

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Thursday, February 06, 2020

**TIME:** 9:00 A.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Collins, Vice Chairman Stevenson, Representatives Moyle, Anderst, Chaney, Gestrin, Addis, Dixon, Furniss, Giddings, Nichols, Ricks, Kiska, Ellis, Mason, Necochea

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

**GUESTS:** David Lehman, Idaho Agricultural Aviation Association (IAAA); George Alson; Dave Poxlectine, Keuterville Highway District; Frank Amen, IAAA.

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

**RS 27311:** **Rep. Priscilla Giddings** said a few years ago, legislation was enacted to increase the property tax benefit for disabled veterans with a 100% service-connected disability. She learned from constituents that language in Idaho Code §630-704 and §63-705A caused confusion by allowing a property tax credit for veterans with a 100% service-connected disability but not for veterans whose disability was not rated at 100% but who are paid 100% because they cannot procure gainful employment. **RS 27311** adds language to extend the property tax credit to veterans with a Veterans Administration (VA) certified disability rating based on individual unemployability ratings compensated at 100%. She indicated that the Idaho State Tax Commission (ISTC) estimates the cost to Idaho will be approximately \$1 million with minimal impact on local government.

In response to committee questions, **Rep. Giddings** replied that veterans' unemployability ratings are checked annually by VA physicians, and to receive the rating, veterans must have an income below the federal poverty level. She further responded to committee questions by saying the reason for fiscal impact is directed to the state General Fund rather than local taxing districts is to continue the way it is in the current statute.

**MOTION:** **Rep. Necochea** made a motion to introduce **RS 27311**. **Motion carried by voice vote.**

**RS 27639:** **David Lehman**, IAAA, Primus Policy Group, presented **RS 27639** saying it adds aircraft primarily used for the purpose of agricultural spraying and seeding to the list of commercial aircraft currently exempt from sales tax under Idaho Code. It does not remove aircraft from the list of non-exempt equipment under Idaho Code §63-3622D, which is the production exemption. It adds it to the current list of tax exempt commercial aircraft in Idaho Code §63-3622GG. Mr. Lehman said he asked ISTC for a breakdown of taxes generated from the sale of aircraft and aircraft for parts, but was advised it is not possible to break calculations down into aerial applications and they can only provide aggregates. The Idaho Agricultural Aviation Association were surveyed, and they came to a number of \$1.75-2 million in taxable sales which includes parts and aircraft with limited exceptions.

In response to committee questions on the use of the word "primarily" in line 39, Idaho Code §63-3622GG(6), **Mr. Lehman** replied the language mirrors language used for all the other exemptions in the section. He further responded to committee questions by saying the cost estimate of \$100,000 to \$125,000 is the 6% sales tax of the gross sales of aircraft. He did not know the purpose for current agricultural ground equipment tax exemptions or the meaning of statutory language regarding provision of service to the public.

**MOTION:** **Rep. Stevenson** made a motion to introduce **RS 27639**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:25 a.m.

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Representative Collins  
Chair

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Lorrie Byerly  
Secretary