

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

February 12, 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. Merlynn T. Newbold
 Rep. Aaron Tilton
 Rep. Carl Wimmer

MEMBERS ABSENT: Rep. Carol Spackman Moss
 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 8:02 a.m.

MOTION: Rep. Frank moved to approve the minutes of the February 7, 2008 meeting. The motion passed unanimously with Rep. Last absent for the vote.

H.B. 158 Tax Credit for Military Retired Pay (*Rep. S. Mascaro*)

Rep. Mascaro introduced the bill and explained it to the committee. Lt. Col. John Primbs, USAF(ret), spoke in favor of the bill.

MOTION: Rep. Frank moved to transmit H.B. 158 with a favorable recommendation. The motion passed unanimously with Rep. Hughes and Rep. Tilton absent for the vote.

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

MOTION: Rep. Last moved to amend H.B. 155 as follows:

1. *Page 4, Lines 100 through 117:*

100 property in accordance with Section 59-2-103.

(5) If a county assessor does not allow a property owner a residential exemption in accordance with this section, the property owner may file an application to appeal with the county board of equalization in accordance with the procedures described in Section 59-2-1004.

101 ~~{(5)}~~ (6) (a) A property owner shall pay a penalty described in Subsection
102 ~~{(5)}~~ (6) (b) for each tax

102 year the property owner:

103 (i) knowingly files a statement described in Subsection (2) with false information; or

104 (ii) falsely claims the owner's property is residential property that qualifies for a

105 residential exemption in Section 59-2-103.

106 (b) The penalty described in Subsection ~~{(5)}~~ (6) (a) is an amount equal to
the sum of:

107 (i) the property tax that would have been due on the property without the residential
108 exemption for the tax year in which:

109 (A) the property owner received the residential exemption; and

110 (B) violated Subsection ~~{(5)}~~ (6) (a); and

111 (ii) 10% of the amount described in Subsection ~~{(5)}~~ (6) (b)(i).

112 ~~{(4)}~~ ~~{(6)}~~ (7) (a) In accordance with Title 63, Chapter 46a, Utah
Administrative Rulemaking

113 Act, the commission shall make rules providing:

114 (i) the form for the statement described in Subsection ~~{(4)}~~ (2); and

115 (ii) the contents of the form for the statement described in Subsection ~~{(4)}~~ (2).

116 (b) The commission shall make the form described in Subsection ~~{(4)}~~

~~{(6)}~~ (7) (a) available

117 to counties.

The motion to amend passed unanimously with Rep. Hughes and Rep. Tilton absent for the vote.

Rep. Froerer, accompanied by Angela Oakes, Associate General Counsel Office of Legislative Research and General Counsel, explained the bill to the committee. The following individuals spoke in favor of the bill:

James Bray	Fair Property Tax Committee, Washington County
John Primbs	Huntsville resident
Stephen Clarke	Eden resident (Ogden Valley GEM Committee)
Larry Zini	Valley Citizens for Responsible Development, Ogden Valley

Royce Van Tassell, Utah Taxpayers Association, spoke against the bill.

MOTION: Rep. Johnson moved to send H.B. 155 as amended to interim for further study.

SUBSTITUTE MOTION: Rep. Last moved to transmit H.B. 155 with a favorable recommendation. The substitute motion failed with Rep. Harper, Rep. Hughes, Rep. Last, Rep. Tilton, and Rep. Wimmer voting in favor.

The vote on the original motion to send H.B. 155 to interim passed unanimously.

H.B. 304 Reduction in State Sales and Use Tax Rate on Food and Food Ingredients
(Rep. L. Wiley)

MOTION: Rep. Johnson moved to adopt 1st Substitute H.B. 304, Sales and Use Tax Revenues for Qualified Emergency Food Agencies. The motion passed unanimously with Rep. Last absent for the vote.

MOTION: Rep. Frank moved to send the original H.B. 304 to interim study. The motion passed unanimously with Rep. Last absent for the vote.

Rep. Wiley, assisted by Gina Cornia, Executive Director of Utahns Against Hunger, distributed a handout and introduced 1st Substitute H.B. 304 and explained it to the committee.

MOTION: Rep. Frank moved to transmit the bill with a favorable recommendation. The motion passed with Rep. Newbold voting in opposition and Rep. Last absent for the vote.

H.B. 373 Uniform Fees on Vintage Motor Vehicles *(Rep. W. Harper)*

MOTION: Rep. Harper moved to adopt 1st Substitute H.B. 373. The motion passed unanimously with Rep. Cosgrove and Rep. Last absent for the vote.

Rep. Harper introduced the bill and explained it to the committee. Wayne Jones, Executive Director, Utah Independent Auto Dealers Association, spoke in favor of the bill.

MOTION: Rep. Newbold moved to transmit 1st Substitute H.B. 373 with a favorable recommendation. The motion passed unanimously with Rep. Last absent for the vote.

H.B. 365 Aviation Amendments *(Rep. W. Harper)*

MOTION: Rep. Harper moved to amend H.B. 365 as follows:

1. Page 8, Lines 236 through 243:

- 236 (8) (a) The Utah Division of Aeronautics shall maintain a statewide database of all
237 aircraft based within the state.
238 (b) On or before October 1 of each year, the Utah Division of Aeronautics shall
239 provide the Tax Commission with {~~access to~~ **the data the Tax Commission**
 requires from the database described in Subsection (8)(a).
240 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 the
241 commission may by rule define the contents of the database described in Subsection (8)(a).
242 (9) The Tax Commission may suspend or revoke a registration if it determines that
 the
243 required fee has not been paid and the fee is not paid upon reasonable notice and demand.

The motion passed unanimously with Rep. Last absent for the vote.

Rep. Harper introduced the amended bill and explained it to the committee. The following individuals spoke in favor of the bill:

Jim Petersen	Utah Airport Operators Association
John Hafen	Utah Airport Operators Association
Leonard Wojick	Utah General Aviation Association
Kris Poulson	Utah County Assessor

The following individuals spoke to the bill:

Lee Gardner	Salt Lake County Assessor
Rod Marrelli	Utah State Tax Commission

Chris Finlinson representing Salt Lake County spoke against the bill.

MOTION: Rep. Newbold moved to transmit H.B. 365 as amended with a favorable recommendation. The motion passed with Rep. Cosgrove, Rep. Johnson, and Rep. McGee voting in opposition and Rep. Hughes and Rep. Last absent for the vote.

1st Sub. S.B. 137 Mineral Production Tax Withholding Amendments (Sen. W. Niederhauser) (Rep. J. Dougall)

Sen Niederhauser introduced the bill and explained it to the committee. Bruce Johnson, Utah Tax Commission spoke to the bill.

MOTION: Rep. Harper moved to transmit 1st Sub. S.B. 137 with a favorable recommendation. The motion passed unanimously with Rep. Last and Rep. Tilton absent for the vote.

H.B. 180 Study on Taxpayer Advocate Program (Rep. K. Grover)

H.B. 180 was not heard in this meeting

S.B. 135 Extending the Sales and Use Tax Exemption for Pollution Control Facilities (Sen. W. Niederhauser) (Rep. J. Dougall)

S.B. 135 was not heard in this meeting.

S.B. 64 Income Tax - Capital Gain Transactions (Sen. W. Niederhauser) (Rep. J. Dougall)

S. B. 64 was not heard in this meeting.

S.B. 31 Income Tax Amendments (Sen. W. Niederhauser) (Rep. J. Dougall)

S. B. 31 was not heard in this meeting.

S.B. 96 Multi-channel Video or Audio Service Tax Act Amendments (Sen. W. Niederhauser) (Rep. K. Garn)

S. B. 96 was not heard in this meeting.

MOTION: Rep. Harper moved to adjourn. The motion passed unanimously with Rep. Last and Rep. Tilton absent for the vote..

Rep. Dougall adjourned the meeting at 10:00 a.m.

Rep. John Dougall, Chair