



MINUTES

HOUSE REVENUE AND TAXATION STANDING COMMITTEE

LEGISLATURE

Friday, February 22, 2019 | 2:00 p.m. | 445 State Capitol

Members Present:

Rep. Robert M. Spendlove, Chair
Rep. Tim Quinn, Vice Chair
Rep. Kyle R. Andersen
Rep. Stewart E. Barlow
Rep. Joel K. Briscoe
Rep. Ken Ivory
Rep. Douglas V. Sagers
Rep. Rex P. Shipp
Rep. Andrew Stoddard

Rep. Mark A. Strong
Rep. Norman K. Thurston

Members Absent:

Rep. Steve Eliason
Rep. Jefferson Moss
Rep. Stephanie Pitcher

Staff Present:

Ms. Linda Service, Session Secretary
Mr. Alex R. Janak, Policy Analyst

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Vice Chair Quinn called the meeting to order at 2:03 p.m.

1 . S.B. 79 Sales and Use Tax Changes (Harper, W.)

Sen. Harper introduced the bill.

MOTION: Rep. Spendlove moved to pass S.B. 79 out favorably. The motion passed with a vote of 10 - 0 - 4.

Yeas-10

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. M. Strong
Rep. N. Thurston

Nays-0

Absent-4

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher
Rep. A. Stoddard

MOTION: Rep. Spendlove moved to place S.B. 79 on the Consent Calendar. The motion passed with a vote of 10 - 0 - 4.

Yeas-10

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. M. Strong
Rep. N. Thurston

Nays-0

Absent-4

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher
Rep. A. Stoddard

2 . H.B. 196 Enterprise Zone Tax Credit Amendments (Sagers, D.)

Rep. Sagers introduced the bill.

MOTION: Rep. Spendlove moved to amend H.B. 196 with Amendment #1. The motion passed with a vote of 11 - 0 - 3.

Amendment 1
H.B. 196

1. Page 3, Lines 61 through 62:

61 (a) ~~(i) except as provided in Subsection (7)(a)(ii),~~ a tax credit of \$750 may be claimed by a business entity for each new full-time

62 employee position created within the enterprise zone; or

(ii) if a business entity produces, processes, distributes, dispenses, or stores hydrogen for use as a fuel, a tax credit of \$750 may be claimed by the business entity for each new full-time employee position created within the enterprise zone if the new full-time employee position created within the enterprise zone pays at least 125% of:

(A) the county average monthly nonagricultural payroll wage for the respective industry as determined by the Department of Workforce Services; or

(B) if the county average monthly nonagricultural payroll wage is not available for the respective industry, the total average monthly nonagricultural payroll wage in the respective county where the enterprise zone is located;

2. Page 3, Lines 63 through 69:

63 (b) ~~(i) except as provided in Subsection (7)(b)(ii),~~ an additional \$500 tax credit may be claimed if the new full-time employee position

64 created within the enterprise zone pays at least 125% of:

65 ~~{(i)}~~ (A) the county average monthly nonagricultural payroll wage for the respective industry

66 as determined by the Department of Workforce Services; or

67 ~~{(ii)}~~ (B) if the county average monthly nonagricultural payroll wage is not available for the

68 respective industry, the total average monthly nonagricultural payroll wage in the respective

69 county where the enterprise zone is located; or

(ii) if a business entity produces, processes, distributes, dispenses, or stores hydrogen for use as a fuel, an additional \$500 tax credit may be claimed if the new full-time employee position created within the enterprise zone pays at least 150% of:

(A) the county average monthly nonagricultural payroll wage for the respective industry as determined by the Department of Workforce Services; or

(B) if the county average monthly nonagricultural payroll wage is not available for the respective industry, the total average monthly nonagricultural payroll wage in the respective county where the enterprise zone is located;

3. Page 3, Lines 77 through 83:

77 ~~{(e) an additional tax credit of \$750 may be claimed if the new full-time employee~~

78 ~~position created within the enterprise zone is in a business entity that produces or processes~~

79 ~~hydrogen for use as a fuel;~~

80 ~~{(f) an additional tax credit of \$750 may be claimed if the new full-time employee~~

81 ~~position created within the enterprise zone is in a business entity that distributes or dispenses~~

82 ~~hydrogen fuel;}~~

83 ~~{(g)}~~ a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in

4. Page 3, Line 85:

85 ~~{(f)}~~ ~~{(h)}~~ an annual investment tax credit of 10% of the first \$250,000 in investment,

5. Page 3, Line 88:

88 ~~{(g)}~~ an additional annual investment tax credit of 10% of the first \$250,000 investment.

6. Page 4, Lines 92 through 94:

92 ~~(ii) to distribute~~ ~~{or}~~ dispense, or store hydrogen fuel.

93 (8) (a) Subject to the limitations of Subsection (8)(b), a business entity claiming a tax

94 credit under Subsections (7)(a) through ~~{(d)}~~ ~~{(f)}~~ may claim the tax credit for no more than 30

7. Page 4, Lines 96 through 99:

96 (b) A business entity that received a tax credit for one or more new full-time employee

97 positions under Subsections (7)(a) through ~~(d)(1)(f)~~ in a prior taxable year may claim a tax
98 credit for a new full-time employee position in a subsequent taxable year under Subsections
99 (7)(a) through ~~(d)(1)(f)~~ if:

8. Page 4, Line 107:
107 through ~~(d)(1)(f)~~.

9. Page 4, Lines 115 through 116:
115 (a) may not claim tax credits under Subsections (7)(a) through ~~(d)(1)(f)~~; and
116 (b) may claim tax credits under Subsections ~~(7)(e)(1)(7)(g)~~ through ~~(f)(i)(g)~~.

Yeas-11

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. M. Strong
Rep. N. Thurston

Nays-0

Absent-3

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher

MOTION: Rep. Spendlove moved to pass H.B. 196 out favorably. The motion passed with a vote of 10 - 1 - 3.

Yeas-10

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. M. Strong

Nays-1

Rep. N. Thurston

Absent-3

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher

MOTION: Rep. Spendlove moved to approve the minutes of the February 20, 2019 meeting. The motion passed with a vote of 11 - 0 - 3.

Yeas-11

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. M. Strong
Rep. N. Thurston

Nays-0

Absent-3

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher

MOTION: Rep. Spendlove moved to adjourn. Vice Chair Quinn adjourned the meeting at 2:23 p.m. The motion passed with a vote of 11 - 0 - 3.

Yeas-11

Rep. K. Andersen
Rep. S. Barlow
Rep. J. Briscoe
Rep. K. Ivory
Rep. T. Quinn
Rep. D. Sagers
Rep. R. Shipp
Rep. R. Spendlove
Rep. A. Stoddard
Rep. M. Strong
Rep. N. Thurston

Nays-0

Absent-3

Rep. S. Eliason
Rep. J. Moss
Rep. S. Pitcher