

**MINUTES OF THE
REVENUE AND TAXATION INTERIM COMMITTEE**
Wednesday, October 15, 2003 – 2:00 p.m. – Room 403 State Capitol

Members Present:

Sen. Curtis S. Bramble, Senate Chair
Rep. Wayne A. Harper, House Chair
Sen. Leonard M. Blackham
Sen. Mike Dmitrich
Sen. Lyle W. Hillyard
Sen. Howard A. Stephenson
Rep. Sheryl L. Allen
Rep. Judy Ann Buffmire
Rep. Stephen D. Clark
Rep. Greg J. Curtis
Rep. Carl W. Duckworth
Rep. Craig Frank
Rep. Ann W. Hardy
Rep. Kory M. Holdaway

Rep. Bradley G. Last
Rep. Carol Spackman Moss
Rep. Merlynn T. Newbold
Rep. Gordon E. Snow

Members Absent:

Sen. Ron Allen
Rep. Ralph Becker
Rep. Jack A. Seitz

Staff Present:

Mr. Bryant R. Howe, Policy Analyst
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.leg.state.gov> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Harper called the meeting to order at 2:10 p.m. and excused Sen. Allen, Rep. Becker, and Rep. Seitz.

MOTION: Sen. Hillyard moved to approve the minutes of the September 17, 2003 meeting as amended. The motion passed unanimously with Sen. Bramble and Sen. Blackham absent for the vote.

2. Amendments to the Utah Individual Income Tax

Sen. Thomas Hatch introduced the issue.

Rep. Patricia Jones and Rep. Steven Mascaro distributed and reviewed "Jones/Mascaro: Education Funding Bill 2004 Legislative Session Summary." They also distributed draft legislation "Individual Income Tax Amendments for Education Funding."

MOTION: Rep. Snow moved to move to the next agenda item. The motion passed with Sen. Dmitrich, Rep. Allen, Rep. Buffmire, and Rep. Moss voting in opposition. Rep. Holdaway was absent for the vote.

3. Election Dates for Voter Approval of Local Government Bonds and Tax Changes

This item was postponed until a later date.

4. Extending the Residential Exemption to Selected Secondary Residences

Sen. Ed Mayne distributed and reviewed draft legislation "Exemptions to Residential Property Tax."

Chair Harper distributed and reviewed draft legislation "Residential Property Tax Exemptions."

Mr. Kenneth Wright, AARP, commented on this issue.

Mr. Keith Hall, President, Upper Weber Canyon Property Owners Association, spoke to the Committee.

Mr. Mike Jerman, Utah Taxpayers Association, testified to the Committee on this issue.

Mr. Arie Van De Graff, Utah Association of Counties, spoke on this issue.

Mr. Jim Eldredge, Utah Education Association, spoke to the Committee on this issue.

5. Imposition of Local Sales and Use Taxes on Sales of Satellite TV Services

Mr. Howe distributed and reviewed draft legislation "Sales and Use Tax - Repeal of Cable and Satellite Service." He explained that this legislation is a result of the working group meeting as requested in the last meeting.

Mr. Roger Tew, Utah League of Cities and Towns, provided information to the Committee on this issue.

MOTION: Sen. Stephenson moved that the draft legislation be approved as a committee bill and be recommended to the Governor as an item for the special session scheduled for November 19, 2003.

Sen. Mayne provided information on this issue for the Committee.

Rep. Snow requested to divide the motion.

The first part of the motion, to approve the legislation as a committee bill, passed with Sen. Hillyard voting in opposition and Sen. Blackham, Rep. Allen, and Rep. Holdaway absent for the vote.

The second part of the motion, to recommend to the Governor that the bill be placed on the call for the special session scheduled for November 19, 2003, passed with Sen. Hillyard, Rep. Clark, and Rep. Snow voting in opposition and Sen. Blackham, Rep. Allen, and Rep. Holdaway absent for the vote.

6. Audit of the Division of Taxpayer Services of the Utah State Tax Commission

Mr. Wayne Welsh, Auditor General, Mr. Darin Underwood, Audit Supervisor, and Mr. John Schaff, Deputy Auditor General, Legislative Auditor General Office, made a presentation on this issue for the Committee. They also distributed "Public Version of Limited-Official-Use Report to the Utah Legislature: A Performance Audit of the Utah Tax Commission's Division of Taxpayers Services, September 2003."

Mr. Marc Johnson and Mr. Rod Marrelli, Director, Tax Commission (Utah State Tax Commission), commented on this issue.

7. Amendments to the Streamlined Sales and Use Tax Act

Chair Harper introduced this item.

Mr. Howe distributed "State Legislative Action: Streamlined Sales Tax Agreement, August 2003."

Ms. Lynn Solarczyk, Tax Commission, provided information on this issue.

8. Incentive Payments of Local Option Sales and Use Tax Revenue by Municipalities to Retailers

Mr. Howe distributed and reviewed "Survey of Utah Municipalities Offering Incentive Payments to Retailers."

Ms. Kerri C. Nakamara, Utah League of Cities and Towns, spoke on the issue.

Sen. Stephenson commented on this issue.

9. Other Items / Adjourn

MOTION: Sen. Hillyard moved to adjourn the meeting. The motion passed unanimously with Sen. Bramble, Sen. Blackham, Rep. Buffmire, Rep. Clark, Rep. Cutis, Rep. Duckworth, Rep. Hardy, and Rep. Newbold absent for the vote.

Chair Harper adjourned the meeting at 4:45 p.m.