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# Utah State Legislature

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April 22, 2015

Senator Deidre M. Henderson, Chair  
Representative Daniel McCay, Chair  
Revenue and Taxation Interim Committee  
Utah State Capitol Complex  
Salt Lake City, UT 84114

Dear Sen. Henderson and Rep. McCay:

On April 17, 2015, we met with almost all interim committee chairs and discussed interim committee study items. Because of the input we received from you that day, Legislative Management Committee met on Wednesday, April 22, and approved those assignments that were agreed upon at the April 17 meeting (with a few minor changes). Attached is the list of those study items for your committee and the other interim committees.

As we discussed in the April 17 meeting, the best outcome to our interim committee efforts is driving to some conclusion on each of the issues studied. Therefore, we ask that your committee reach one of four following conclusions, or a combination of the four, to each item by a motion and a vote:

- a) draft legislation for the upcoming 2016 general session for those issues you think sufficiently important;
- b) conclude that the issue is significant, but that more time is needed to develop solutions and consensus;
- c) conclude that there is insufficient support to study the issue further; or
- d) conclude that the issue is not recommended policy for the Legislature to address.

In addition to the study items, we ask that you look at all the reports that your committee is required by statute to receive each year. Of these reports, decide which ones you no longer see as necessary or of sufficient value. We then ask that you prepare a bill that will eliminate the reports your interim committee no longer sees as pertinent.

Lastly, we ask you to be prepared to report back to LMC at the end of the interim period on the assigned study items. For each item, please state the conclusion reached by the committee, and a summary of the reasons for reaching this conclusion. We will set aside a meeting to receive these reports.

Thank you in advance for your support of these assignments. We believe that your focus on these three items will make the 2015 interim committee process a very productive one.

Sincerely,



Wayne L. Niederhauser  
President of the Senate  
Utah State Senate



Gregory H. Hughes  
Speaker of the House  
Utah House of Representatives

### **REVENUE AND TAXATION STUDY ITEMS**

1. Sales Tax Exemptions - to study and review all sales tax exemptions.
2. Corporate franchise and income taxes - to study single sales factor and the economic benefits of a corporate income tax cut or repeal.
3. Centrally Assessed Taxes - to study issues related to centrally assessed taxes including new growth.
4. Excise taxes - to study excise taxes including the taxation of e-cigarettes.
5. Sales and use tax earmarks - to review earmarks of the sales and use tax and recommendations provided by the Tax Review Commission.
6. Historic Preservation Credit - to study whether to grant a historic preservation tax credit exemption.
7. Tax Code Changes - to study simplifying the tax code, eliminating tax credits, and reducing tax rates.
8. Property Taxes and Water Rates - to study whether to lower property taxes and replace the taxes with water fee increases.