

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

**January 22, 2008**

MEMBERS PRESENT:     Rep. John Dougall, Chair  
                              Rep. Craig A. Frank, Vice Chair  
                              Rep. Roger Barrus  
                              Rep. Tim M. Cosgrove  
                              Rep. Wayne A. Harper  
                              Rep. Gregory H. Hughes  
                              Rep. Christine Johnson  
                              Rep. Bradley G. Last  
                              Rep. Roz McGee  
                              Rep. Carol Spackman Moss  
                              Rep. Merlynn T. Newbold  
                              Rep. Aaron Tilton  
                              Rep. Carl Wimmer

MEMBERS ABSENT:     Rep. Gordon E. Snow

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. Frank called the meeting to order at 9:13 a.m. and invited the committee members and staff to introduce themselves.

**H.B. 52            Research Activities Tax Credits Amendments (Rep. J. Dougall)**

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

*1. Page 2, Lines 37 through 45:*

- 37           (1) (a) A taxpayer meeting the requirements of this section may claim the following  
38 nonrefundable tax credits:  
39           (i) a research tax credit of ~~{7%}~~ 5% of the taxpayer's qualified research  
              expenses for the  
40 current taxable year that exceed the base amount provided for under Subsection (4);  
41           (ii) a tax credit for ~~[payments]~~ a payment to a qualified ~~[organizations]~~ organization

for  
42 basic research as provided in Section 41(e), Internal Revenue Code, of ~~{7%}~~ 5%  
for the current  
43 taxable year that exceed the base amount provided for under Subsection (4); and  
44 (iii) a tax credit equal to ∴  
(A) for the taxable year beginning on or after January 1, 2008, but beginning on  
or before December 31, 2008, 5% of the taxpayer's qualified research expenses for the  
45 current taxable year ~~{7%}~~ ∴  
(B) for the taxable year beginning on or after January 1, 2009, but beginning on  
or before December 31, 2009, 6.3% of the taxpayer's qualified research expenses for  
the current taxable year; or  
(C) for taxable years beginning on or after January 1, 2010, 9.2% of the  
taxpayer's qualified research expenses for the current taxable year.

2. Page 8, Lines 223 through 232:

223 (1) (a) A claimant, estate, or trust meeting the requirements of this section may claim  
224 the following nonrefundable tax credits:  
225 (i) a research tax credit of ~~{7%}~~ 5% of the claimant's, estate's, or trust's  
qualified research  
226 expenses for the current taxable year that exceed the base amount provided for under  
227 Subsection (3);  
228 (ii) a tax credit for ~~[payments]~~ a payment to a qualified ~~[organizations]~~ organization  
for  
229 basic research as provided in Section 41(e), Internal Revenue Code of ~~{7%}~~ 5%  
for the current  
230 taxable year that exceed the base amount provided for under Subsection (3); and  
231 (iii) a tax credit equal to ∴  
(A) for the taxable year beginning on or after January 1, 2008, but beginning on  
or before December 31, 2008, 5% of the claimant's, estate's, or trust's qualified research  
232 expenses for the current taxable year ~~{7%}~~ ∴  
(B) for the taxable year beginning on or after January 1, 2009, but beginning on  
or before December 31, 2009, 6.3% of the claimant's, estate's, or trust's qualified  
research expenses for the current taxable year; or  
(C) for taxable years beginning on or after January 1, 2010, 9.2% of the  
claimant's, estate's, or trust's qualified research expenses for the current taxable  
year.

The motion to amend passed unanimously with Rep. Moss absent for the vote.

Rep. Dougall introduced HB 52 as amended and explained it to the committee. Royce Van Tassell of the Utah Taxpayers Association spoke in favor of the bill.

**MOTION:** Rep. Harper moved to transmit the amended bill with a favorable recommendation. The motion passed unanimously with Rep. Moss absent for the vote.

**H.B. 77      Personal Property Tax Amendments (*Rep. J. Dougall*)**

**MOTION:** Rep. Dougall moved to delete in title and body H.B. 77 and replace it with 1st Substitute H.B. 77 and to amend as follows:

1.      Page 10, Line 274:              Delete \$5,000 and insert \$1,000
2.      Page 34, Line 1027:              Delete \$5,000 and insert \$1,000

The motion passed unanimously.

Rep. Dougall introduced 1st Sub H.B. 77 as amended and explained it to the committee. Kris Poulson, Utah County Assessor, and Candace Daly, National Federation of Independent Business, spoke in favor of the bill. Pam Hendrickson, Utah Tax Commission, spoke to the bill.

**MOTION:** Rep. Last moved to transmit the bill with a favorable recommendation. The motion passed unanimously.

**MOTION:** Rep. Dougall moved to adjourn. The motion passed unanimously.

Rep. Frank adjourned the meeting at 9:47 am.

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Rep. John Dougall, Chair