

**MINUTES OF THE
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING
THURSDAY, JANUARY 25, 2007, 9:00A.M.
ROOM W130, WEST OFFICE BUILDING, STATE CAPITOL COMPLEX**

Members Present: Sen. Wayne L. Niederhauser, Chair
 Sen. Mike Dmitrich
 Sen. Brent Goodfellow
 Sen. Jon J. Greiner
 Sen. Howard A. Stephenson
 Sen. Michael G. Waddoups

Members Excused: Sen. Curtis S. Bramble
 Pres. John Valentine

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

Public Speakers Present: Jim Olsen, President, Utah Food Industry Association
 Pam Hendrickson, Chair, Utah State Tax Commission

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

Chair Niederhauser called the meeting to order at 9:05 a.m.

Approval of Minutes

MOTION: Sen.Greiner moved to approve the minutes of January 23, 2007.

The motion passed unanimously with Sen. Dmitrich absent for the vote.

1. S.B. 145 Multi-channel Video or Audio Service Tax - County or Municipality Franchise Fee Tax Credit (W. Niederhauser)

Sen. Niederhauser explained the bill.

MOTION: Sen. Goodfellow moved to pass S.B. 145 out of Committee with a favorable recommendation.

The motion passed unanimously.

2. H.B. 27 Sales and Use Tax Modifications (B. Ferry)

Rep. Ferry introduced the bill and the following amendments were distributed:

1. *Page 2, Lines 33 through 37:*

- 33 ▶ modifies an appropriation to the State Tax Commission to provide
 that {~~;~~} ∴
 • in addition
- 34 to other purposes allowed in the appropriation language, monies may be expended
35 to reimburse certain {~~sellers~~} business locations for expenditures to pay for
 in-house programming to
36 account for sales under the reduced sales and use tax rate imposed on food and food
37 ingredients; and
- = • the deadline for a business location to submit a request for
reimbursement to the State Tax Commission is extended from before January 1,
2007, to before April 1, 2007; and

2. *Page 2, Lines 41 through 42:*

- 41 Other Special Clauses:
- 42 This bill provides an immediate effective date and provides for retrospective
 operation.

3. *Page 64, Lines 1953 through 1954:*

- 1953 (C) submits a request for reimbursement to the State Tax Commission postmarked
1954 before {~~January~~} April 1, 2007;

4. *Page 64, Lines 1976 through 1977:*

- 1976 (C) submits a request for reimbursement to the State Tax Commission postmarked
1977 before {~~January~~} April 1, 2007;

5. *Page 65, Lines 1999 through 2000:*

- 1999 (C) submits a request for reimbursement to the State Tax Commission postmarked
2000 before {~~January~~} April 1, 2007;

6. *Page 66, Lines 2022 through 2034:*

- 2022 Section 9. Effective date -- Retrospective operation.
- 2023 {~~(1) Except as provided in Subsection (2), if~~} If approved by two-thirds of

2024 all the members
2024 elected to each house, this bill:
2025 ~~{(a)}~~ (1) takes effect upon approval by the governor, or the day following
2025 the constitutional
2026 time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or
2026 in
2027 the case of a veto, the date of veto override; and
2028 ~~{(b)}~~ (2) has retrospective operation to January 1, 2007.
2029 ~~{(2) If approved by two-thirds of all the members elected to each house, the~~
2030 ~~amendments to Section 8 of this bill, which is the Uncodified Section 3, Chapter 9,~~
2030 ~~Laws of~~
2031 ~~Utah 2006, Third Special Session, which amends Uncodified Section 5, Chapter 282,~~
2031 ~~Laws of~~
2032 ~~Utah 2006, take effect upon approval by the governor, or the day following the~~
2032 ~~constitutional~~
2033 ~~time limit of Utah Constitution Article VII, Section 8, without the governor's~~
2033 ~~signature, or in~~
2034 ~~the case of a veto, the date of veto override.}~~

MOTION: Sen. Stephenson moved to adopt the amendments to H.B. 27.

The motion passed unanimously.

Rep. Ferry further clarified the bill.

Those speaking in support of the bill:

Jim Olsen, President, Utah Food Industry Association
Pam Hendrickson, Chair, Utah State Tax Commission

MOTION: Sen. Wadoups moved to pass H.B. 27, as amended, out of Committee with a favorable recommendation.

The motion passed unanimously with Sen. Stephenson absent for the vote.

3. H.B. 33 Sales and Use Tax Exemptions for Vehicles, Boats, Boat Trailers, or Outboard Motors Not Registered in the State (P. Painter)

Rep. Painter explained the bill and declared a conflict of interest.

MOTION: Sen. Goodfellow moved to pass H.B. 33 out of Committee with a favorable recommendation.

The motion passed unanimously with Sen. Dmitrich absent for the vote.

4. H.B. 37 Cigarette and Tobacco Tax and Licensing Amendments (C. Frank)

Rep. Frank explained the bill and a handout was distributed.

Pam Hendrickson, Chair, Utah State Tax Commission, spoke in support of the bill.

MOTION: Sen. Goodfellow moved to pass H.B. 37 out of Committee with a favorable recommendation.

The motion passed unanimously with Sen. Stephenson absent for the vote.

5. H.B. 42 Sales and Use Tax Exemption for Authorized Carriers (W. Harper)

Rep. Harper explained the bill.

MOTION: Sen. Dmitrich moved to pass H.B. 42 out of Committee with a favorable recommendation.

The motion passed unanimously.

MOTION: Sen. Waddoups moved to adjourn.

The motion passed unanimously at 4:45 p.m.

Sen. Wayne L. Niederhauser, Committee Chair