

**UTAH STATE TAX COMMISSION**  
**Administrative Rule Meeting Minutes**  
Thursday, December 9, 2010 • 8:00 a.m.  
Commission Hearing Room 1025 • Tax Commission Building  
210 North 1950 West • Salt Lake City, Utah

**Participating:**

Michael J. Cragun – Commissioner  
D’Arcy Dixon Pignanelli– Commissioner  
Marc B. Johnson – Commissioner

**Excused:**

R. Bruce Johnson – Commission Chair

**Commission Staff Present:**

Christa Johnson, Commission Executive Assistant

Note: A list of others present, a copy of related materials and an audio recording of the meeting can be obtained from the Office of the Commission at 801-297-3901.

**1. Commission Business**

**1.1 Call to Order**

Commissioner Cragun called the meeting to order at 8:10 a.m. and announced that Commission Chair Bruce Johnson was representing the Commission at another event.

**1.2 Approval of Minutes**

Commissioner Dixon moved for approval of the minutes of the Thursday, September 23, 2010 Administrative Rule Meeting. The motion passed unanimously.

**2. Proposed Rule Amendments**

Commissioner Cragun presented the following rule amendments for consideration noting that the Commission received no written comments and nobody wished to speak about the proposals:

- 2.1 R865-6F-8. Allocation and Apportionment of Net Income (Uniform Division of Income for Tax Purposes Act) Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.

**MOTION:** Commissioner Dixon moved approval of the rule amendments as posted. The motion passed unanimously.

- 2.2 R865-6F-16. Apportionment of Income of Long-Term Construction Contractors Pursuant to Utah Code Ann. Sections 59-7-302 through 321.
- 2.3 R865-6F-32. Taxation of Financial Institutions Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.
- 2.4 R865-6F-33. Taxation of Telecommunications Pursuant to Utah Code Ann. Sections 59-7-302 through 59-7-321.

**MOTION:** Commissioner Dixon moved that the rule amendments as posted be approved. The motion passed unanimously.

Commissioner Dixon presented the following rule amendment noting that the Farmland Evaluation Advisory Committee recommends the change.

- 2.5 R884-24P-53. 2011 Valuation Guides for Valuation of Land Subject to the Farmland Assessment Act Pursuant to Utah Code Ann. Section 59-2-515.

**MOTION:** Commissioner Dixon moved approval of the rule amendments as posted. The motion passed unanimously.

Commissioner Cragun presented the following rule amendment notifying that the Commission received comments from CITTA, INC., Salt Lake County and a group of airlines.

- 2.6 R884-24P-62. Valuation of State Assessed Unitary Properties Pursuant to Utah Code Ann. Section 59-2-201.

**PUBLIC COMMENT:** Gary R. Thourp from Holme Roberts & Owen LLP presented comments for Delta Airlines, SouthWest Airlines and JetBlue Airlines.

**PUBLIC COMMENT:** Kelly Wright from Salt Lake County District Attorney's Office presented comments for Salt Lake County.

**COMMISSIONER COMMENT:** Commissioner Marc Johnson stated that he has not heard any indication that retail level valuation from an airline value guide is appropriate. He also stated that he is open to considering definition clarifications.

**COMMISSIONER COMMENT:** Commissioner D'Arcy Dixon Pignanelli stated her concern with airline valuation guides (AVGs) has always been access to information on the transactions that determine the values. She prefers the methodologies currently outlined in rule; however, the proposed rule places emphasis on and provides for the continued use of the preferred methodologies while recognizing why use of an AVG may be warranted. She also wanted to make sure there was an open bidding process for use of a guide or guides. She thanked her fellow commissioners Michael Cragun and Marc Johnson for holding working meetings.

**COMMISSIONER COMMENTS:** Commissioner Michael Cragun expressed his gratitude for everyone who has engaged in this process. He stated that he will vote in support of the amendment because it preserves the preferred methodologies.

**MOTION:** Commissioner Marc Johnson moved approval of the proposed amendment. The motion passed unanimously.

**4. Other Items**

**5. Adjourn**

**MOTION:** Commissioner Dixon moved to adjourn. The motion passed unanimously.

Commissioner Michael Cragun adjourned the meeting at 9:10 a.m.

Approved: Thursday, January 13, 2011

Attested: Christa Johnson  
Executive Assistant  
Utah State Tax Commission