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# Utah State Legislature

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June 5, 2012

President Michael G. Waddoups  
Speaker Rebecca Lockhart  
Legislative Management Committee  
Utah State Capitol Complex  
Salt Lake City, Utah 84114

Dear President Waddoups and Speaker Lockhart:

In accordance with Interim Rule (IR) 2-1-101, the Revenue and Taxation Interim Committee plans to prioritize its work during the 2012 interim on revenue and taxation studies that:

- (1) are assigned by the Legislature through resolution or bill, or assigned through statute (see IR 2-1-101(a));
- (2) are assigned by the Legislative Management Committee (see IR 2-1-101(b)); and
- (3) investigate and study possibilities for improvement in government services within our subject area of revenue and taxation (see IR 2-1-101(c)).

The remainder of this letter addresses each of these in order.

## ***Studies Assigned by Resolution, Bill, or Statute***

Below is a list of items that the Revenue and Taxation Interim Committee is required by law to study during the 2012 interim:

- Qualifying solar project tax credits (see UCA § 59-7-614.3 and 59-10-1024);
- Renewable energy system tax credits (UCA § 59-7-614, 59-10-104, and 59-10-1106);
- Insurance premium tax imposed on certain Utah variable life insurance policies (see UCA § 59-9-101);
- Water costs and rate structure (S.B 78, 2012 General Session); and
- Property tax equal payment agreement with commercial or industrial taxpayer (see UCA § 59-12-1308.5).

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In addition to these topics that we are required to study as a committee, we are required by statute to receive reports from various entities.

***Studies Assigned by the Legislative Management Committee***

In addition, we intend to study various Master Study Resolution items assigned to the Revenue and Taxation Interim Committee, including telecommunication taxes, taxation of hotel intermediaries, and various tax credits and exemptions.

***Additional Studies***

We also anticipate studying various issues related to revenue and taxation in an effort to improve government services in our subject area, including without limitation:

- A study of sales and use taxation of remote sales, including issues related to the Streamlined Sales and Use Tax Agreement, including the taxation of telecommunications, broadband, digital goods, cloud technology, and software maintenance agreements;
- A review of property tax issues, including tax rates, truth in taxation, and assessment issues and practices;
- A review of dynamic fiscal notes, in particular on major tax bills; and
- A review of current and historical economic indicators and state and local revenue collection data.

In addition, as time permits and the need arises, additional items may be added as part of the Committee's general oversight responsibilities to "investigate and study possibilities for improvement in government services within its subject area" (see IR 2-1-101(3)).

Please do not hesitate to contact us if you have any questions or need further detail or explanation regarding our proposed committee study items as detailed in this letter.

Sincerely,

  
Senator Curtis Bramble  
Senate Chair  
Revenue and Taxation Interim Committee

  
Representative Patrick Painter  
House Chair  
Revenue and Taxation Interim Committee