

“REVISED”
MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 129 - State Capitol Building
January 29, 2002

MEMBERS PRESENT: Rep. Gordon E. Snow, Vice Chair
Rep. Eli H. Anderson
Rep. Judy Ann Buffmire
Rep. Scott Daniels
Rep. Marda Dillree
Kory M. Holdaway
Rep. Steven Mascaro
Rep. Ty McCartney
Rep. Carol Spackman Moss
Rep. Jack E. Seitz
Rep. Michael R. Styler
Rep. John E. Swallow

MEMBERS ABSENT: Rep. Kevin S. Garn
Rep. Wayne A. Harper, Chair

STAFF: Bryant Howe, Research Analyst
Sharron Corelli, Secretary

VISITORS: List filed with committee minutes.

Vice Chair, Rep. Snow called the meeting to order at 4:00 p.m.

MOTION: Rep. Holdaway moved to approve the minutes of January 25, 2002. The motion passed unanimously with Rep. Seitz and Rep. Styler absent for the vote.

H.B. 129 Sales and Use Taxes - Exemption for Certain Sales of Electricity (*L. Shurtliff*)

Rep. Shurtliff introduced and explained the bill to the committee.

Mr. Steve Rush, Local Community Manager, Utah Power, spoke for the bill.

Mr. Bruce Johnson, Utah State Tax Commission, spoke to the bill.

MOTION: Rep. Anderson moved to amend as follows:

1. Page 1, Line 7: Delete "**renewable resources**" and insert "**a new wind, geothermal, or solar power energy source**"

2. Page 2, Line 52: After ", a" delete "municipality may not levy a municipal energy sales"
3. Page 2, Line 53: At the beginning of line 53 delete "and use tax on the" and after "within" delete "the" and insert "a" and after "municipality" insert "is exempt from the tax authorized by this section" and after "if the sale" insert "or use"
4. Page 2, Line 55: After "produced from" delete "renewable resources" and insert "a new wind, geothermal, or solar power energy source"
5. Pages 2-3, Lines 57-60: After line 57 delete lines 58-60 and insert:
"(i) unrelated to the amount of electricity used by the person purchasing the electricity under the tariff described in Subsection (4)(a); and
(ii) equivalent to the number of kilowatthours specified in the tariff described in Subsection (4)(a) that may be purchased under the tariff described in Subsection (4)(a)."
6. Page 12, Line 348: After "(55) sales" insert "or uses" and after "the sales" insert "or uses"
7. Page 12, Line 350: After "produced from" delete "renewable resources" and insert "a new wind, geothermal, or solar power energy source"
8. Page 12, Lines 352 - 355: After line 352 delete lines 353-355 and insert:
"(i) unrelated to the amount of electricity used by the person purchasing the electricity under the tariff described in Subsection (55)(a); and
(ii) equivalent to the number of kilowatthours specified in the tariff described in Subsection (55)(a) that may be purchased under the tariff described in Subsection (55)(a)."

The motion passed unanimously with Rep. Seitz, Rep. Styler and Rep. Swallow absent for the vote.

MOTION: Rep. McCartney moved to pass the bill out favorably. The motion passed unanimously with Rep. Swallow absent for the vote.

H.B. 182 Tax Review Commission Amendments (C. Bennion)

Rep. Bennion introduced the bill and explained it to the committee.

MOTION: Rep. Seitz moved to pass the bill out favorably. The motion passed unanimously with Rep. Swallow absent for the vote.

MOTION: Rep. Dillree moved to place the bill on the Consent Calendar. The motion passed unanimously with Rep. Swallow absent for the vote.

S.B. 116 Local Government Variable Rate Bonding Authority (D. C. Buttars)

Rep. Newbold introduced the bill and explained it to the committee for Sen. Buttars.

Mr. Larry Bunkall, Parsons Behle & Latimer, spoke to the bill.

MOTION: Rep. Buffmire moved to pass the bill out favorably. The motion passed unanimously with Rep. McCartney absent for the vote.

H.B. 20 Bonding Authority for Irrigation Districts (D. Gladwell)

Sen. Gladwell introduced the bill and explained it to the committee with the assistance of Mr. Richard Scott.

MOTION: Rep. Holdaway moved to pass the bill out favorably. The motion passed unanimously.

H.B. 103 Individual Income Tax Deduction for Net Capital Gain (J. Ferrin)

Rep. Ferrin introduced and explained the bill to the committee.

Mr. Bruce Johnson, Utah State Tax Commission, spoke to the bill.

Mr. Jim Eldredge, Utah Education Association, and Ms. Karen Derrick, USBA/USSA/Salt Lake City School Board, spoke against the bill.

Mr. Mike Jerman, Utah Taxpayers Association, spoke for the bill.

MOTION: Rep. Styler moved to amend as follows:

1. Page 1, Line 8: After "**technical changes.**" insert "**This act requires the State Tax Commission to make transfers from the General Fund to the Uniform School Fund equal to the amount of individual income tax deductions for net capital gain claimed, and grants rulemaking authority to the State Tax Commission.**"

2. Page 5, Line 128: After "Internal Revenue Code" insert a comma and "subject to the following: (i) in accordance with any rules prescribed by the commission under Subsection (2)(m)(ii), the commission shall transfer at least annually from the General Fund into the Uniform School Fund an amount equal to the amount of individual income tax deductions for net capital gain claimed under Subsection(2)(m); and (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making transfers from the General Fund into the Uniform School Fund as required by Subsection (2)(m)(i)."

The motion to amend passed.

MOTION: Rep. Daniels moved to request a revised fiscal note.

SUBSTITUTE

MOTION: Rep. Swallow moved to pass the bill out favorably as amended. The motion passed with Rep. Daniels, Rep. McCartney, Rep. Moss, Rep. Anderson, and Rep. Buffmire voting in opposition.

MOTION: Rep. Holdaway moved to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 5:21 p.m.

Rep.Gordon E. Snow, Vice Chair