

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**

9:00 a.m., Tuesday, September 17, 2013

Commission Room 1000, 210 North 1950 West, Salt Lake City, Utah

**Participating:**

R. Bruce Johnson - Commission Chair  
D'Arcy Dixon Pignanelli - Commissioner  
Michael J. Cragun - Commissioner  
Robert P. Pero - Commissioner  
Barry Conover - Executive Director

**Commission Office:**

Christa Johnson, Commission Executive Assistant

**Executive Director's Office:**

Julie Alsop, Finance Director

**Note:** A copy of related materials and an audio recording of the meeting can be found on the Tax Commission website: <http://tax.utah.gov/commission-office/meetings>.

**I. Call to Order**

Commission Chair Johnson called the meeting to order at 9:00 a.m.

**II. Public Comment (individuals or groups 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 Johnson noted that no one from the public was in attendance.

**III. Consider Approving Open and Closed Commission Meeting Minutes of August 22, 2013**

**MOTION:** Commissioner Dixon moved approval of the Open and Closed Commission Meeting Minutes of Thursday, August 22, 2013. The motion passed unanimously.

**IV. FY2015 Base Budget**

Mr. Conover presented the base budget request for fiscal year 2015 and explained that the budget is a flat budget. Mr. Conover and Ms. Alsop answered Commissioners' questions.

Ms. Julie Alsop explained that the FY2015 Budget guidelines state that the FY2015 base budget is calculated by starting with the FY2014 state funds appropriations. State funds are to remain flat to the prior year's appropriation, though changes can be made between categories to reflect current estimates. Agencies are to reserve a portion of their non-state funds (i.e. fees) to cover compensation and benefit changes.

## **V. Legislative Intent Statements**

Ms. Alsop explained the non-lapsing funds are savings accumulated over the years. The intent of the Legislature, Utah code section 63J-1-603 is that any savings at year end will not lapse, but the use of non-lapsing funds is limited to the costs directly related to the modernization of tax and motor vehicle system processes.

Mr. Conover explained that the Tax Commission will not ask for the non-lapsing funds to carry over beyond FY2015.

Commissioner Dixon asked the Director to review whether there was a need to request one more year of non-lapsing funds beyond FY 2015 to assure the proper technology was in place to support the software modernization project.

Mr. Conover explained that the Tax Commission had faced some unexpected budget items this year and thanked Commissioner Dixon for her advice.

## **VI. Fee Change Proposals**

Ms. Julie Alsop explained that the Motor Vehicle transaction fee will increase in FY2015. As required by Utah code 59-2-406 (3)(c) there will be an adjustment equal to any increase in the Consumer Price Index for all urban consumers, prepared by the United States Bureau of Labor Statistics, during the preceding calendar year.

**MOTION:** Commissioner Dixon moved to approve the submittal of the proposed base budget to the Governor's Office. The motion passed unanimously.

**MOTION:** Commissioner Dixon moved to approve the submittal of the Legislative Intent Language specifically to provide that the Tax Commission funds from FY2014 will not lapse and any use of non-lapsing funds is limited to the costs directly related to the modernization of tax and motor vehicle system processes. The motion passed unanimously.

**MOTION:** Commission Chair Johnson moved to approve the submittal of the proposed fee adjustments to the Governor's Office. Pursuant to statute there will be an adjustment to the fee. The Tax Commission recommends to the Governor to recommend to the Legislature that the fee schedule reflect that change. The motion passed unanimously.

## **VII. Executive Director's Report**

Mr. Conover reported that he, Commission Chair Johnson and Commissioner Dixon hosted a twenty-six member P.R. China delegation on September 9, including Mr. Guoding Le, Deputy Director-General, Zhejiang Provincial Office of State Administration of Taxation and Mr. Xiong Zhang, Deputy Director-General, Guizhou Provincial Office of State Administration of Taxation. This visit allowed the delegation to obtain information about technology in tax administration systems and ask questions.

Commissioner Dixon stated she appreciated the opportunity to meet the China delegation and welcomed the opportunity for her fellow Commissioners to host other visitors. She noted that due to the open and public meeting act, only two Commissioners could participate in the opportunity to meet the China delegation.

### **VIII. Commissioners' Reports**

Commission Chair Johnson reported that in response to a recent U.S. Supreme Court decision the U.S. Treasury Department ruled that legally married same-sex couples will be treated as married for federal tax purposes, regardless of whether or not they live in a state that recognizes same-sex marriage. The IRS regulations will apply to all federal taxes. The Utah State Tax Commission has asked the Attorney General's Office for guidance on the effect the IRS regulations have on Utah taxes and is waiting for their forthcoming response.

Commissioner Cragun reported on the annual breakfast that was held on September 5, 2013. The breakfast is a thank-you to our dedicated employees for another successful year. It was an honor to have Governor Herbert attend to visit with some of our employees at the breakfast and to meet with leadership.

Upon a unanimously approved motion from Commission Cragun, Commission Chair Johnson adjourned the meeting at 9:34 a.m.

**Approved on:** Thursday, October 24, 2013

**Attested:** Christa Johnson

Executive Assistant

Utah State Tax Commission