

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, January 17, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Thompson

GUESTS: Cythia Adrian, Tom Shaner, Marni Odeermann, Elliot Werk, Idaho State Tax Commission; Greg Casey, Veritas Advisors; Kris Ellis, IOP; Melissa Nelson, ISCPA; Miguel Legarreta, Associated Taxpayers

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

MOTION: **Rep. Kauffman** made a motion to approve the minutes of the January 11, 2017 meeting. **Motion carried by voice vote.**

DOCKET NO. 35-0101-1602: **Cythia Adrian**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0101-1602**, Income Tax Administrative Rules, which was part of the negotiated rules process. **Rule 006** is amended to add the year information for the MTC Recommended Formula. **Rule 075** is amended to add the tax bracket for 2016 while removing the bracket from 2011 to maintain historical data for the past five years. **Rule 263** is amended to update the amount of guaranteed payments sourced as compensation. **Rule 771** is amended to update the current tax year and the applicable grocery credit which has now reached its maximum. **Rule 872** is amended to become consistent with **H 353**. **Rule 874** is amended to conform to the deadlines stipulated in **H 352**.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0101-1602** . **Motion carried by voice vote.**

DOCKET NO. 35-0201-1601: **Cythia Adrian**, Idaho State Tax Commission, presented **Docket No. 35-0201-1602**, Tax Commission Administration and Enforcement Rules. **Rule 310** is amended to add the interest rate for 2017.

MOTION: **Rep. Kauffman** made a motion to approve **Docket No. 35-0201-1601** . **Motion carried by voice vote.**

DOCKET NO. 35-0102-1601: **Marni Odeermann**, Tax Policy Specialist, Idaho State Tax Commission, presented **Docket No. 35-0102-1601**, Idaho Sales & Use Tax Administrative Rules. **Rule 079** is amended to create a clarification about equipment and supplies used in the performance of a quality control function which is integral in maintaining specific product standards that are exempt. **Rules 080, 081, and 082** are amended to create similar clarification regarding lumber manufacturing, underground mining, and above ground, open pit, mining respectively. **Rule 083** is amended to clarify language for taxpayers regarding the passage of **H 386** pertaining to farming and ranching transportation exemptions. **Rule 096** is amended to remove a hand tool exclusion that allowed hand tools to be exempt from sales and use tax. **Rule 102** is amended to remove an exclusion for chain saws that cost \$100.00 or less and removes section G entirely. Both **Rule 96** and **102** were negotiated. **Rule 100** is amended to exempt various forms of eye wear in order to be consistent with **H 75**. **Rule 107** is amended to incorporate multiple statutory changes in order to be consistent with **H 348**.

MOTION: Rep. **Anderst** made a motion to approve **Docket No. 35-0102-1601** . **Motion carried by voice vote.**

DOCKET NO. 35-0102-1602: **Marni Odermann**, Idaho State Tax Commission, presented **Docket No. 35-102-1602**, Idaho Sales & Use Tax Administrative Rules. **Rule 037** is amended to make the language consistent with **H 540**.

MOTION: Rep. **Dayley** made a motion to approve **Docket No. 35-0102-1602** . **Motion carried by voice vote.**

DOCKET NO. 35-0102-1603: **Marni Odermann**, Idaho State Tax Commission, presented **Docket No. 35-102-1603**, Idaho Sales & Use Tax Administrative Rules. **Rule 011** is amended to correct language regarding a reference to the Older Americans Act in order to make it consistent with **H 11**.

MOTION: Rep. **Trujillo** made a motion to approve **Docket No. 35-0102-1603** . **Motion carried by voice vote.**

DOCKET NO. 35-0110-1601: **Tom Shaner**, Idaho State Tax Commission, presented **Docket No. 35-0110-1601**, Idaho Cigarette and Tobacco Products Tax Administrative Rules. **Rule 017** is amended to clarify procedures in regard to how bonds are set for wholesalers.

MOTION: Rep. **Trujillo** made a motion to approve **Docket No. 35-0110-1601** . **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:36 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary