

**MINUTES OF THE
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING
MONDAY, FEBRUARY 4, 2008, 8:30 P.M.
ROOM W130, WEST OFFICE BUILDING, STATE CAPITOL COMPLEX**

Members Present: Sen. Wayne L. Niederhauser, Chair
Sen. Mike Dmitrich
Sen. Brent Goodfellow
Sen. Jon J. Greiner
Sen. Howard A. Stephenson
Sen. Michael G. Waddoups

Members Excused: Sen. Curtis S. Bramble
Pres. John Valentine

Staff Present: Phil Dean, Office of Legislative Research and General Counsel
Angela D. Oakes, Associate General Counsel
Karen Allred, Committee Secretary

Public Speakers Present: Bruce Johnson, Commissioner, Utah State Tax Commission
Steve Young, Attorney, Questar
Bert Hulet, Citizens for Tax Fairness
Steven H. Peterson, Executive Director, Utah School Boards
Association, Utah School Superintendents Association
Tatiana Milne, Citizens for Tax Fairness
Brad Markus, Riverton City Council

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

Chair Niederhauser called the meeting to order at 8:35 a.m.

Approval of Minutes

MOTION: Sen. Greiner moved to approve the minutes of February 1, 2008.

The motion passed unanimously with Sen. Waddoups absent for the vote.

Sen. Greiner assumed the Committee Chair and announced that S.B. 178 would not be heard.

1. S.B. 136 Appointment of Business Income Amendments (W. Niederhauser)

Sen. Niederhauser explained the bill.

Bruce Johnson, Commissioner, Utah State Tax Commission further clarified and spoke in support of the bill.

Steve Young, Attorney, Questar, further explained the bill.

The following amendments were distributed:

1. *Page 2, Lines 47 through 54:*

- 47 (3) (a) Subject to Subsection (3)(b), a receipt from the performance of a service is
48 considered to be in this state if {~~∴~~
49 —~~(i)~~} the purchaser of the service receives {~~the~~} a greater benefit of the
 service in this state {~~∴ or~~} than in any other state.
50 {~~(ii) the receipt is otherwise attributable to this state's marketplace.~~}
51 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
 the
52 commission may by rule prescribe the circumstances under which {~~∴~~
53 —~~(i)~~} a purchaser of a service receives {~~the~~} a greater benefit of the
 service in this state {~~∴ or~~} than in any other state.
54 {~~(ii) a receipt is otherwise attributable to this state's marketplace.~~}

MOTION: Sen. Niederhauser moved to adopt the amendment.

The motion passed unanimously with Sens. Stephenson and Waddoups absent for the vote.

MOTION: Sen. Niederhauser moved to pass S.B. 136 out of Committee with a favorable recommendation as amended.

The motion passed unanimously with Sens. Stephenson and Waddoups absent for the vote.

2. **S.B. 29 Truth in Taxation Amendments** (*Niederhauser*)

1st Sub. S.B. 29 was distributed.

MOTION: Sen. Niederhauser moved to adopt 1st Sub. S.B. 29.

The motion passed unanimously with Sen. Stephenson absent for the vote.

Sen. Niederhauser explained the bill.

Bert Hulet, Citizens for Tax Fairness; Steven H. Peterson, Executive Director, Utah School Boards Association, Utah School Superintendents Association, and Tatiana Milne, Citizens for Tax Fairness, expressed concerns and asked questions about the bill.

Angela D. Oakes, Associate General Counsel, explained and answered questions from the Committee and the public.

MOTION: Sen. Niederhauser moved to pass 1st Sub. S.B. 29 out of Committee with a favorable recommendation.

The motion passed unanimously.

3. 1st Sub. S.B. 48 Equalization of School Capital Outlay Funding (D. Eastman)

Sen. Eastman introduced the bill and 2nd Sub. S.B.48 was distributed.

MOTION: Sen. Waddoups moved to adopt 2nd Sub. S.B. 48.

The motion passed unanimously with Sen. Stephenson absent for the vote.

Angela D Oakes, Associate General Counsel, and Phil Dean, Office of Legislative Research and General Counsel, further explained the bill and answered questions from the Committee and the public.

Mr. Peterson, Mr. Hulot, and Brad Markus, Riverton City Council, spoke in support of the bill.

MOTION: Sen. Waddoups moved to pass 2nd Sub. S.B. 48 out of Committee with a favorable recommendation.

The motion passed unanimously.

MOTION: Sen. Niederhauser moved to adjourn.

The motion passed unanimously at 9:50 a.m.

Minutes of the Senate Revenue and Tax Standing Committee Meeting
February 4, 2008
Page 4