

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Thursday, January 18, 2018

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

**PLACE:** Room EW42

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

**ABSENT/  
EXCUSED:** Representative(s) Gestrin, Gibbs

**GUESTS:** Cynthia Adrian, ISTC; Don Williams, ISTC; Roger Batt, Idaho Grape Growers and Wine Producers; Tom Shaner, ISTC; Brody Aston, Westerberg & Associates; Andrew Gleaton, Bilbao & Co., Jay Shaw, Administrative Rules; Russell Westerberg, Cigar Association

**Chairman Collins** called the meeting to order at 9:00 a.m.

**DOCKET NO. 35-0109-1701:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0109-1701**, Idaho County Option Kitchen and Table Wine Tax Rules. **Rule 017** Redetermination, Collection, and Enforcement is being stricken and incorporated into **Rule 003** Administrative Appeals and **Rule 006** Incorporation by References, to meet the Department of Administration's rule writing guidelines.

**MOTION:** **Rep. Anderst** made a motion to approve **Docket No. 35-0109-1701**. **Motion carried by voice vote.**

**DOCKET NO. 35-0109-1702:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0109-1702**. Idaho County Option Kitchen and Table Wine Tax Rules. **Rule 011** relating to sales subject to wine tax. This rule describes when dispositions of wine are subject to the wine tax. The intent of amending the rule is to give instruction on maintenance of inventory for tax purposes. **Rule 015** relating to wine tax permit reporting number. This rule authorizes the issuing of a wine tax permit. The intent of amending the rule is to allow cancellation of inactive permits. Ms. Adrian confirmed that during an audit the winery would have to provide evidence of paying the tax when purchasing the wine to supplement their inventory.

**MOTION:** **Rep. Dayley** made a motion to approve **Docket No. 35-0109-1702**. **Motion carried by voice vote.**

**DOCKET NO. 35-0110-1701:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0110-1701** Idaho Cigarette & Tobacco Products Administrative Rules. **Rule 006** relating to incorporation by reference. This rule incorporates by reference IDAPA 35.02.01.

**MOTION:** **Rep. Kauffman** made a motion to approve **Docket No. 35-0110-1701**. **Motion carried by voice vote.**

**DOCKET NO. 35-0112-1701:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0112-1701** relating to administrative rules. **Rule 014** Redetermination, Collection, and Enforcement is being stricken and incorporated into **Rule 003** Administrative Rules and **Rule 006** Incorporation by References, to meet the Department of Administration's rule writing guidelines.

**MOTION:** **Rep. Thompson** made a motion to approve **Docket No. 35-0112-1701**. **Motion carried by voice vote.**

**DOCKET NO. 35-0112-1702:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0112-1702 Rule 011** relating to sales subject to beer tax. This rule describes when dispositions of beer are subject to the beer tax. The intent of amending the rule is to give instruction on maintenance of inventory for tax purposes. **Rule 016** relating to beer tax permit reporting number. This rule authorizes the issuing of a beer tax permit. The intent of amending the rule is to allow cancellation of inactive permits.

**MOTION:** **Rep. Anderst** made a motion to approve **Docket No. 35-0112-1702. Motion carried by voice vote.**

**DOCKET NO. 35-0201-1701:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0201-1702 Rule 326 Rule 327 Rule 328** are being promulgated to provide guidance for the appeals process. These rules will establish definitions, provide restrictions, exceptions, permitted communications and procedures for a taxpayer to participate in communication between the appeals unit and the originating division and others during the redetermination process.

**MOTION:** **Rep. Erpelding** made a motion to approve **Docket No. 35-0201-1701. Motion carried by voice vote.**

**DOCKET NO. 35-0201-1703:** **Cynthia Adrian**, Tax Policy Specialist, Idaho State Tax Commission presented **Docket No. 35-0201-1703 Rule 310** is being amended to add the interest rate for calendar year 2018 and the Revenue Ruling where the federal rate for the calculation can be found. Ms. Adrian confirmed the interest rate is calculated as 2% plus the rate determined under the Internal Revenue Code by the Treasury Secretary. It's the midterm federal rate as it applies on September 15 of the immediately preceding calendar year rounded to the nearest whole number.

**MOTION:** **Rep. Erpelding** made a motion to approve **Docket No. 35-0201-1703. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:17 a.m.

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Representative Collins  
Chair

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Susan Steed  
Secretary