

**MINUTES OF THE  
REVENUE AND TAXATION INTERIM COMMITTEE**  
Wednesday, June 15, 2011 – 2:00 p.m. – Room 445 State Capitol

**Members Present:**

Sen. Curtis S. Bramble, Senate Chair  
Rep. Patrick Painter, House Chair  
Sen. J. Stuart Adams  
Sen. Benjamin M. McAdams  
Sen. Howard A. Stephenson  
Sen. John L. Valentine  
Rep. David G. Butterfield  
Rep. Tim M. Cosgrove  
Rep. John Dougall  
Rep. Susan Duckworth  
Rep. Gage Froerer  
Rep. Wayne A. Harper  
Rep. Eric K. Hutchings

Rep. Michael T. Morley  
Rep. Jim Nielson  
Rep. Larry B. Wiley

**Members Absent:**

Sen. Wayne L. Niederhauser  
Rep. David Clark  
Rep. Carl Wimmer

**Staff Present:**

Mr. Phillip V. Dean, Policy Analyst  
Mr. Bryant R. Howe, Assistant Director  
Ms. Rebecca L. Rockwell, Associate General Counsel  
Ms. Chelsea B. Lloyd, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Bramble called the meeting to order at 2:29 p.m.

**MOTION:** Rep. Painter moved to approve the minutes of the May 18, 2011 meeting. The motion passed unanimously. Sen. Adams, Sen. Stephenson, and Rep. Dougall were absent for the vote.

Mr. Dean explained "Utah State Tax Commission - Tax Collections" and "Utah State Tax Commission - Eleven Month Summary." He noted that revenues are coming in somewhat above projections through the first eleven months of FY 2011.

**2. Alternative Form of Legal Tender**

Mr. Dean reviewed 2011 General Session H.B. 317, "Currency Amendments." Ms. Rockwell explained potential constitutional issues related to a state designating a form of legal tender. She noted that any proposal that is submitted to the Committee on this topic would need to be evaluated for constitutional issues.

**3. Sunset Review - Recycling Market Development Zone Tax Credits**

Ms. Rockwell reviewed 2011 General Session S.B. 30, "Extension of Recycling Market Development Zone Act and Related Tax Credits."

The Committee discussed extending the tax credits in the legislation and budgetary issues associated with those tax credits.

Chair Bramble requested that the Office of the Legislative Fiscal Analyst provide information on the fiscal impact of extending the tax credits.

**4. Coal-to-liquids, Oil Shale, and Tar Sands Technology**

Ms. Laura Nelson, Red Leaf Resources, outlined Red Leaf's plan for their first commercial project in the Uintah Basin. Ms. Nelson discussed Red Leaf's influence on Utah's economy and future projections for the development and use of oil shale in Utah. She recommended that the severance tax exemption be extended past the existing 2016 sunset date. In addition, Ms. Nelson recommended that severance tax be deposited into the state's permanent trust fund.

Comm. Mike McKee, Uintah County, encouraged the Committee to support commercial operations for coal-to-liquids, oil shale, and tar sands technology for the state. He recommended that the existing exemptions for severance taxes be extended.

Mr. Gary Aho, Vice President of Operations, Enefit American, explained that oil shale has the capacity to provide significant energy resources for Utah. He encouraged the Committee to support oil shale development.

Ms. Allison Rowland, Voices for Utah Children, explained that the deposit of severance tax into the permanent state trust fund was set up to ensure that the extraction of nonrenewable natural resources provides resources for future generations. She recommended that the Committee consider the impact of forgone severance taxes and suggested the Committee consider the appropriate duration of the severance tax exemptions.

The Committee discussed the existing severance tax and sales and use tax exemptions for coal-to-liquids, oil shale, and tar sands technology.

## **5. Streamlined Sales Tax Update**

Rep. Harper distributed "The Main Street Fairness Act" and "Section-by-Section the Main Street Fairness Act." He updated the Committee on the Streamlined Sales and Use Tax Agreement and the implementing legislation, which is currently being considered by Congress. The legislation would provide for an interstate compact between various states, providing for better collection of sales and use taxes currently due. He encouraged the Committee to support the Streamlined Sales and Use Tax Agreement to provide for better compliance, simplicity, and a minimization of administrative burdens for businesses in the state.

## **6. Other Items / Adjourn**

The Committee discussed possible items to study throughout the interim.

**MOTION:** Rep. Harper moved to adjourn the meeting. The motion passed unanimously. Sen. Valentine and Rep. Hutchings were absent for the vote.

Chair Painter adjourned the meeting at 4:01 p.m.