

CORRECTED
MINUTES OF THE
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING
WEDNESDAY, JANUARY 23, 2008, 2:00 P.M.
ROOM W130, WEST OFFICE BUILDING, STATE CAPITOL COMPLEX

Members Present: Sen. Wayne L. Niederhauser, Chair
Pres. John Valentine
Sen. Curtis S. Bramble
Sen. Mike Dmitrich
Sen. Brent Goodfellow
Sen. Jon J. Greiner
Sen. Howard A. Stephenson
Sen. Michael G. Waddoups

Staff Present: Bryant Howe, Assistant Director, Office of Legislative Research
and General Counsel
Rebecca Rockwell, Associate General Counsel
Karen Allred, Committee Secretary

Public Speakers Present: Bruce Johnson, Commissioner, Utah State Tax Commission
Mark Buchi, Attorney, Holme, Roberts, and Owens Law Firm;
Member, Tax Review Commission
Keith Prescott, Chairman, Utah Tax Review Commission
Linda Hilton, Director, Coalition of Religious Communities
Jerry Oldroyd, Attorney, Comcast
Steve Proper, Comcast/UCTA
Dave Gessell, Utah Hospital Association
Tom Bingham, President, Utah Manufacturers Association
Rick Spratt, Executive Director, Dept. of Environmental Quality
Paul Powell, CEO, Petroglyph Energy
Mike Rich, Vice President, Petroglyph Energy
Lee Peacock, Utah Petroleum Association

A list of visitors and a copy of handouts are filed with the Committee minutes.

Chair Niederhauser welcomed those in attendance and called the meeting to order at 8:34 a.m.

1. S.B. 124 Sales and Use Tax - Definitions of Permanently Attached to Real Property and Tangible Personal Property (H. Stephenson)

Sen. Stephenson explained the bill.

Mark Buchi, attorney, clarified the bill.

1532 be prorated between the two returns, under rules prescribed by the commission in
1533 accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act , to
reflect the
1534 proportions of the taxable year during which the individual was a resident and a
nonresident;
1535 and
1536 (2) {+} {If, for purposes of Section 59-10-120, an individual is required to
file two returns
1537 for a taxable year,} the total amount of the taxes due [~~thereon shall~~] on the two returns
may not
1538 be less than the total amount of the taxes that would be due if the total of the taxable
incomes
1539 reported on the two returns [~~were includable~~] had been included in one return.

3. Page 74, Lines 2265 through 2276:

2265 (2) An estate or trust may not carry forward or carry back a tax credit under this
2266 section.
(3) The tax credit allowed by Subsection (1) shall be reduced by \$.013 for each
dollar by which an estate's or trust's state taxable income exceeds \$12,000.
2267 {~~(3)~~} (4) In accordance with Title 63, Chapter 46a, Utah Administrative
Rulemaking Act:
2268 (a) for purposes of Subsection (1)(a)(iv), the commission may make rules for
2269 determining what constitutes an attorney, accountant, or return preparer fee if that attorney,
2270 accountant, or return preparer fee is consistent with an attorney, accountant, or return
preparer
2271 fee that may be deducted on a federal income tax return for estates and trusts; or
2272 (b) for purposes of Subsection (1)(a)(v), the commission may make rules for
2273 determining what constitutes an other deduction or miscellaneous itemized deduction if
that
2274 other deduction or miscellaneous itemized deduction is consistent with an other deduction
or
2275 miscellaneous itemized deduction that may be deducted on a federal income tax return for
2276 estates and trusts.

Rebecca Rockwell, Associate General Counsel, explained the amendments.

MOTION: Sen. Niederhauser moved to adopt the amendments.

The motion passed unanimously with Sens. Bramble and Goodfellow absent for the vote.

Keith Prescott, Utah Tax Review Commission, spoke in support of the bill.

Linda Hilton, Director, Coalition of Religious Communities, spoke to the bill.

MOTION: Sen. Niederhauser moved to pass S.B. 31 out of Committee with a favorable recommendation.

The motion passed unanimously with Sens. Bramble and Goodfellow absent for the vote.

4. S.B. 96 Multi-channel Video or Audio Service Tax Act Amendments (W. Niederhauser)

Sen. Niederhauser introduced the bill and a handout was distributed.

Jerry Oldroyd, and Steve Proper, Comcast, spoke in support of the bill.

MOTION: Sen. Dmitrich moved to pass S.B. 96 out of Committee with a favorable recommendation.

The motion passed unanimously with Sens. Bramble, Goodfellow and Valentine absent for the vote.

5. S.B. 99 Amendments to Sales and Use Tax Exemption for Prosthetic Devices (W. Niederhauser)

Sen. Niederhauser explained the bill and the following amendments were distributed:

1. *Page 1, Lines 12 through 16:*

12 Highlighted Provisions:

13 This bill:

14 ▶ modifies the ~~{-prescription requirement for purposes of the-}~~ eligibility
requirements for the sales and use tax

15 exemption for prosthetic devices; and

16 ▶ makes technical changes.

2. *Page 15, Lines 458 through 461:*

- 458 (5) sales of a prosthetic device:
459 (a) for use on or in a human; and
460 (b) (i) for which a prescription is [issued] required; [and] or
461 [~~(c) to a person that presents a prescription for the prosthetic device;~~]
= (ii) if the prosthetic device is purchased by a hospital or other medical facility;

MOTION: Sen. Niederhauser moved to adopt the amendments.

The motion passed unanimously with Sens. Bramble, Goodfellow, and Valentine absent for the vote.

Bruce Johnson, Utah State Tax Commission, further clarified the bill.

Dave Gessell, Utah Hospital Association, spoke in support of the bill.

MOTION: Sen. Niederhauser moved to pass S.B. 99 out of Committee with a favorable

The motion passed unanimously with Sens. Bramble, Goodfellow and Valentine absent for the vote.

6. S.B. 135 Extending the Sales and Use Tax Exemption for Pollution Control Facilities
(*W. Niederhauser*)

Sen. Niederhauser explained the bill.

Tom Bingham, President, Utah Manufacturers Association, answered questions from the Committee and spoke in support of the bill.

Rick Spratt, Executive Director, Department of Environmental Quality, further clarified and spoke in support of the bill.

MOTION: Sen. Niederhauser moved to pass S.B. 135 out of Committee with a favorable recommendation.

The motion passed unanimously with Sens. Bramble, Goodfellow and Valentine absent for the vote.

7. S.B. 137 Mineral Production Tax Withholding Amendments (*W. Niederhauser*)

Sen. Niederhauser explained the bill.

Paul Powell, CEO, Petroglyph Energy, Mike Rich, Vice President, Petroglyph Energy and Lee Peacock, Utah Petroleum Association spoke in support of the bill.

MOTION: Sen. Niederhauser moved to pass S.B. 137 out of Committee with a favorable recommendation.

The motion passed unanimously with Sens. Bramble, Dmitrich, Goodfellow and Valentine absent for the vote.

MOTION: Sen. Greiner moved to adjourn.

The motion passed unanimously at 9:55 a.m. with Sens. Bramble, Dmitrich Goodfellow and Valentine absent for the vote.

Sen. Wayne L. Niederhauser, Committee Chair