

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

February 2, 2009

MEMBERS PRESENT: Rep. Todd Kiser, Chair
 Rep. Gage Froerer, Vice Chair
 Rep. Sheryl Allen
 Rep. Tim M. Cosgrove
 Rep. John Dougall
 Rep. Susan Duckworth
 Rep. Julie Fisher
 Rep. Wayne Harper
 Rep. Greg Hughes
 Rep. Christine Johnson
 Rep. Carol Spackman Moss
 Rep. Merlynn T. Newbold
 Rep. Stephen Sandstrom
 Rep. Jennifer Seelig
 Rep. Evan Vickers

MEMBERS ABSENT: Rep. Eric Hutchings

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. Kiser called the meeting to order at 8:09 a.m.

MOTION: Rep. Fisher moved to approve the minutes of the January 29, 2008 meeting. The motion passed unanimously with Rep. Dougall, Rep. Moss and Rep. Sandstrom absent for the vote.

H.B. 35 Nonrefundable Higher Education Tuition Credit (*Rep. J. Dougall*)

MOTION: Rep. Dougall moved to substitute H.B. 35 Nonrefundable Higher Education Tuition Credit with 1st Substitute H.B. 35 Higher Education Tax Credit and Contribution. The motion passed unanimously with Rep. Allen, Rep. Duckworth, Rep. Hughes, Rep. Johnson, Rep. Moss, Rep. Sandstrom and Rep. Seelig absent for the vote.

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

1. *Page 10, Lines 284 through 289:*

284 (ii) If the taxpayer does not sign and return the account agreement by the date

specified
285 by the Utah Educational Savings Plan Trust {~~;~~
286 ~~—(A)}~~ the Utah Educational Savings Plan Trust shall return the contribution to
the
287 ~~{-commission}~~ taxpayer without any interest or earnings ~~{; and}~~ ;
288 ~~{(B) the commission shall remit the taxpayer's individual income tax refund~~
to the
289 taxpayer.}

2. Page 10, Lines 290 through 296:

290 (4) For the purpose of determining interest on an overpayment or refund under
Section
291 59-1-402 {~~;~~
292 ~~—(a)}~~ no interest accrues after the commission sends the contribution to the
Utah
293 Educational Savings Plan Trust ~~{; and}~~ ;
294 ~~{(b) if the Utah Educational Savings Plan Trust returns a contribution to the~~
commission
295 pursuant to Subsection (3)(c)(ii)(A), the return of the contribution shall be considered
the filing
296 of a return under Subsection 59-1-402(4)(a).}

The motion passed unanimously with Rep. Duckworth, Rep. Hughes, Rep. Johnson, Rep. Moss, Rep. Sandstrom and Rep. Seelig absent for the vote.

Rep. Dougall assisted by Lynne Ward, Utah Educational Savings Plan Program Manager, introduced the bill and explained it to the committee. Cecelia Foxley, United Way, and Dave Buhler, Associate Commissioner for Public Affairs, Utah System of Higher Education, spoke in favor of the bill. Steve Peterson, Utah School Boards Association, and Royce Van Tassell, Utah Taxpayers Association, spoke against the bill.

MOTION: Rep. Froerer moved to transmit 1st Sub H.B. 35 as amended. The motion passed with Rep. Cosgrove, Rep. Duckworth, Rep. Johnson, and Rep. Moss voting in opposition.

H.B. 70 Cigarette Tax Exemption Amendments (Rep. E. Vickers)

Rep. Vickers introduced the bill and explained it to the committee. Bruce Johnson, Utah State Tax Commission, spoke in favor of the bill.

MOTION: Rep. Dougall moved to transmit H.B. 70 with a favorable recommendation. The motion passed unanimously.

MOTION: Rep. Dougall moved that H.B. 70 be placed on the Consent Calendar. The motion passed unanimously.

H.B. 71 Withholding Tax Amendments (Rep. E. Vickers)

Rep. Vickers introduced the bill and explained it to the committee. Bruce Johnson, Utah State Tax Commission spoke in favor of the bill.

MOTION: Rep. Johnson moved to transmit H.B. 71 with a favorable recommendation. The motion passed unanimously with Rep. Moss absent for the vote.

H.B. 76 Income Tax Credit for Military Retired Pay (Rep. S. Mascaro)

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

1. *Page 1, Lines 21 through 22:*

21 This bill {~~has retrospective operation~~} takes effect for a taxable year
beginning on or after January 1,
22 {~~2009~~} 2010 .

2. *Page 3, Lines 79 through 80:*

79 (4) The maximum amount of a tax credit a claimant may claim on a return for a
taxable
80 year, regardless of filing status, is the amount determined under Subsection
{~~(1)~~} (2) .

3. *Page 3, Lines 85 through 87:*

85 Section 3. {~~Retrospective operation~~} Effective date .
86 This bill {~~has retrospective operation~~} takes effect for a taxable year
beginning on or after January 1,
87 {~~2009~~} 2010 .

The motion passed unanimously with Rep. Dougall and Rep. Moss absent for the vote.

Rep. Mascaro introduced amended H.B. 76 and explained it to the committee. Royce Van Tassell, Utah Taxpayers Association, spoke against the bill.

MOTION: Rep. Johnson moved to transmit H.B. 76 as amended with a favorable recommendation. The motion passed unanimously with Rep. Dougall, Rep. Moss, and Rep. Sandstrom absent for the vote.

H.B. 83 Property Tax Relief Programs (*Rep. G. Froerer*)

Rep. Froerer introduced the bill and explained it to the committee. Allison Rowland, Voices for Utah Children, spoke in favor of the bill.

MOTION: Rep. Cosgrove moved to transmit H.B. 83 with a favorable recommendation. The motion passed unanimously with Rep. Dougall, Rep. Moss, and Rep. Sandstrom absent for the vote.

MOTION: Rep. Johnson moved that H.B. 83 be placed on the Consent Calendar then withdrew the motion.

H.B. 246 Property Tax - Residential Exemption (*Rep. G. Froerer*)

This bill was not heard in this meeting.

MOTION: Rep. Harper moved to adjourn. The motion passed unanimously with Rep. Dougall, Rep. Moss, and Rep. Sandstrom absent for the vote..

Rep. Kiser adjourned the meeting at 9:26 a.m.

Rep. Todd E. Kiser, Chair