

AGENDA

REVENUE AND TAXATION INTERIM COMMITTEE UTAH LEGISLATURE

Wednesday, November 14, 2018 • 8:00 a.m. • Room 445 State Capitol

1. Committee Business

- Call to order
- Approval of the minutes of the October 17, 2018, meeting
- Discussion topics
 - Sales tax exemption for Oil and Gas extractors

2. Repatriation Transition Tax

The committee will consider draft legislation that clarifies that all corporations that receive deferred foreign income are required to pay the state income tax.

- Draft legislation 2019FL0788 “Repatriation Transition Tax Amendments” – Committee staff
- Public comment
- Committee discussion/action

3. Earned Income Tax Credit

The committee will consider two versions of draft legislation that would create a state refundable earned income tax credit.

- Draft legislation 2019FL0328 “Income Tax Code Amendments” – Committee staff
- Draft legislation 2019FL0610 “Earned Income Tax Credit Amendments” – Committee staff
- Public comment
- Committee discussion/action

4. Property Tax Valuation Process

The committee will consider draft legislation, similar to 2018 General Session HB 307, that modifies the property tax valuation and appeals processes for county assessed real property.

- Draft legislation 2019FL0039 “Property Tax Amendments” – Rep. Timothy Hawkes
- Public comment
- Committee discussion/action

5. Tax Commission Amendments

The committee will consider draft legislation that extends the repeal dates of the provisions created in 2017 General Session S.B. 17, “Tax Commission Amendments.” The provisions include authorization for the State Tax Commission to hold a meeting that is not open to the public to provide guidance to the commission’s employees on the interpretation and application of a law administered by the commission and a reporting requirement for any such meetings.

- Draft legislation 2019FL0341 “Tax Commission Amendments” – Committee staff
- Representatives from the Utah State Tax Commission
- Public comment
- Committee discussion/action

6. Tax Exemptions, Deferrals, and Abatements

The committee will consider draft legislation that makes clarifying amendments to Title 59, Chapter 2, Property Tax Act.

- Draft legislation 2019FL0340 “Tax Exemptions, Deferrals, and Abatements Amendments” - Committee staff
- Representatives from the Utah State Tax Commission
- Public comment
- Committee discussion/action

7. Nexus Standard for Utah Corporate Income Tax

The committee will discuss draft legislation that would amend the corporate income tax code by defining when a corporation is doing business or exercising a corporate franchise in the state for income tax purposes.

- Draft legislation 2019FL0520 “Income Tax Provisions” – Committee staff
- Public comment
- Committee discussion/action

8. Business Tangible Personal Property Tax Exemption

The committee will consider draft legislation that would amend state code and provide for an amendment to the Utah Constitution to create a property tax exemption for all business tangible personal property that does not qualify for a sales tax exemption.

- Sen. Stephenson and Rep. Eliason
- Draft legislation 2019FL0849 “Business Tax Amendments” – Committee staff
- Draft legislation 2019FL0848 “Proposal to Amend Utah Constitution – Business Tangible Personal Property Tax Exemption” – Committee staff
- Public comment
- Committee discussion/action

9. Statutorily Required Income Tax Credits Review

The committee is required to review specific income tax credits annually, on a three-year cycle. The committee will invite public comment on status of these tax credits. The specific credits under review in 2018 are described in Sections:

59-7-614.10 and 59-10-1037; 59-10-1022; 59-7-614.2 and 59-10-1107; 59-9-107; 59-7-614.11 and 59-10-1039; 59-10-1012; 59-10-1013; 63N-2-305; 59-7-619 and 59-10-1034; and 59-7-609 and 59-10-1006.

- Committee staff
- Public comment

10. Income Tax Credits Cleanup and Potential Income Tax Rate Change

The committee will consider draft legislation that makes the income tax credit rate of certain income tax credits consistent with the income tax rate. The committee will also consider lowering the income tax rate.

- Sen. Stephenson and Rep. Eliason
- Draft legislation 2019FL0790 “Modifications to Tax” – Committee staff
- Public comment
- Committee discussion/action

11. Achieving a Better Life Experience (ABLE)

In 2014, Congress passed the Achieving a Better Life Experience Act, authorizing the creation ABLE plans by states. The committee will consider draft legislation that would require the Department of Workforce Services to partner with an ABLE plan administrator to provide access to that plan for Utah residents.

- Draft legislation, 2019FL0797 “ABLE Act Amendments” – Committee staff
- Representatives from the Department of Workforce Services
- Public comment
- Committee discussion

12. Definition of Domicile for Income Tax Purposes

The committee will consider draft legislation that would modify provisions relating to income tax domicile requirements.

- Draft legislation, 2019FL364 “Income Tax Domicile Amendments” – Committee staff
- Public comment
- Committee discussion/action

13. Statutorily-required Study (Section 59-2-1007)

Utah Code Section 59-2-1007 requires the Revenue and Taxation Interim Committee to study the process for a county to object to an assessment of property assessed by the Tax Commission. 2018 General Session H.B. 21 made amendments to that process. The committee will hear a report on this issue.

- Rep. McCay
- Public comment
- Committee discussion

14. Review of the Legislative Auditor General’s Recent Audit of the Utah State Tax Commission

The Legislative Auditor General recently completed an audit of the Utah State Tax Commission titled, “A Performance Audit of the Utah State Tax Commission (Report 2018-07).” The committee heard a report of the findings in the audit during the October interim meeting and opened a committee bill file on the issue. The committee will hear a brief status report from the committee chairmen.

- Sen. Stephenson and Rep. Eliason
- Public comment
- Committee discussion

15. Other Items/Adjourn