

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 445 - State Capitol, State Capitol Complex**

February 25, 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. Gordon E. Snow
 Rep. Aaron Tilton
 Rep. Carl Wimmer

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. Dougall called the meeting to order at 8:07 a.m.

MOTION: Rep. Frank moved to approve the minutes of the February 21, 2008 meeting. The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. Moss, Rep. Newbold, Rep. Snow, and Rep. Tilton absent for the vote.

H.B. 183 Sales and Use Tax Amendments (*Rep. W. Harper*)

Rep. Harper introduced the bill and explained it to the committee. Bruce Jones, Utah Transit Authority, spoke in favor of the bill.

MOTION: Rep. Frank moved to transmit H.B. 183 with a favorable recommendation. The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. Moss, Rep. Newbold, Rep. Snow, and Rep. Tilton absent for the vote.

H.B. 206 Tax Amendments (*Rep. W. Harper*)

MOTION: Rep. Harper moved to amend H.B. 206 as follows:

1. Page 29, Line 890 through Page 30, Line 896:

890 (c) (i) For purposes of Subsection [(12)] (15)(a)[(ii)(A)] (i), tangible personal
property,
891 a product, or a service that is distinct and identifiable does not include:
892 [(ii) (A)] packaging that:
893 [(A)] (I) accompanies the sale of the tangible personal property, product, or service;
894 and
895 [(B)] (II) is incidental or immaterial to the sale of the tangible personal property,
896 product, or service;

897 [(ii) (B)] tangible personal property , a product, or a service provided free of
charge with the purchase of
898 another item of tangible personal property , a product, or a service ; or
899 [(iii) (C)] an item of tangible personal property, a product, or a service included
in the
900 definition of "purchase price."
901 [(d) (ii)] For purposes of Subsection [(12)] (15)(c)[(ii)(i)(B)], an item of tangible
902 personal property , a product, or a service is provided free of charge with the
purchase of another item of tangible
903 personal property , a product, or a service if the sales price of the purchased item of
tangible personal property , product, or service does not
904 vary depending on the inclusion of the tangible personal property , product, or service
provided free of charge.

2. Page 94, Lines 2890 through 2894:

2890 (b) notwithstanding Subsection (18)(a), amounts paid or charged for the following
2891 ~~{tangible personal property or products transferred electronically}~~ are subject to
the taxes
2892 imposed by this chapter:

2893 (i) (A) subject to Subsection (18)(b)(i)(B), the following ~~{tangible personal
property}~~ if
2894 ~~{the tangible personal property is}~~ used in a manner that is incidental to farming:

The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. Moss, Rep. Newbold,
Rep. Snow, and Rep. Tilton absent for the vote.

Rep. Harper introduced the bill and explained it to the committee assisted by Bruce Johnson, Utah Tax Commission. Jim Olsen, Utah Retail Merchants Association, spoke in favor of the bill.

MOTION: Rep. Barrus moved to transmit H.B. 206 as amended with a favorable recommendation. The motion passed with Rep. Cosgrove voting in opposition and Rep. Hughes and Rep. Last absent for the vote.

**3rd Sub. S.B. 48 Equalization of School Capital Outlay Funding (Sen. D. Eastman)
(Rep. A. Tilton)**

MOTION: Rep. Frank moved to adopt 4th Substitute S.B. 48. The motion passed unanimously with Rep. Harper, Rep. Hughes, and Rep. Last absent for the vote.

Sen. Eastman introduced the bill and explained it to the committee with handouts and assisted by Angela Oakes, Associate General Counsel Office of Legislative Research and General Counsel. Janet Roberts, Salt Lake School District, distributed a handout and spoke in opposition to the bill. Carlton Christensen, Salt Lake City Council, spoke in opposition to the bill.

MOTION: Rep. Wimmer moved to transmit 4th Sub. S.B. 48 with a favorable recommendation. The motion passed with Rep. Cosgrove, Rep. Johnson, Rep. McGee, Rep. Moss, and Rep. Snow voting in opposition and Rep. Harper absent for the vote.

The following bills and resolutions were not heard at this meeting:

- H.J.R. 14 Joint Resolution Amending Residential Property Assessment Provisions (*Rep. G. Froerer*)
- H.J.R. 9 Resolution Amending Property Tax Provision (*Rep. P. Ray*)
- H.B. 355 Cigarette Tax Increase and Appropriations for Preventive Health Activities (*Rep. P. Ray*)
- 1st Sub. S.B. 84 Net Metering Programs (*Sen. K. VanTassell*) (**Rep. R. Barrus**)

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

Rep. Dougall adjourned the meeting at 9:28 a.m.

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