Chair Gibson called the meeting to order.

1. Task Force Business

MOTION: Sen. Hillyard moved to approve the minutes. The motion passed with a vote of 10 - 0 - 0.

Yeas-10
Sen. C. Bramble
Rep. J. Briscoe
Sen. K. Cullimore
Sen. L. Fillmore
Rep. F. Gibson
Sen. L. Hillyard
Sen. K. Mayne
Rep. T. Quinn
Rep. M. Schultz
Rep. R. Spendlove

Nays-0

Absent-0

2. Review and Consider Policy Proposals

M. Keith Prescott explained his policy proposal for tax restructuring and equalization.

M. Keith Prescott responded to questions from the task force.

Tax Restructuring Policy Paper (Income Tax) - Prescott

Tax Restructuring Policy Paper (General) - Prescott

Ryan M. Hunter, Policy Analyst, Office of Legislative Research and General Counsel, explained Dr. Gary Cornia's policy proposal.

Dr. Gary Cornia further explained his policy proposal.
Dr. Gary Cornia responded to questions from the task force.

Tax Restructuring Policy Paper - Cornia

Alex R. Janak, Policy Analyst, Office of Legislative Research and General Counsel, explained Rep. Briscoe’s policy proposal.

Rep. Briscoe further explained his policy proposal and responded to questions from the committee.


Alex R. Janak explained Sen. Fillmore's policy proposal.

Sen. Fillmore further explained his policy proposal and responded to questions from the committee.


Ryan M. Hunter explained Sen. Mayne's policy proposal.

Sen. Mayne further explained her policy proposal and answered questions from the committee.

Tax Restructuring Policy Proposal - Mayne (updated 10-21-19)

Alex R. Janak explained the Chair's policy proposal.

Chair Hillyard further spoke to the policy proposal.

The task force asked questions of the co-chairs and task force staff.

Tax Restructuring Policy Proposal - Chairs (updated 10-22-2019)

Katrina Long spoke against the Chair's policy proposal.

Dr. Nathan Whiting spoke in opposition to the taxing of veterinary services.

Ron Mortensen spoke in opposition to certain means of taxation being discussed.

Mike Ostermiller, Utah Association of Realtors, spoke in favor of the Chair's proposal

Staci Larsen, Utah Coin Dealers Association, spoke in opposition to the proposed repeal of the sales tax exemption on non-legal tender precious metals products.

Gary Nielsen spoke in opposition to the proposed tax on fine arts schools.

Heidi Matthews, Utah Education Association, spoke in gratitude of the effort of the task force, and against the removal of the constitutional earmark of income tax to public education.

Julie DeLong, Backyard Bookkeeper, spoke in opposition to the Chair’s policy proposal and spoke to the difficulty of collecting and remitting sales tax for small businesses.

Stan Rasmussen, Sutherland Institute, spoke in gratitude of the task force's effort, and in support of the Chair's policy proposal.
Rick Diehl, Western Car Wash Association and Utah Car Wash Association, spoke in opposition to the proposed sales tax exemption repeal on car washes.

Nathan Rex spoke in opposition to the Chair’s policy proposal, specifically to the taxes of services.

Larry Clark spoke in opposition to the policy proposals.

Spencer Nitz, Utah Taxpayer Association, spoke in favor of the proposals of Sen. Fillmore and the Chairs.

Matthew Weinstein, Voices for Utah Children, thanked the Chairs for their policy proposal and suggested additional policy options.

Shawn Hormann, Southwest Adventure Tours, spoke in opposition to the inclusion of tour operations as a taxed service.

Heather Andrews, Americans For Prosperity, voiced concerns about the results of the task force.

Emily Bell McCormick, The Policy Project, thanked Sen. Mayne for the proposal to enact a sales tax exemption for feminine hygiene products.

Nathan Rafferty, President, Ski Utah, spoke in opposition to the repeal of the sales tax exemption for electricity to ski resorts.

Dave Davis, President, Utah Food Industry, voiced concerns for proposals suggesting certain food groups (candy, soda) for sales tax increases.

Susan Olson, Utah Citizens Council, spoke to the complexity of the state’s tax structure and the need for greater tax transparency.

Alex Cragun, Utahn’s Against Hunger, spoke in opposition to the reinstatement of the full sales tax on food.

Larry Hansen, Utah Petroleum Marketers and Retailers Association, expressed appreciation for the public input in the tax restructuring process, and concern about the implementation of the sales tax on motor fuels.

Shelly Teuscher, Marathon Petroleum, spoke in opposition to the sales tax on gasoline.

Cameron Diehl, Utah League of Cities and Towns, thanked the task force for their consideration, voiced appreciation for the tax restructuring process, and responded to questions from the task force.

Bill Tibbitts, Crossroads Urban Center, expressed concern regarding the increase of sales tax on food.

Crystal Young-Otterstrom, Utah Cultural Alliance, spoke to the effect the Chair’s proposal would have on members of the Utah Cultural Alliance.

Jacy Skinner, Salt Lake Chamber, thanked the committee for the transparent process and efforts in the tax restructuring process and admonished the task force to continue to use careful input from individuals and businesses.

Des Barker, Utah Tourism Industry, further explained state transient room tax and asked the task force to approach changes related to that tax with caution.

Joe Rudd, Utah Funeral Directors Association, spoke in appreciation of not being included in services sales tax exemption repeal policy proposals.
Candace Daly, National Federation of Independent Business, spoke to the effects the tax restructuring policy proposals would have on members of her association.

3. Other Items/Adjourn

Chair Hillyard spoke to the tax restructuring and equalization task force process.

MOTION: Sen. Hillyard moved to direct staff to draft a task force bill using the Chair's proposal.

SUBSTITUTE MOTION: Rep. Spendlove moved to add to the Chair's proposal an earned income tax credit equivalent to 10% of the federal EITC, aimed at those experiencing inter-generational poverty, and to include a reporting requirement for sales tax exemptions that are granted. The substitute motion passed with a vote of 6 - 3 - 1.

Yeas-6  
Sen. K. Cullimore  
Sen. L. Fillmore  
Rep. F. Gibson  
Sen. L. Hillyard  
Rep. M. Schultz  
Rep. R. Spendlove  

Nays-3  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. K. Mayne  

Absent-1  
Rep. T. Quinn

MOTION: Sen. Mayne moved to amend the Chair's proposal to add a sales tax exemption on female hygiene products. The motion passed with a vote of 9 - 0 - 1.

Yeas-9  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. K. Cullimore  
Sen. L. Fillmore  
Rep. F. Gibson  
Sen. L. Hillyard  
Sen. K. Mayne  
Rep. M. Schultz  
Rep. R. Spendlove  

Nays-0  

Absent-1  
Rep. T. Quinn

MOTION: Rep. Schultz moved to open a task force bill file for a resolution to provide for an amendment to the constitution to remove the earmark of income tax for education, and another to find an alternative, more stable, funding mechanism for public education system.

SUBSTITUTE MOTION: Sen. Bramble moved to transfer his resolution bill file for amending the constitution to remove the constitutional earmark of income tax for education. The substitute motion passed with a vote of 7 - 2 - 1.

Yeas-7  
Sen. C. Bramble  
Sen. K. Cullimore  
Sen. L. Fillmore  
Rep. F. Gibson  
Sen. L. Hillyard  
Rep. M. Schultz  
Rep. R. Spendlove  

Nays-2  
Rep. J. Briscoe  
Sen. K. Mayne  

Absent-1  
Rep. T. Quinn

MOTION: Rep. Schultz moved to open a task force bill file to develop an alternative, more stable funding mechanism for public education. The motion passed with a vote of 9 - 0 - 1.
Yeas-9  Nays-0  Absent-1
Sen. C. Bramble
Rep. J. Briscoe
Sen. K. Cullimore
Sen. L. Fillmore
Rep. F. Gibson
Sen. L. Hillyard
Sen. K. Mayne
Rep. M. Schultz
Rep. R. Spendlove

MOTION: Sen. Hillyard moved to adjourn. The motion passed with a vote of 9 - 0 - 1.

Yeas-9  Nays-0  Absent-1
Sen. C. Bramble
Rep. J. Briscoe
Sen. K. Cullimore
Sen. L. Fillmore
Rep. F. Gibson
Sen. L. Hillyard
Sen. K. Mayne
Rep. M. Schultz
Rep. R. Spendlove

Chair Gibson adjourned the meeting.