

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, January 25, 2018

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Acting Vice Chairman Kauffman, Representative(s) Moyle, Raybould, Anderst, Dayley, Hartgen, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Gibbs, Erpelding, Gannon

**ABSENT/
EXCUSED:** Representative(s) Moyle, Anderst, Chaney, Thompson, Gibbs

GUESTS: Alan Dornfest, ISTC; Brody Aston, Westerberg & Associates; Laura Luntz, ISCPA; Cynthia Adrian, ISTC

Chairman Collins called the meeting to order at 9:01 a.m.

H 380: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **H 380**. This bill would allow the Tax Commission to cancel a tobacco permit after 12 months of inactivity. Currently there are thirteen known inactive permits. The Tax Commission will reach out to permit holders during an annual review process and permits would only be closed after two warning letters were sent advising the permit holder of the pending action. Permit holders can request the account to stay in effect.

MOTION: **Rep. Gannon** made a motion to send **H 380** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Gannon** will sponsor the bill on the floor.

H 383: **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **H 383**. This bill adds a reference to the code section that describes how an audit report becomes final unless there is an appeal and does some housekeeping to make the statute easier to read by referencing a range of statutes instead of listing each separately.

MOTION: **Rep. Troy** made a motion to send **H 383** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Troy** will sponsor the bill on the floor.

H 390: **Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission presented **H 390** relating to the administration of property taxes. This change would remove the requirement that county auditors deliver the abstracts of property tax rolls to the State Tax Commission via "certified mail."

MOTION: **Rep. Gestrin** made a motion to send **H 390** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Gestrin** will sponsor the bill on the floor.

H 391: **Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission presented **H 391** concerning Tax Commission duties relative to the errors in its assessment of operating property. In reference to the deadline for notifying county auditors and tax collectors of such errors, this will provide more time for the counties to correct any errors and calculate the proper tax levies.

MOTION: **Rep. Stevenson** made a motion to send **H 391** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Stevenson** will sponsor the bill on the floor.

- H 392:** **Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission presented **H 392**. This legislation eliminates conflicts between section 63-8036 and Chapter 35, Title 63, Idaho Code, regarding dates by which tax amounts to be distributed to taxing districts are calculated and reported. It also provides for notice of amounts of solar tax distributions so that these amounts can be accounted for consistently with other distributions prior to setting property tax levy rates. The amendments further move the date for the county to notify affected taxing districts from the third to the first Monday in August. Mr. Dornfest confirmed that the reference to tax paid on gross earnings is in lieu of property that would ordinarily be levied is found in section 63-602JJ and that the rates are found elsewhere in another chapter.
- MOTION:** **Rep. Erpelding** made a motion to send **H 392** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.
- MOTION:** **Rep. Kauffman** made a motion to approve the minutes of January 19, 2018. **Motion carried by voice vote.**
- H 381:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **H 381**. This bill remedies an incorrect reference by replacing the reference to paragraph (4) with a reference to paragraph (6) in 63-3026A.
- MOTION:** **Rep. Nate** made a motion to send **H 381** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nate** will sponsor the bill on the floor.
- H 382:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **H 382**. This bill extends the deadline from 60 to 120 days for taxpayers to report a change in their federal income or any tax paid to another state.
- MOTION:** **Rep. Kauffman** made a motion to send **H 382** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.
- H 384:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **H 384**. This bill allows taxpayers to use available loss and credit carryovers in years beyond the normal statute of limitations if there is an increase in taxable income due to a bonus depreciation adjustment.
- MOTION:** **Rep. Troy** made a motion to send **H 384** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hartgen** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:23 a.m.

Representative Collins
Chair

Susan Steed
Secretary