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
37 justment required in this section shall be distributed to each county in the
38 proportion that the population of the county bears to the population of the
39 state. Each county shall establish a special election fund to which shall be
40 deposited all revenues received from the distribution pursuant to this sub-
41 section. All such revenues shall be used exclusively to defray the costs as-
42 sociated with conducting elections as required of county clerks by the pro-
43 visions of section 34-1401, Idaho Code.

44 (9) One dollar (\$1.00) on each application for certificate of title
45 or initial application for registration of a motor vehicle, snowmobile,
46 all-terrain vehicle or other vehicle processed by the county assessor or the
47 Idaho transportation department excepting those applications in which any
48 sales or use taxes due have been previously collected by a retailer, shall be
49 a fee for the services of the assessor of the county or the Idaho transporta-
50 tion department in collecting such taxes, and shall be paid into the current

1 expense fund of the county or state highway account established in section
2 40-702, Idaho Code.

3 (10) ~~Eleven Thirteen~~ and ~~five two-tenths~~ percent (~~11.513.2~~%) is con-
4 tinuously appropriated and shall be distributed to the revenue sharing ac-
5 count which is created in the state treasury, and the moneys in the revenue
6 sharing account will be paid in installments each calendar quarter by the
7 state tax commission as follows:

8 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
9 various cities as follows:

10 (i) Fifty percent (50%) of such amount shall be paid to the vari-
11 ous cities, and each city shall be entitled to an amount in the pro-
12 portion that the population of that city bears to the population of
13 all cities within the state; and

14 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
15 ous cities, and each city shall be entitled to an amount in the pro-
16 portion that the preceding year's market value for assessment pur-
17 poses for that city bears to the preceding year's market value for
18 assessment purposes for all cities within the state.

19 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
20 various counties as follows:

21 (i) One million three hundred twenty thousand dollars
22 (\$1,320,000) annually shall be distributed one forty-fourth
23 (1/44) to each of the various counties; and

24 (ii) The balance of such amount shall be paid to the various coun-
25 ties, and each county shall be entitled to an amount in the propor-
26 tion that the population of that county bears to the population of
27 the state;

28 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
29 priated in this subsection shall be paid to the several counties for
30 distribution to the cities and counties as follows:

31 (i) Each city and county which received a payment under the provi-
32 sions of section 63-3638(e), Idaho Code, during the fourth quarter
33 of calendar year 1999, shall be entitled to a like amount during
34 succeeding calendar quarters.

35 (ii) If the dollar amount of money available under this subsection
36 (10)(c) in any quarter does not equal the amount paid in the fourth
37 quarter of calendar year 1999, each city's and county's payment
38 shall be reduced proportionately.

39 (iii) If the dollar amount of money available under this subsec-
40 tion (10)(c) in any quarter exceeds the amount paid in the fourth
41 quarter of calendar year 1999, each city and county shall be en-
42 titled to a proportionately increased payment, but such increase
43 shall not exceed one hundred five percent (105%) of the total pay-
44 ment made in the fourth quarter of calendar year 1999.

45 (iv) If the dollar amount of money available under this subsection
46 (10)(c) in any quarter exceeds one hundred five percent (105%) of
47 the total payment made in the fourth quarter of calendar year 1999,
48 any amount over and above such one hundred five percent (105%)
49 shall be paid fifty percent (50%) to the various cities in the pro-
50 portion that the population of the city bears to the population of

1 all cities within the state, and fifty percent (50%) to the various
2 counties in the proportion that the population of a county bears to
3 the population of the state; and

4 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
5 this subsection shall be paid to the several counties for distribution
6 to special purpose taxing districts as follows:

7 (i) Each such district which received a payment under the pro-
8 visions of section 63-3638(e), Idaho Code, as such subsection ex-
9 isted immediately prior to July 1, 2000, during the fourth quarter
10 of calendar year 1999, shall be entitled to a like amount during
11 succeeding calendar quarters.

12 (ii) If the dollar amount of money available under this subsec-
13 tion (10) (d) in any quarter does not equal the amount paid in the
14 fourth quarter of calendar year 1999, each special purpose taxing
15 district's payment shall be reduced proportionately.

16 (iii) If the dollar amount of money available under this subsec-
17 tion (10) (d) in any quarter exceeds the amount distributed under
18 paragraph (i) of this subsection (10) (d), each special purpose
19 taxing district shall be entitled to a share of the excess based on
20 the proportion each such district's current property tax budget
21 bears to the sum of the current property tax budgets of all such
22 districts in the state. The state tax commission shall calculate
23 district current property tax budgets to include any unrecovered
24 foregone amounts as determined under section 63-802(1) (e), Idaho
25 Code. When a special purpose taxing district is situated in more
26 than one (1) county, the state tax commission shall determine the
27 portion attributable to the special purpose taxing district from
28 each county in which it is situated.

29 (iv) If special purpose taxing districts are consolidated, the
30 resulting district is entitled to a base amount equal to the sum of
31 the base amounts which were received in the last calendar quarter
32 by each district prior to the consolidation.

33 (v) If a special purpose taxing district is dissolved or disin-
34 corporated, the state tax commission shall continuously distrib-
35 ute to the board of county commissioners an amount equal to the
36 last quarter's distribution prior to dissolution or disincorpora-
37 tion. The board of county commissioners shall determine any re-
38 distribution of moneys so received.

39 (vi) Taxing districts formed after January 1, 2001, are not enti-
40 tled to a payment under the provisions of this subsection (10) (d).

41 (vii) For purposes of this subsection (10) (d), a special purpose
42 taxing district is any taxing district which is not a city, a
43 county or a school district.

44 (11) Amounts calculated in accordance with section 2, chapter 356, laws
45 of 2001, for annual distribution to counties and other taxing districts be-
46 ginning in October 2001 for replacement of property tax on farm machinery and
47 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
48 districts, the state tax commission shall distribute one-fourth (1/4) of
49 this amount certified quarterly to each county. For school districts, the
50 state tax commission shall distribute one-fourth (1/4) of the amount certi-

1 fied quarterly to each school district. For nonschool districts, the county
2 auditor shall distribute to each district within thirty (30) calendar days
3 from receipt of moneys from the state tax commission. Moneys received by
4 each taxing district for replacement shall be utilized in the same manner
5 and in the same proportions as revenues from property taxation. The moneys
6 remitted to the county treasurer for replacement of property exempt from
7 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
8 counties and other taxing districts and budgeted at the same time, in the
9 same manner and in the same year as revenues from taxation on personal prop-
10 erty which these moneys replace. If taxing districts are consolidated, the
11 resulting district is entitled to an amount equal to the sum of the amounts
12 which were received in the last calendar quarter by each district pursuant
13 to this subsection prior to the consolidation. If a taxing district is
14 dissolved or disincorporated, the state tax commission shall continuously
15 distribute to the board of county commissioners an amount equal to the
16 last quarter's distribution prior to dissolution or disincorporation. The
17 board of county commissioners shall determine any redistribution of moneys
18 so received. If a taxing district annexes territory, the distribution of
19 moneys received pursuant to this subsection shall be unaffected. Taxing
20 districts formed after January 1, 2001, are not entitled to a payment under
21 the provisions of this subsection. School districts shall receive an amount
22 determined by multiplying the sum of the year 2000 school district levy mi-
23 nus .004 times the market value on December 31, 2000, in the district of the
24 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
25 vided that the result of these calculations shall not be less than zero (0).
26 The result of these school district calculations shall be further increased
27 by six percent (6%). For purposes of the limitation provided by section
28 63-802, Idaho Code, moneys received pursuant to this section as property tax
29 replacement for property exempt from taxation pursuant to section 63-602EE,
30 Idaho Code, shall be treated as property tax revenues.

31 (12) Amounts necessary to pay refunds as provided in section 63-3641,
32 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
33 stration pilot project fund created in section 63-3641, Idaho Code.

34 (13) Amounts calculated in accordance with subsection (4) of section
35 63-602KK, Idaho Code, for annual distribution to counties and other taxing
36 districts for replacement of property tax on personal property tax exemp-
37 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
38 amounts are continuously appropriated unless the legislature enacts a dif-
39 ferent appropriation for a particular fiscal year. For purposes of the
40 limitation provided by section 63-802, Idaho Code, moneys received pursuant
41 to this section as property tax replacement for property exempt from taxa-
42 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
43 tax revenues. If taxing districts are consolidated, the resulting district
44 is entitled to an amount equal to the sum of the amounts that were received in
45 the last calendar year by each district pursuant to this subsection prior to
46 the consolidation. If a taxing district or revenue allocation area annexes
47 territory, the distribution of moneys received pursuant to this subsection
48 shall be unaffected. Taxing districts and revenue allocation areas formed
49 after January 1, 2013, are not entitled to a payment under the provisions of
50 this subsection.

1 (14) Amounts collected from purchasers and paid to the state of Idaho by
2 retailers that are not engaged in business in this state and which retailer
3 would not have been required to collect the sales tax, less amounts other-
4 wise distributed in subsections (1) and (10) of this section, shall be dis-
5 tributed to the tax relief fund created in section 57-811, Idaho Code. The
6 state tax commission will determine the amounts to be distributed under this
7 subsection.

8 (15) Any moneys remaining over and above those necessary to meet and
9 reserve for payments under other subsections of this section shall be dis-
10 tributed to the general fund.

11 SECTION 5. Section 1 of this act shall be in full force and effect on and
12 after June 1, 2018. Sections 2 and 3 of this act shall be in full force and
13 effect on and after January 1, 2018. Section 4 of this act shall be in full
14 force and effect on and after July 1, 2018.