

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, October 27, 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
Barry Conover - Executive Director

Executive Director's Office:

Scott Smith, Deputy Executive Director
Lynn Solarczyk, Director of Legislation

Commission Staff Present:

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 can be obtained from the Office of the Commission at 801-297-3901.

I. Call to Order

Commission Chair B. Johnson called the meeting to order at 9:02 a.m.

- 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 noted that no one wished to address the Tax Commissioners.

I. Consider Approving Minutes Of Previous Meetings

Commission Chair B. Johnson said the Commission will defer approval of the meeting minutes of October 13, 2011 until the next Commission Meeting.

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

Commissioner Cragun presented the following proposed rule amendments for the Commission to consider submitting for publication to the Division of Administrative Rules:

- a. R865-4D-24 Special Fuel Tax License Pursuant to Utah Code Ann. Section 59-13-302

- b. R865-6F-8 Allocations and Apportionment of Net Income (Uniform Division of Income for Tax Purpose Act) Pursuant to Utah Code Ann. Section 59-7-321
- c. R865-6F-28. Enterprise Zone Corporate Franchise Tax Credits Pursuant to Utah Code Ann. Sections 63M-1-401 through 63M-1-416.
- d. R865-13G-17 Motor Fuel Tax License Pursuant to Utah Code Ann. Section 59-03-203
- e. R865-9I-2 Determination of Utah Resident Individual Status Pursuant to Utah Code Ann. Section 59-10-103; 59-10-136
- f. R865-9I-18 Taxpayer Records, Statements, and Special Returns Pursuant to Utah Code Ann. Section 59-1-1406
- g. R865-9I-37 Enterprise Zone Individual Income Tax Credits Pursuant to Utah Code Ann. Section 63M-1-401 Through 63M-1-414.

The amendments to Rules R865-4D-24, and R865-13G-17 provide that motor fuels tax licenses are invalid if the licensee has ceased to do business or has changed the business address; Rule R865-6F-8 results from legislative changes in Senate Bill 136 of the 2008 Legislative Session; Rules R865-6F-28, and R865-9I-37 implement legislative changes made by 2011 House Bill 17; Rule R865-9I-2 implements legislative change made by 2011 Senate Bill 21; and Rule R865-9I-18 updates a statutory reference.

MOTION: Commissioner Cragun moved to submit the foregoing proposed rule amendments as presented to the Division of Administrative Rules. The motion passed unanimously.

III. Consider adoption of Amending Administrative Rules

Commissioner Cragun presented each of the rule amendments for the Commission to consider and stated that he was not aware of any comments submitted to the Commission.

Commissioner Cragun explained that the amendment to rule R861-1A-24, Formal Adjudicative Proceedings allows Commissioners to appoint hearing officers in addition to administrative law judges to conduct hearings in certain appeals.

Commission Chair B. Johnson noted that the statutory requirement that Commissioners or an Administrative Law Judge conduct an initial hearing applies only to the taxes, fees or charges enumerated in section 59-1-1402.

Commissioner M. Johnson said he was concerned that the pay range of the hearing officer would be lower than administrative law judges.

Commissioner Cragun explained that the rule permits the Commissioners to appoint hearing officers who may not be law trained or permanent employees to help conduct initial hearings for appeals of taxes, fees and charges not listed in section 59-1-1402.

MOTION: Commissioner Cragun made a motion to adopt the rule amendment as proposed. Commissioner Dixon made a substitute motion to postpone action on Rule R861-1A-24 until the

Thursday, December 8, 2011 meeting or at an earlier meeting if one is scheduled. The substitute motion passed with Commissioners B. Johnson, M. Johnson and Dixon voting aye and Commissioner Cragun voting nay.

Commissioner Cragun explained that the amendment to rule R884-24P-57 Judgment levies deletes reference to Section 59-2-918 since that section has been repealed and updates language to match statutes.

MOTION: Commissioner Cragun moved to approve the rule amendment as presented. The motion passed unanimously.

Commissioner Cragun explained that Rule R884-24P-71 Agreements with Commercial or Industrial Taxpayers for Equal Property Tax Payments specifies the procedure for commercial or industrial taxpayers to enter into equal payment agreements with taxing entities.

MOTION: Commissioner Cragun moved to approve the rule amendment as presented. The motion passed unanimously.

IV. Executive Director's Report

Mr. Conover thanked the Commissioners for attending the annual employee recognition luncheon held earlier this week and thanked those employees for their service to the State of Utah. A list of those employees is attached to these minutes.

He also reported on HVAC control unit upgrades and web site changes including new TaxExpress and TAP logos.

V. Commissioners' Reports

Commissioner Cragun reported that he conducted two conference calls in October with 16 counties participating on using JusticeWeb. He hopes that county auditors will use the JusticeWeb online filing portal to upload any appeals they receive from their County Board of Equalization decisions. He said that Washington County and Salt Lake County have already submitted locally assessed property tax related appeals on this system.

He also reported that Salt Lake County sends every locally assessed property tax appeal received after the BOE decision deadline and suggested options that the Commissioners could further discuss.

Commissioner M. Johnson and Commission Chair B. Johnson said that they both think the idea is worth pursuing.

Commission Chair B. Johnson thanked Commissioner Cragun for arranging and conducting the meetings.

Commission Chair B. Johnson asked Mr. Conover if he would prepare a demonstration on the online Taxpayer Access Point to the Commissioners.

Mr. Conover said that he will set up a time and demonstration in the next two weeks in room 4015.

VI. Adjourn to Closed Session

MOTION: Commissioner Cragun moved to meet in a closed session to discuss the character, professional competence or mental or physical health of an individual. The motion passed with the affirmative votes from Commissioners, R. Bruce Johnson, Marc B. Johnson, D'Arcy Dixon Pignanelli, and Michael J. Cragun.

VII. Return to Open Session

Commission Chair B. Johnson called the meeting back to order at 10:00 a.m.

Commissioner B. Johnson signed the affidavit required by Utah Code § 52-4-206(6)(a).

MOTION: Commissioner Cragun moved to deny the appeal of a personnel action which was discussed during closed session. The motion passed with the affirmative votes from Commissioners, R. Bruce Johnson, Marc B. Johnson, D'Arcy Dixon Pignanelli, and Michael J. Cragun.

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

Commission Chair B. Johnson adjourned the meeting at 10:01 a.m.

VIII. Adjourn

Approved on: Thursday, December 08, 2011

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission

YEARS OF SERVICE AWARDS

(For total state service by September 30, 2011)

YOS	Dept	Last Name	First Name
40	Processing	Wood	Lynda
30	Admin	Mann	Scott
30	Admin	Reid	Terri
30	Admin	Warga	Julia
20	Admin	Solarczyk	Lynn
20	Admin	Rimmasch	Dwight
20	Auditing	Hales	Frank
20	Auditing	Lefevre	Laurie
20	Auditing	Newson	Valerie
20	TPS	Wright	Dianna
20	TPS	Talbot	Dee
20	TPS	Weiler	April
20	TPS	Washington	June
20	Property Tax	Gallegos	Laurie
20	Property Tax	Maxfield	Mark
20	DMV	McDonald	Colleen
20	DMV	Covert	Suzanne
20	DMV	Peterson	Opal
20	DMV	Nelson	Gregg
20	DMV	Atwood	Laura
20	Processing	Heaton	J.D.
20	Processing	Engel	Ellen
20	Processing	Tyteca	Lori
10	Commission	Navarro	Remissa
10	Auditing	Rhodes	Jason
10	Auditing	Seward	Shawn
10	Processing	Tran	Chau
10	Processing	Coburn	Jeanette
10	Processing	Sidhu	Virpal
10	Processing	Le	Trang Q.
10	Processing	Fernelius	Jody
10	TPS	Youtsey	Victoria
10	TPS	Patterson	Brenda
10	TPS	Bushnell	Sherry
10	TPS	Hesleph	June
10	TPS	Manwaring	Marisa

10	TPS	Yakovich	Karen
10	TPS	Swartwout	Kathy
10	TPS	Carlow	Steven
10	TPS	King	Robin
10	TPS	Christiansen	Rajanee
10	TPS	Aleman	Irene
10	TPS	Hansen	Lisa
10	Property Tax	Tingey	Jennifer
10	Property Tax	Osborne	Gerald
10	DMV	Barber	Christine
10	DMV	Thomas	Sharry
10	DMV	Richins	Melissa
10	DMV	Herbert	Sandra
10	DMV	Hampton	Julene
10	DMV	Burwell	Douglas
10	DMV	Horowitz	Cheryl
10	DMV	Marquez	Martha
10	DMV	Graves	Theresa
10	DMV	Thomas	Scot
10	DMV	Paul	Gail
10	DMV	Butterfield	Amber
10	DMV	Johnson	Dana
10	DMV	Rasmussen	Zane
10	DMV	Hoskins	Caryn
10	DMV	Ashby	Valerie
10	MVED	Burton	Michael Shane