



STATE OF UTAH

GARY R. HERBERT
GOVERNOR

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

SPENCER J. COX
LIEUTENANT GOVERNOR

August 9, 2016

Mr. Curtis Trader, Chair
Utah Tax Review Commission
Capitol Complex
House Building, Room W210
Salt Lake City, UT 84114

Re: Tax Review Commission Study Request

Dear Mr. Trader and Members of the Tax Review Commission,

As authorized by Utah Code 59-1-903, the Utah Tax Review Commission may make recommendations on specific tax issues as requested by the Governor, the Legislative Management Committee, or the Legislature in a joint resolution.

As Governor, I respectfully request the Utah Tax Review Commission study and provide recommendations on: 1) pass through entity withholding equity issues and 2) pass through entity audit regulations at the state and federal level. There is some concern that our current laws allow for withholding waivers for certain taxpayers, but not others, and do not treat taxpayers equally. In addition, it is anticipated that the Utah State Tax Commission will also have to comply with new federal regulations on the audits of pass through entities. I believe your review and recommendations on these topics would be appropriate and timely.

Thank you for your consideration of this very important matter.

Sincerely,

A handwritten signature in black ink that reads "Gary R. Herbert".

Gary R. Herbert
Governor