

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 445 - State Capitol
January 30, 2012**

MEMBERS PRESENT: Rep. Patrick Painter, Chair
Rep. David Butterfield, Vice Chair
Rep. Stewart Barlow
Rep. Joel Briscoe
Rep. Mel Brown
Rep. Tim Cosgrove
Rep. John Dougall
Rep. Susan Duckworth
Rep. Steve Eliason
Rep. Gage Froerer
Rep. Francis Gibson
Rep. Wayne Harper
Rep. Eric Hutchings
Rep. Brian King
Rep. Merlynn Newbold
Rep. Jim Nielson

STAFF PRESENT: Mr. Phil Dean, Policy Analyst
Ms. An Bradshaw, Secretary

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

Chair Painter called the meeting to order at 4:07 p.m.

S.B. 23 Life Science and Technology Tax Credit Amendments (Sen. C. Bramble) (Rep. P. Painter)

This bill was not heard.

S.B. 24 Research Tax Credit Amendments (Sen. J. Valentine) (Rep. M. Newbold)

This bill was not heard.

H.B. 75 Property Taxation of Low-income Housing (Rep. J. Draxler)

Rep. Draxler introduced a substitute bill to the committee.

MOTION: Rep. Butterfield moved to replace HB75 with 1st Sub. HB75. The motion passed unanimously with Rep. Brown, Rep. Dougall, Rep. Harper, Rep. Hutchings, Rep. King, and Rep. Nielson absent for the vote.

Spoke for the bill: Mr. Brent Gardner, Utah Association of Counties
Ms. Kathleen Howell, Cache County Assessor
Mr. Kirt Peterson, Horizon Development and Management

MOTION: Rep. Froerer moved to pass 1st Sub. HB75 out of committee with a favorable recommendation. The motion passed with Rep. Eliason and Rep. Newbold voting in opposition. Rep. Brown, Rep. Dougall, Rep. Harper, and Rep. Nielson were absent for the vote.

MOTION: Rep. Butterfield moved to approve the minutes of the Jan. 23 and Jan. 25 meetings. The motion passed unanimously with Rep. Brown, Rep. Dougall, Rep. Harper, and Rep. Nielson absent for the vote.

H.B. 267 **Vintage Travel Trailers** (*Rep. L. Perry*)

Rep. Perry introduced the bill to the committee.

Spoke for the bill: Mr. Watt Mungal, Vintage Trailers

MOTION: Rep. Gibson moved to pass the bill out favorably. The motion passed unanimously with Rep. Brown, Rep. Dougall, and Rep. Harper absent for the vote.

MOTION: With the sponsor's consent, Rep. Hutchings moved to place HB267 on the Consent Calendar. The motion passed unanimously with Rep. Brown, Rep. Dougall, and Rep. Harper absent.

H.B. 81 **City or Town Option Sales and Use Tax Amendments** (*Rep. B. Dee*)

Rep. Dee introduced the bill to the committee.

Spoke for the bill: Mr. Roger Tew, attorney
Mr. Lincoln Shurtz, Utah League of Cities and Towns

Spoke against the bill: Mr. Royce Van Tassell, Utah Taxpayers Association

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

1. *Page 1, Lines 10 through 16:*

10 This bill amends the City or Town Option Sales and Use Tax Act to address the
imposition or repeal { ~~an~~
11 ~~expiration date for~~} of the tax.

12 Highlighted Provisions:

13 This bill:

- 14 ▶ amends the City or Town Option Sales and Use Tax Act to address the
imposition or repeal { ~~the June 30,~~
15 ~~2016, expiration date for~~} of the tax beginning on July 1, 2016 ; and
16 ▶ makes technical and conforming changes.

2. *Page 2, Lines 30 through 35:*

30 (1) (a) Subject to the other provisions of this section and except as provided in
31 Subsection (2) or (3) { } ~~+~~ beginning on January 1, 2009 and ending on June
30, 2016, { } ~~+~~ if a city or town
32 receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the
city or
33 town would have received a tax revenue distribution of less than .75% of the taxable sales
34 within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or
town
35 legislative body may impose a sales and use tax of up to .20% on the transactions:

3. *Page 2, Lines 52 through 53:*

52 (3) (a) { } ~~To~~ Beginning on January 1, 2009 and ending on June 30,
2016, to impose a tax under this part, a city or town legislative body shall obtain
53 approval from a majority of the members of the city or town legislative body.

(b) If, on June 30, 2016, a city or town is not imposing a tax under this part,
the city or town legislative body may not impose a tax under this part beginning on
or after July 1, 2016.

(c) If, on June 30, 2016, a city or town imposes a tax under this part, the city or
town shall repeal the tax on July 1, 2016, unless, on or after April 1, { ~~2016~~
~~2012~~ but on or before June 30, 2016, the city or town legislative body obtains
approval from a majority vote of the members of the city or town legislative body to
continue to impose the tax.

The motion passed unanimously with Rep. Brown, Rep. Dougall, and Rep. Harper absent for the vote.

MOTION: Rep. Butterfield moved to further amend the bill as follows:

3. *Page 2, Line 53:*
Replace "majority" with "two-thirds".

The motion to amend failed with Rep. Eliason, Rep. Harper, Rep. Newbold, Rep. Nielson, and Rep. Painter voting in favor.

MOTION: Rep. Cosgrove moved to pass the bill out favorably as amended. The motion passed with Rep. Brown, Rep. Dougall, Rep. Gibson, Rep. Harper, Rep. Newbold, Rep. Nielson, and Rep. Painter voting in opposition.

H.J.R. 11 Joint Resolution on Motor Vehicle Taxes and Fees (*Rep. J. Dougall*)

This bill was not heard.

MOTION: Rep. Cosgrove moved to adjourn the meeting. The motion passed unanimously.

Chair Painter adjourned the meeting at 5:32 p.m.

Rep. Patrick Painter, Chair