

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

11:30 a.m., Thursday, February 26, 2015

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

Participating:

John L. Valentine - 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
Charlie Roberts, Public Information Officer

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 Valentine called the meeting to order at 11:36 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 Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Consider Approving Special Commission Meeting minutes of Wednesday, January 21, 2015.

Chairman Valentine asked that the minutes be held until the additional language is added.

IV. Consider Tax Commission positions on pending legislation [action item]

- a. S.B. 250, Income Tax Revisions
<http://le.utah.gov/DynaBill/BillList?session=2015GS>
- b. S.B. 241, Sales Tax Amendments
<http://le.utah.gov/~2015/bills/static/SB0241.html>

Ms. Lynn Solarczyk, Legislative Director, explained that S.B. 250, Income Tax Revisions requires an employer to file W-2s and certain 1099 forms electronically with the Tax Commission and requires they be filed on or before January 31; imposes penalties for failure to file the forms electronically and accurately; prohibits the State Tax Commission from issuing an

individual income tax refund prior to March 1 unless the employer and employee have both filed forms and returns as required; effective January 1, 2016.

Commissioner Cragun asked if the administration of the program is easy to change.

Mr. Conover over explained that GenTax has the ability to apply the change with relative ease.

Commissioner Dixon asked the purpose of designating S.B. 250, Income Tax Revisions as an administrative bill.

Mr. Conover explained the bill allows the Tax Commission an additional security tool.

MOTION: Commissioner Dixon moved to designate S.B. 250, Income Tax Revisions by Senator Bramble as a (A) Commission support bill. The motion passed unanimously.

Ms. Solarczyk stated that S.B. 241, Sales Tax Amendments, came to her attention by an email she received. S.B. 241 modifies a date for obtaining voter approval to re-enact the city or town option sales and use tax from June 30, 2016 to March 31, 2016 in order to remain in compliance with Streamline Sales Tax (SST).

MOTION: Commissioner Cragun moved to designate S.B. 241, Sales Tax Amendments as a (B) Commission supportive bill. The motion passed unanimously.

V. Ann Discuss Potential Change to Rule R877-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued

Commissioner Cragun explained the background information of Rule R887-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued pertaining to an issues brought to his attention by Motor Vehicle Enforcement Division.

Chairman Valentine said this issue will be talked about at a future Commission Meeting.

VI. Acceptance of 2015 Internal Audit Plan

Commissioner Dixon gave an overview and background of the proposed 2015 internal audit plan. She recognized Mr. Aman Kudiya, Director of Internal Audit, to answer any questions.

MOTION: Chairman Valentine moved acceptance of the Internal Audit Plan for 2015. The motion passed unanimously.

VII. Executive Director's Report

Mr. Conover reported that starting this week the cat 5 cables will be pulled for the voice over internet protocol (VOIP) system. Once all the cables are pulled and the cat 6 cables are installed, the Tax Commission contracted with Interactive Intelligence (ININ) to implement a system to

control and manage the VOIP network. During the next couple of months, General Services will be reconfiguring some cubicles areas.

VIII. Commissioners' Report

Commission Chair Valentine first reported that the Appropriations Committee adopted a budget cut of \$46,500 on-going recommend by the Legislative Analyst to come from turnover savings. It was viewed by the Analysts that it is an on-going savings each year. The accumulated savings from jobs that have not been filled is used to maintain and upgrade computer systems. The Tax Commission is currently working to get the budget cut turned around.

Chairman Valentine reported on S.B.259, Medical Cannabis Amendments. At this time, the Tax Commission has not taken a position on the bill. The concern with the bill is who will licenses supervise, audit and enforce. The bill passed with a 3-2 vote through the Senate Judiciary Committee. The Tax Commission will continue to work on this bill as it moves forward.

Chairman Valentine reported that he and Mr. Scott Smith, Deputy Executive Director, have been asked by the United States Senate Finance Committee to testify on fraudulent issues, March 12, 2015.

Commissioner Dixon reported the mediations with Salt Lake County are going really well. She appreciates the taxpayers and Salt Lake County for their willingness to mediate.

IX. Adjourn

MOTION: Commissioner Cragun moved to adjourn the meeting. The motion passed unanimously.

Commission Chair Valentine adjourned the meeting at 12:32 p.m.

Approved on: Thursday, June 11, 2015

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission