

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 01, 2022

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Harris, Vice Chairman Addis, Representatives Moyle, Chaney, Gestrin, Dixon, Nichols, Kauffman, Adams, Cannon, Hartgen, Manwaring, Okuniewicz, Weber, Shepherd, Necochea, Ruchti

**ABSENT/
EXCUSED:** Representative(s) Kauffman, Chaney, Nichols

GUESTS: The sign-in sheet will be retained in the committee secretary's office; Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Harris called the meeting to order at 9.00 a.m.

RS 29274C1: **Sen. Vick** explained the proposal is going to change the food tax credit from \$100 to \$120 starting next year. This will allow the tax credit to be paid out for the difference of the tax Relief Fund.

In answer to a committee member regarding information about the source of the proposed amount, **Sen. Vick** explained the amount is approximately of how much people spend on sales tax and food for an average person.

Another committee member asked for clarification about the transfers between the sales tax and the Tax Relief Fund. **Sen. Vick** clarified the Tax Relief Fund is a fund generated by online sales tax, but the Tax Relief Fund itself is not specifically set up to just reduce taxes on online sales.

Rep. Adams expressed support for the proposed legislation, even though it is uncertain it reflects the rapid inflation currently happening.

MOTION: **Rep. Moyle** made a motion to introduce **RS 29274C1. Motion carried by voice vote.**

RS 29313: **Rep. Okuniewicz** explained the proposal, relative to the housekeeping process based on previous year's **H 317**. This bill is related to an IRS-approved workaround that allowed S-corps to deduct their taxes from the federal return. This proposal is revenue-neutral to the state of Idaho. This proposal allows trusts and estates to receive the same tax benefits that a person does.

MOTION: **Rep. Moyle** made a motion to introduce **RS 29313. Motion carried by voice vote.**

**DOCKET NO.
35-0107-2101:** **Ms. Adrian**, tax research specialist with the Idaho State Tax Commission, presented **Docket No. 35-0107-2101** explaining it removes sections that are restating the statute and any guidance that already exists or could be communicated via the state website. This docket removes 751 words, equivalent to a 54% reduction. Public meetings have been conducted.

A committee member asked about the removal of words in **Sections 40 and 45**. **Ms. Adrian** replied these words were relative to the computation of the kilowatt-hours and are now available on the website.

Rep. Moyle asked if the Senate reviewed or made any proposal on any of the Dockets. **Rep. Addis** clarified the Senate rejected **Section 327** of **Docket No. 35-0201-2101** because of a clerical error.

MOTION: Rep. Weber made a motion to approve **Docket No. 35-0107-2101**. **Motion carried by voice vote.**

DOCKET NO. 35-0201-2101: Ms. Adrian, tax research specialist with the Idaho State Tax Commission, presented **Docket No. 35-0201-2101** explaining it removes sections that are already in the statute and any guidance that already exists or could be communicated via the state website. This docket removes 8,855 words, equivalent to a 58% reduction. The commission conducted public meetings on these rules with no public comments. The Senate has reviewed the rules and noticed that **Section 328.01** references a subsection in **Section 327** that is included in the deletions and rejected the changes to **Section 327**. Ms. Adrian requested the House do the same.

MOTION: Chairman Harris made a motion to approve **Docket No. 35-0201-2101** with the exception of section 327 for the correction of clerical errors. **Motion carried by voice vote.**

DOCKET 35-0000-2100 Ms. Shaner, research manager for the State Tax Commission, introduced **Docket No. 35-0000-2100**, and explained the docket addresses a few individual rules that had some editing. Specifically, the income tax administrative rules, the sales and income tax administrative rules, property tax, motor fuels tax, hotel, motel, and campground, wine license, beer and wine taxes, and the cigarette, alcohol, and tobacco taxes. In the income tax chapter, **Section 75** is relative to the tax on individuals, estates, and trusts. The docket removes the tables and adds a reference to the website.

In the same chapter, **Section 263**, relative to guaranteed payments that are treated as compensation for partners of a partnership that are nonresidents, the tables have been removed and it added a reference to the website. Relative to the corporate income tax, the tables have been removed and it added a reference to the website.

MOTION: Rep. Cannon made a motion to approve **Docket No. 35-0000-2100**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:32 a.m.

Representative Harris
Chair

Anna Maria Mancini
Secretary