

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**

9:00 a.m., Thursday, May 26, 2011

Commission Hearing Room 1025, 210 North 1950 West, Salt Lake City, Utah

**Participating:**

R. Bruce Johnson – Commission Chair  
Marc B. Johnson - Commissioner  
D'Arcy Dixon Pignanelli—Commissioner  
Michael J. Cragun—Commissioner

**Excused:**

Barry Conover - Executive Director

**Commission Staff Present:**

Lynn Solarczyk, Legislative and Government Affairs Director  
Denny Lytle, Property Tax Division Director  
Craig Sandberg, Auditing Tax Division Director  
Christa Johnson, Commission Executive Assistant  
Charlie Roberts, Public Information Officer

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

**I. Call to Order**

Commission Chair B. Johnson called the meeting to order at 9:00 a.m. He noted that Executive Director Barry Conover is excused.

**II. Public Comment** (Members of the public wishing to address the Commissioners for up to three minutes on matters not related to a pending or reasonably imminent appeal to the Tax Commission.)

Commission Chair B. Johnson reported that he is unaware of anyone wishing to address the Tax Commissioners.

**III. Approve Minutes of April 28, 2011**

Commissioner Dixon asked to postpone approving the minutes until next Commission Meeting.

**IV. Approve submission of proposed rule amendments to the Division of Administrative Rules for publication in Utah Register**

Commissioner Cragun presented the following proposed rule amendments for the commission to consider submitting to the Division of Administrative Rules: R865-4D-3. User-Dealer's License, R865-6F-23. Utah Steam Coal Tax Credit, R865-13G-16. Aviation Fuel Tax Refund or Credit, R865-19S-42. Sales to The State of Utah and Its Subdivisions, R865-20T-5. Bonding Requirements for Cigarette and Tobacco Products, R865-20T-6. Purchase of Cigarette Stamps,

R865-20T-13. Calculation of Tax on Moist Snuff, R873-22M-31. Determination of Special Interest Vehicle, R873-22M-37. Standard Issue License Plates, R884-24P-8. Security for Property Tax on Uranium and Vanadium Mines, R884-24P-14. Valuation of Real Property Encumbered by Preservation Easements, R884-24P-41. Adjustment or Deferral of Property Taxes, R884-24P-35. Annual Affidavit of Exempt Use.

Commissioner Cragun noted that the public comment period on these proposals will end on July 15, 2011 if they are submitted to the Division of Administrative Rules by June 1, 2011.

Commissioner Dixon asked that the commission consider two alternative amendments to R865-20T-5 Bonding Requirements for Cigarette and Tobacco Products.

The first alternative, should indicate that the amount of a bond required for an applicant or a licensee to sell cigarettes or tobacco products is based on the applicant's or licensee's estimated tax liability and delinquencies, as well as authorize the commission to increase the bond amount if the commission believes an increase is necessary to ensure compliance with the law.

The second alternative should include the amendments from the first alternative along with a provision that a licensee may not purchase cigarette stamps that exceed 90 percent of the bond the licensee has filed with the commission.

**MOTION:** Commissioner Dixon moved to submit the two versions of R865-20T-5. Bonding Requirements for Cigarette and Tobacco Products to the Division of Administrative Rules. The motion passed unanimously.

**MOTION:** Commissioner Cragun moved to submit the following proposed rule amendments to the Division of Administrative Rules: R865-4D-3. User-Dealer's License, R865-6F-23. Utah Steam Coal Tax Credit, R865-13G-16. Aviation Fuel Tax Refund or Credit, R865-19S-42. Sales to The State of Utah and Its Subdivisions, R865-20T-6. Purchase of Cigarette Stamps, R865-20T-13. Calculation of Tax on Moist Snuff, R873-22M-31. Determination of Special Interest Vehicle, R873-22M-37. Standard Issue License Plates, R884-24P-8. Security for Property Tax on Uranium and Vanadium Mines, R884-24P-14. Valuation of Real Property Encumbered by Preservation Easements, R884-24P-41. Adjustment or Deferral of Property Taxes, R884-24P-35. Annual Affidavit of Exempt Use. The motion passed unanimously.

## **VI Approve Business Regulation Review Report to Governor Herbert**

Commissioner Cragun reported that in response to Governor Herbert's request in his State of the State address for the cabinet to conduct a review of business regulations, the agency's divisions have reviewed all administrative rules promulgated by the Tax Commissioners and the Commissioners requested input from external stake holders.

Commissioner Dixon thanked Commissioner Cragun for his work on the report and observed the report also highlights the tax commission's efforts to better serve taxpayers such as registration of motor vehicles from a mobile phone.

**MOTION:** Commissioner Cragun moved to send to Governor Herbert the Commissioners Business Regulation Review Report. The motion passed unanimously.

### **I. Commissioners' Reports**

Commissioner Chair B. Johnson asked that the Commissioners go into closed session to discuss pending litigation.

**MOTION:** Commissioner Cragun moved that the Commissioners meet in closed session to discuss pending litigation. Commission M. Johnson voted aye. Commissioner Dixon voted aye. Commissioner Cragun voted aye. Commission Chair B. Johnson voted aye.

### **VII. Adjourn**

**MOTION:** Commissioner M. Johnson moved for adjournment. The motion passed unanimously.

Commission Chair B. Johnson adjourned the meeting at 10:16 a.m.

**Approved on:** Thursday, June 23, 2011

**Attested:** Christa Johnson  
Executive Assistant  
Utah State Tax Commission