

**MINUTES OF THE
UTAH TAX REVIEW COMMISSION**

Friday, July 11, 2003 – 1:00 p.m. – Room 405 State Capitol

Members Present:

Mr. Keith Prescott, Chair
Sen. Ron Allen
Sen. Lyle W. Hillyard
Rep. Judy Ann Buffmire
Rep. Greg J. Curtis
Mr. Mark Buchi
Mr. Gary Cornia (via conference call)
Mr. Larry Barusch
Ms. Janis Dubno
Ms. Kathleen Howell
Commissioner Bruce Johnson
Mr. Dixie Leavitt

Members Absent:

Mr. David Crapo, Co-chair
Mr. Bruce Jones

Staff Present:

Mr. O. William Asplund, Assistant Director
Mr. Bryant Howe, Policy Analyst
Ms. Rebecca L. Rockwell, Associate General Counsel
Mr. Thad LeVar, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary at 538-1032.

1. TRC Business

Chair Prescott called the meeting to order at 1:11 p.m. He excused Mr. Crapo and Mr. Jones. Chair Prescott introduced Mr. Dixie Leavitt who will replace Ms. Anne Clark as a Governor's appointment to the TRC (Utah Tax Review Commission).

MOTION: Sen. Allen moved to approve the minutes of the June 20, 2003 meeting. The motion passed unanimously with Rep. Buffmire, Rep. Curtis, and Mr. Cornia absent for the vote.

2. Additional Information on Hospitals

Mr. Asplund distributed and reviewed a packet of information on hospitals.

Mr. Steven B. Bateman and Mr. Jack Towsley, MountainStar Healthcare, HCA - Utah Operations, provided information and answered questions from the TRC.

Mr. Gordon Crabtree, CFO, University of Utah Hospital and Clinics, and Ms. Kim Wirthlin, Vice President, Health Sciences, University of Utah, also answered questions from the TRC.

Mr. Douglas Hammer and Mr. John Nielsen, Intermountain Health Care, addressed and answered questions from the TRC.

Mr. Asplund distributed and reviewed "Towards a Theory of Exemptions for Non-Profits."

Ms. Rockwell distributed and reviewed "Major Tax Exemptions for Nonprofit Hospitals," "Utah State Tax Commission Standards of Practice, Appendix 2D, Nonprofit Hospital and Nursing Home Charitable

Property Tax Exemption Standards," and "2003 Multistate Corporate Tax Guide Vol. 2 [Sales and Use Tax] Exemption for Internal Revenue Code Section 501 Organizations."

Chair Prescott distributed and reviewed "S.J.R. 6 Study Requirements and Tentative Findings: Sales and Use Tax, Property Tax, and Corporate Franchise and Income Tax Exemptions: IHC Hospitals as adopted November 12, 2002."

Commissioner Johnson indicated that there were elements of the tentative findings that need to be reconsidered by the TRC.

MOTION: Sen. Hillyard moved that TRC's final report back to the Legislature should reflect that TRC studied this issue carefully and as it relates to healthcare TRC does not see a change in tax policy that addresses the issue of competition. He clarified his motion by stating that while there may be concerns about the competition between entities it is not primarily a tax issue. It may be a business or insurance issue that the Legislature may need to address. He explained that the TRC was required to look at tax policy and does not see any changes that could be made to tax policy that would really address the expressed concerns. The motion passed with Mr. Barusch and Mr. Cornia voting in opposition. Sen. Allen and Rep. Curtis were absent for the vote.

3. Municipal Power Systems

This item will be addressed at the next TRC meeting.

4. Preliminary Information on Nursing Homes and Recreational Facilities

This item will be addressed at the next TRC meeting.

5. Other Business/Adjourn

MOTION: Rep. Buffmire moved to adjourn the meeting. The motion passed unanimously with Sen. Allen, Sen. Hillyard, and Rep. Curtis absent for the vote.

Chair Prescott adjourned the meeting at 4:57 p.m.