

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room W135 - West Office Building, State Capitol Complex
February 22, 2006**

MEMBERS PRESENT: Rep. Wayne A. Harper, Chair
 Rep. Glen A. Donnelson, Vice Chair
 Rep. Tim M. Cosgrove
 Rep. Craig A. Frank
 Rep. Fred R. Hunsaker
 Rep. Roz McGee
 Rep. Carol Spackman Moss
 Rep. Joseph G. Murray
 Rep. Merlynn T. Newbold
 Rep. Ross I. Romero
 Rep. Gordon E. Snow

MEMBERS ABSENT: Rep. Sheryl L. Allen
 Rep. Bradley G. Last
 Rep. Rebecca Lockhart
 Rep. Patrick L. Painter

STAFF: Bryant Howe, Assistant Director
 Rosemary Young, Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Vice Chair Donnelson called the meeting to order at 8:22 a.m.

MOTION: Rep. Moss moved to approve the minutes of the February 20, 2006 meeting. The motion passed unanimously with Rep. Newbold absent for the vote.

H.B. 385 Corporate Franchise and Income Tax Credits for Biodiesel Fuel Production
(Rep. M. Noel)

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

1. *Page 1, Lines 20 through 21:*

20 ▶ provides that the tax credits :

 may be carried forward for a three taxable-year period

21 under certain circumstances; and

• may not exceed a combined amount of \$250,000 per taxpayer in a taxable year; and

2. *Page 2, Lines 48 through 51:*

48 (2) Subject to Subsection (4)(a)(i), for taxable years beginning on or after January 1,
49 2007, a taxpayer that constructs or remodels a biodiesel production facility may claim a
50 nonrefundable tax credit equal to {~~50%~~ 25% of the purchase price of
 machinery, equipment, or
51 materials:

3. *Page 3, Line 66:*

66 may be carried forward for a time period that does not exceed the next three taxable years.
(c) The total amount of the credits claimed under this section in a taxable year
may not exceed \$250,000 per taxpayer.

Rep. Noel introduced the bill and explained it to the committee. Rick Sprott, Utah Division of Air Quality, spoke in favor of the bill.

MOTION: Rep. Snow moved to further amend the bill by changing "25 %" on line 50 to read "10 %". The motion passed unanimously with Rep. McGee absent for the vote.

MOTION: Rep. Frank moved to transmit HB 385 as amended with a favorable recommendation. The motion passed unanimously with Rep. McGee absent for the vote.

H.B. 273 Sales and Use Tax Exemption for Textbooks for Higher Education (*Rep. D. Bourdeaux*)

Rep. Cosgrove introduced the bill and explained it to the committee. Commissioner Pam Hendrickson, Utah State Tax Commission, spoke to the bill.

MOTION: Rep. Moss moved to transmit HB 273 with a favorable recommendation. The motion passed with Rep. Murray, Rep. Newbold, Rep. Harper, and Rep. Donnelson voting in opposition and Rep. McGee absent for the vote.

MOTION: Rep. Romero moved to adjourn. The motion passed unanimously with Rep. McGee absent for the vote.

The Vice Chair adjourned the meeting at 9:00 a.m.

Rep. Wayne A. Harper, Chair