

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 445 - State Capitol, State Capitol Complex**

February 7, 2008

MEMBERS PRESENT: Rep. John Dougall, Chair
 Rep. Craig A. Frank, Vice Chair
 Rep. Roger Barrus
 Rep. Tim M. Cosgrove
 Rep. Wayne A. Harper
 Rep. Gregory H. Hughes
 Rep. Christine Johnson
 Rep. Bradley G. Last
 Rep. Roz McGee
 Rep. Carol Spackman Moss
 Rep. Merlynn T. Newbold
 Rep. Aaron Tilton
 Rep. Carl Wimmer

MEMBERS ABSENT: Rep. Gordon E. Snow

STAFF: Bryant Howe, Assistant Director
 Rosemary Young, Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Dougall called the meeting to order at 8:41 a.m.

MOTION: Rep. Newbold moved to approve the minutes of the February 5, 2008 meeting. The motion passed unanimously with Rep. Hughes absent for the vote.

Rep. Dougall relinquished the chair to Rep. Barrus.

H.B. 155 Property Tax - Residential Exemption (Rep. G. Froerer)

This bill was not heard at the request of the sponsor.

H.B. 359 Sales and Use Tax Changes (Rep. J. Dougall)

Rep. Dougall introduced the bill and explained it to the committee. Marc Johnson, Utah State Tax Commission, and Doug Foxley, Union Pacific Railroad, spoke in favor of the bill. Bert Hulet, citizen from Bountiful, spoke to the bill.

MOTION: Rep. Cosgrove moved to transmit H.B. 359 with a favorable recommendation. The motion passed unanimously with Rep. Last, Rep. Moss, Rep. Tilton, and Rep. Frank absent for the vote.

Rep. Barrus relinquished the chair to Rep. Dougall.

1st Sub. H.B. 351 Individual Income Tax - Health Insurance (Rep. J. Dunnigan)

MOTION: Rep. Frank moved to amend the bill as follows:

1. Page 18, Lines 525 through 531:

525 (b) "Eligible insured individual" means:
526 (i) the claimant who is insured under a health benefit plan;
527 (ii) the spouse of the claimant described in Subsection (1)(b)(i) if:
528 (A) the claimant files a single { federal individual income tax } return
jointly under this chapter with the
529 claimant's spouse for the taxable year ; and
530 (B) the spouse is insured under the health benefit plan described in Subsection
531 (1)(b)(i); or

2. Page 19, Lines 553 through 561:

553 (e) "Joint claimant with no dependents" means {
554 ~~(i)~~} a husband and wife who:
555 {~~(A)~~} (i) file a single { federal individual income tax } return jointly
under this chapter for the taxable year; and
556 {~~(B)~~} (ii) do not claim a dependent under Section 151, Internal Revenue
Code, on the
557 husband's and wife's federal individual income tax return for the taxable year {
~~or~~} ;
558 {~~(ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code,~~
~~who:~~
559 ~~(A) files a single federal individual income tax return for the taxable year; and~~
560 ~~(B) does not claim a dependent under Section 151, Internal Revenue Code, on~~
~~the~~
561 ~~surviving spouse's federal individual income tax return for the taxable year.~~}

3. *Page 20, Lines 586 through 590:*

- 586 (3) The maximum amount of a tax credit described in Subsection (2) a claimant may
587 claim **on a return** for a taxable year is:
588 (a) for a single claimant with no dependents, \$300;
589 (b) for a joint claimant with no dependents, \$600; or
590 (c) for a claimant with dependents, \$900.

The motion to amend passed unanimously with Rep. Last and Rep. Moss absent for the vote.

Rep. Dunnigan introduced the amended bill and explained it to the committee.

MOTION: Rep. Johnson moved to transmit 1st Sub. HB 351 as amended with a favorable recommendation. The motion passed unanimously with Rep. Hughes and Rep. Last absent for the vote.

H.B. 172 Distribution of Local Option Sales and Use Tax Revenues (*Rep. B. Dee*)

Rep. Dee introduced the bill and explained it to the committee assisted by Larry Hansen, Riverdale City Administrator.

MOTION: Rep. Barrus moved to transmit H.B. 172 with a favorable recommendation. The motion passed unanimously with Rep. Hughes and Rep. Last absent for the vote.

S.B. 99 Amendments to Sales and Use Tax Exemption for Prosthetic Devices (*Sen. W. Niederhauser*) (*Rep. J. Dougall*)

Sen. Niederhauser introduced the bill and explained it to the committee. Marc Johnson, Utah State Tax Commission spoke in favor of the bill.

MOTION: Rep. Frank moved to transmit with a favorable recommendation S.B. 99. The motion passed unanimously with Rep. Hughes absent for the vote.

H.B. 356 Taxation of Moist Snuff (*Rep. R. Lockhart*)

Rep. Lockhart introduced the bill and explained it to the committee. Wade Farraway, from the Attorney General's Office speaking in behalf of Attorney General Mark Shurtleff, spoke in favor of the bill. Royce Van Tassell, Utah Taxpayers Association, spoke in favor of the bill. Marc Johnson, Utah State Tax Commission, responded to questions from the Chair.

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MOTION: Rep. Harper moved to transmit H.B. 356 with a favorable recommendation. The motion passed unanimously with Rep. Cosgrove absent for the vote.

MOTION: Rep. Harper moved to adjourn. The motion passed unanimously.

Rep. Dougall adjourned the meeting at 9:42 a.m.

Rep. John Dougall, Chair