

**MINUTES OF THE  
REVENUE AND TAXATION INTERIM COMMITTEE**  
Wednesday, June 20, 2001 – 10:00 a.m. – Room 129 State Capitol

**Members Present:**

Sen. Curtis S. Bramble, Senate Chair  
Rep. Wayne A. Harper, House Chair  
Sen. Ron Allen  
Sen. Lyle W. Hillyard  
Sen. Howard A. Stephenson  
Rep. Ralph Becker  
Rep. Afton Bradshaw  
Rep. Judy Ann Buffmire  
Rep. Kevin S. Garn  
Rep. Bryan D. Holladay  
Rep. Carol Spackman Moss  
Rep. LaWanna Shurtliff  
Rep. Gordon E. Snow  
Rep. John E. Swallow

**Members Excused:**

Rep. David Clark

**Staff Present:**

Mr. Bryant R. Howe,  
Research Analyst  
Ms. Rebecca L. Rockwell,  
Associate General Counsel  
Ms. Sandra Wissa,  
Legislative Secretary

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Committee Business**

Chair Harper called the meeting to order at 10:14 a.m.

**MOTION:** Rep. Becker moved to approve the minutes of the May 23, 2001 meeting. The motion passed unanimously with Rep. Shurtliff and Rep. Swallow absent for the vote.

**2. Committee Review and Action Regarding Special Session Legislation**

Sen. John Valentine distributed and reviewed S.B. 1003 "Taxes on Rentals of Public Sleeping Accommodations." He explained that this bill will ensure that unless a property is rented out regularly it will not be subject to certain taxes within the Sales and Use Tax Act.

Commissioner Bruce Johnson, Utah State Tax Commission (Tax Commission), stated that the Tax Commission is generally comfortable with the bill, but has some concerns with the definition of "regularly rented." Sen. Valentine stated that the definition was not chosen at random, but pulled from other states' statutes, including Florida.

**MOTION:** Sen. Bramble moved that S.B. 1003 receive a favorable recommendation from the committee. The motion passed with Sen. Hillyard voting in opposition to the motion and Rep. Shurtliff and Rep. Swallow absent for the vote.

Rep. Greg Curtis distributed and reviewed H.B. 1006 "Individual Income Tax - Addition of Interest to Federal Taxable Income." He explained the bill and noted changes between H.B. 1006 and 2001 General Session H.B. 158 "Individual Income Tax - Addition of Interest to Federal Taxable Income."

Mr. Barrie McCullough, Mr. Dave Oman, Ms. Cynthia Char Ong, Mr. Gayle B. Stewart, and Rep. Jim Ferrin spoke against the bill. Concerns raised by opponents of the bill include: the bill results in an increase in taxes for persons on fixed incomes, such as the elderly; there is an inadequate supply of Utah bonds available; the bill requires complex tax filing; and it is impossible to track taxable interest. Mr. McCullough distributed to the committee a handout raising concerns with the bill and Mr. Stewart handed out a letter encouraging legislators to vote against the bill.

Mr. Richard Stowell, Utah School Boards Association, Mr. Reed Searle, Intermountain Power Agency, Mr. Mark Buchi, Holme Roberts and Owen, and Mr. Roger Tew, Utah League of Cities and Towns, spoke in favor of the bill. Speakers in favor of the bill made arguments including: the bill encourages investment in Utah bonds; Utah bonds are at a disadvantage in the market and the bill helps to create a level playing field for Utah bonds; and a significant majority of other states currently tax bonds issued by another state.

**MOTION:** Sen. Hillyard moved to move on to the next item on the agenda. The motion passed unanimously.

Sen. Bill Hickman distributed and reviewed draft legislation "Registration and Taxation of Vehicles for Sports Events." He explained that the bill provides for a special registration and \$5 uniform fee instead of property taxes for certain motor vehicles supplied by a distributor for a sports event. The legislation also exempts the use of these motor vehicles from sales and use taxes during the sports event.

Mr. Lane Beattie, State Olympic Officer, spoke in favor of the bill. He explained that a large number of motor vehicles will be supplied by distributors for use during the Olympic Winter Games of 2002.

**MOTION:** Rep. Swallow moved to favorably recommend draft legislation "Registration and Taxation of Vehicles for Sports Events." The motion passed with Chair Harper voting in opposition of the motion, and Rep. Becker and Rep. Garn absent for the vote.

Rep. Swallow distributed and reviewed H.B. 1005 "Individual Income Tax and Corporate Franchise and Income Tax - Renewable Energy Systems Tax Credits." He explained differences between H.B. 1005 and 2001 General Session H.B. 334, "Individual Income Tax and Corporate Franchise and Income Tax - Energy Saving Systems Credits."

**MOTION:** Rep. Bradshaw moved that H.B. 1005 receive a favorable recommendation from the committee. The motion passed unanimously with Sen. Bramble, Rep. Becker, and Rep. Garn absent for the vote.

Rep. Throckmorton distributed and reviewed draft legislation "Individual Income Tax - 2001 Federal Rate Bracket Benefit." He explained that under this bill a federal advance refund amount or tax credit certain taxpayers will receive as a result of the federal Economic Growth and Tax Relief Reconciliation Act of 2001 is not taxable.

**MOTION:** Sen. Allen moved that "Individual Income Tax - 2001 Federal Rate Bracket Benefit" receive a favorable recommendation from the committee. The motion passed unanimously, with Rep. Becker and Rep. Garn absent for the vote.

### **3. Other Business**

**MOTION:** Rep. Swallow moved to adjourn the meeting at 12:00 p.m. The motion passed unanimously with Sen. Bramble, Rep. Becker, and Rep. Garn absent for the vote.

