

**MINUTES OF THE
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING
TUESDAY, JANUARY 23, 2007, 2:00 P.M.
ROOM W130, WEST OFFICE BUILDING, STATE CAPITOL COMPLEX**

Members Present: Sen. Wayne L. Niederhauser, Chair
Sen. Curtis S. Bramble
Sen. Mike Dmitrich
Sen. Brent Goodfellow
Sen. Jon J. Greiner
Sen. Howard A. Stephenson
Pres. John Valentine
Sen. Michael G. Waddoups

Staff Present: Bryant Howe, Assistant Director, Office of Legislative Research
and General Counsel
Bonnie Brinton, Committee Secretary

Public Speakers Present: Bruce Johnson, Commissioner, State Tax Commission
Shelly Teuscher, Government Relations Director, Parsons, Behle
and Latimer
Todd Bingham, Vice President, Farm Bureau
Tracy Livingston, CEO, Wasatch Wind
Mike Peterson, Utah Rural Electric Co-Ops
Kevin Boardman, Government Affairs, Rocky Mountain Power
Sara Baldwin, Coordinator, Utah Clean Energy
Christy White, CEO/President, RAAM Power, Inc.
David Litvin, President, Utah Mining Association
Larry Bunkell, Kennecott Utah Copper
Mike Jerman, Vice President, Utah Taxpayers Association

A list of visitors and a copy of handouts are filed with the Committee minutes.

Chair Niederhauser called the meeting to order at 2:10 p.m.

MOTION: Sen. Waddoups moved to correct the minutes of January 19, 2007, by deleting "February" and inserting "January" in the heading and approve the minutes as corrected.

The motion passed unanimously with Pres. Valentine, and Sens. Dmitrich, Greiner and Stephenson absent for the vote.

1. S.B. 131 Retirement and Independent Entities Committee (Sen. C. Bramble)

Sen. Bramble explained the bill.

MOTION: Sen. Bramble moved to pass the S.B. 131 out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sens. Dmitrich, Greiner, Stephenson absent for the vote.

MOTION: Sen. Greiner moved to place S.B. 131 on the Consent Calendar.

The motion passed unanimously with Pres. Valentine and Sens. Dmitrich, Greiner, Stephenson absent for the vote.

2. H.B. 26 Property Tax Exemption for Personal Property (J. Dougall)

MOTION: Sen. Dmitrich moved to pass H.B. 26 out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sens. Bramble and Stephenson absent for the vote.

3. H.B. 40 Fuel Tax Bonding Requirements (W. Harper)

MOTION: Sen. Dmitrich moved to pass H.B. 40 out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sens. Bramble and Stephenson absent for the vote.

4. H.B. 41 Sales and Use Tax - Common Carriers (W. Harper)

MOTION: Sen. Dmitrich moved to pass H.B. 41 out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sens. Bramble and Stephenson absent for the vote.

5. S.B. 5 Tax Penalty Amendments (H. Stephenson)

Sen. Stephenson explained the bill.

Bruce Johnson, Commissioner, State Tax Commission, assisted in explaining the bill and spoke in favor of the bill.

MOTION: Sen. Goodfellow moved to pass S.B. 5 out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

6. S.B. 13 Tax Credits for Alternate Power Generation (H. Stephenson)

Sen. Stephenson distributed 1st Sub. S.B. 13 for the consideration of the Committee.

MOTION: Sen. Goodfellow moved to delete in title and body S.B. 13 and replace it with 1st Sub. S.B. 13.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

Sen. Stephenson explained 1st Sub. S.B. 13.

Those speaking in favor of the bill:

Shelly Teuscher, Government Relations Director, Parsons, Behle and Latimer
Todd Bingham, Vice President, Farm Bureau
Tracy Livingston, CEO, Wasatch Wind
Mike Peterson, Utah Rural Electric Co-Ops
Kevin Boardman, Government Affairs, Rocky Mountain Power
Sara Baldwin, Coordinator, Utah Clean Energy
Christy White, CEO/President, RAAM Power, Inc.

Sen. Stephenson submitted the following amendments for the consideration of the Committee:

Page 4, Line 111: After "unit." delete "except that the credit may not exceed \$1,000 per residential unit for a"
Page 4, Line 112: Delete Line 112
Page 10, Line 281: After "unit" delete ", except that the credit may not exceed \$1,000 per residential unit for a"
Page 10, Line 282: Delete Line 282

MOTION: Sen. Waddoups moved to adopt the amendments to 1st Sub. S.B. 13.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

Sen. Stephenson submitted the following amendments for the consideration of the Committee:

Page 15, Line 442: After "2007" delete ", but beginning on or"
Page 15, Line 443: Delete "before December 31, 2012,"

MOTION: Sen. Waddoups moved to adopt the amendments to 1st Sub. S.B. 13.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

MOTION: Sen. Goodfellow moved to pass 1st Sub. S.B. 13, as amended, out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

7. S.B. 142 Sales and Use Tax Exemptions and Refund for Certain Business Inputs
(Sen. H. Stephenson)

Sen. Stephenson explained the bill and distributed the following amendments:

1. *Page 41, Line 1259 through Page 42, Line 1276:*

1259 (c) amounts paid or charged on or after July 1, 2010, for a purchase or lease by an
1260 establishment described in NAICS ~~{Sector 21, Mining}~~ **Subsector 212, Mining**
(except Oil and Gas), or NAICS Code **213113, Support Activities for Coal Mining,**
213114, Support Activities for Metal Mining, 213115, Support Activities for
Nonmetallic Minerals (except Fuels) Mining, 511210, Software
1261 Publishers, 5415, Computer Systems Design and Related Services, or 54171, Research
and
1262 Development in the Physical, Engineering, and Life Sciences, of the 2002 North American
1263 Industry Classification System of the federal Executive Office of the President, Office of
1264 Management and Budget:

2. *Page 55, Lines 1671 through 1680:*

1671 (1) Subject to the other provisions of this section, for a purchase or lease described in
1672 Subsection (2) made on or after July 1, 2007, but on or before June 30, 2010, an

- establishment
- 1673 described as follows in the 2002 North American Industry Classification System of the
federal
- 1674 Executive Office of the President, Office of Management and Budget, may claim a refund
of
- 1675 sales and use taxes under this chapter paid by that establishment:
- 1676 (a) NAICS ~~{Sector 21, Mining}~~ Subsector 212, Mining (except Oil and
Gas) ;
- = (b) NAICS Code 213113, Support Activities for Coal Mining;
(c) NAICS Code 213114, Support Activities for Metal Mining;
(d) NAICS Code 213115, Support Activities for Nonmetallic Minerals (except
Fuels) Mining;
- 1677 ~~{(b)}~~ (e) NAICS Code 511210, Software Publishers;
- 1678 ~~{(c)}~~ (f) NAICS Code 5415, Computer Systems Design and Related
Services; or
- 1679 ~~{(d)}~~ (g) NAICS Code 54171, Research and Development in the Physical,
Engineering, and
- 1680 Life Sciences.

MOTION: Sen. Stephenson moved to adopt the amendments to S.B. 142.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

Those speaking in favor of S.B. 142:

David Litvin, President, Utah Mining Association
Larry Bunkell, Kennecott Utah Copper
Mike Jerman, Vice President, Utah Taxpayers Association

Sen. Dmitrich declared a conflict of interest.

MOTION: Sen. Waddoups moved to pass S.B. 142, as amended, out of Committee with a favorable recommendation.

The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

MOTION: Sen. Greiner moved to adjourn.

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The motion passed unanimously with Pres. Valentine and Sen. Bramble absent for the vote.

The meeting adjourned at 3:00 p.m.

Sen. Wayne L. Niederhauser, Committee Chair