

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE**

Room 445, State Capitol

February 24, 2016

Members Present: Rep. Daniel McCay, Chair
Rep. Jeremy A. Peterson, Vice Chair
Rep. Joel K. Briscoe
Rep. Rich Cunningham
Rep. Gage Froerer
Rep. Brian M. Greene
Rep. Eric K. Hutchings
Rep. Ken Ivory
Rep. Brian S. King
Rep. John Knotwell
Rep. Mike K. McKell
Rep. Douglas V. Sagers
Rep. Jon E. Stanard

Staff Present: Leif G. Elder, Policy Analyst
An Bradshaw, Secretary

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

Chair McCay called the meeting to order at 4:26 p.m.

MOTION: Rep. Stanard moved to approve the minutes of the February 19, 2016 and February 23, 2016 meetings. The motion passed unanimously with Rep. Froerer, Rep. Hutchings, and Rep. King absent for the vote.

1st Sub. H.B. 235 Remote Transactions Parity Act (Rep. M. McKell)

Rep. McKell explained the bill to the committee with the assistance of Scott Hymas, CEO, RC Willey; Dave Davis, Utah Retail Merchants Association and Utah Food Industry Association; and Christopher Kyler, Utah Association of Realtors, all of whom spoke in support of the bill. John Valentine, Chair, State Tax Commission, answered questions from the committee. The following handouts were distributed to the committee: "H.B. 235 Bill Summary," "eFairness Legislation," and "Sales Tax Nexus Bills: Where have they been introduced so far in 2016?"

Spoke for the bill: Michael Parker, Salt Lake Chamber
Cameron Diehl, Utah League of Cities and Towns

Spoke against the bill: Scott Kolbach, AvantLink
George Chapman, citizen

Mark Griffin, Overstock.com
Nate Holzapfel, MissionBelt.com
Becky Vilos, Utah Sweet Savings
Natalie Martins, citizen

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

1. *Page 35, Lines 1070 through 1071:*

1070 of tangible personal property, a product transferred electronically, or a service.

(c)(i) Notwithstanding Subsection (2)(b)(ii), the activities of a person that enters into an agreement with a remote seller, for a commission or other consideration, to make a referral to the remote seller for the sale of tangible personal property, products transferred electronically, or services do not trigger the presumption described in Subsection (2)(b) if the person's activities under the agreement do not result in the remote seller making \$50,000 or more in sales to purchasers in the state during the 12-month period immediately preceding the current month.

1071 ~~(c)~~ (ii) A remote seller may rebut the presumption described in Subsection (2)(b) by

The motion to amend passed unanimously.

Vice Chair Peterson assumed the chair.

MOTION: Rep. McKell moved to pass the bill out favorably as amended.

SUBSTITUTE

MOTION: Rep. Ivory moved to send 1st Sub. H.B. 235 to the Rules Committee. The motion failed with Rep. Greene, Rep. Ivory, and Rep. Knotwell voting in favor.

Chair McCay resumed the chair.

The underlying motion passed with Rep. Greene, Rep. Ivory, Rep. Knotwell, Rep. Stanard, and Rep. McCay voting in opposition.

S.C.R. 2 Concurrent Resolution in Support of Sales and Use Tax Transactional Equity (Sen. W. Harper)

Sen. Harper explained the resolution to the committee.

Spoke for the resolution: Mark Griffin, Overstock.com

MOTION: Rep. Froerer moved to pass the resolution out favorably. The motion passed unanimously with Rep. Briscoe, Rep. Knotwell, and Rep. McKell absent for the vote.

S.B. 80 Infrastructure Funding Amendments (*Sen. J. S. Adams*)

Sen. Adams explained the bill to the committee. Carlos Braceras, Director, Department of Transportation, and Gene Shawcroft, General Manager, Central Utah Water Conservancy District, answered questions from the committee.

Spoke to the bill: Abby Albrecht, Salt Lake Chamber

Spoke against the bill: Tom Tripp, US Magnesium
Billy Hesterman, Utah Taxpayers Association
Mike Swenson, Utah brine shrimp industry
Gabriel Lozada, citizen
Zachary Frankel, Utah Rivers Council

MOTION: Rep. Ivory moved to pass the bill out favorably. The motion passed with Rep. Briscoe, Rep. Greene, Rep. Hutchings, Rep. King, and Rep. Sagers voting in opposition and Rep. Knotwell absent for the vote.

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

Chair McCay adjourned the meeting at 7:33 p.m.