

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, April 14, 2016

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

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner
Robert P. Pero – Commissioner
Rebecca L. Rockwell – Commissioner
Barry Conover – Executive Director

Commission Office:

Christa Johnson, Commission Executive Assistant

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 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 Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Approving Commission Meeting Minutes of Thursday, January 28, 2016

MOTION: Commissioner Cragun moved to approve the Commission Meeting minutes of Thursday, January 28, 2016. The motion passed unanimously.

I. Consider Amending Administrative Rule

1. R865-19S-94. Service Charges, Tips, Gratuities, Cover Charges, and Other Similar Charges Pursuant to Utah Code Ann. Section 59-12-103

Commissioner Rockwell explained that the proposed amendment clarifies that if a service charge, tip, gratuity, cover charge, or other similar charge is included on a patron's bill, it is part of the sales price and subject to sales tax unless: (1) it states on the front of the bill that the amount is voluntary and may be increased or decreased by the patron; and (2) the language stating that the amount is voluntary must be in the same font size as the service charge, tip, gratuity, cover charge, or other similar charge included on the bill. A voluntary payment is a payment for a nontaxable service. The amendment also deletes redundant language and makes technical changes.

The rule was approved for submission to the Department of Administrative Rules on Thursday, December 10, 2015 and was published in the January 1, 2016 bulletin. The 30-day public comment period ended on February 1, 2016 and there were no public comments.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R865-19S-94. Service Charges, Tips, Gratuities, Cover Charges, and Other Similar Charges Pursuant to Utah Code Ann. Section 59-12-103. The motion passed unanimously.

IV. Executive Director's Report

Mr. Conover reported that the Tax Commission has implemented additional building security enhancements that became effective on April 12, 2016.

Mr. Conover reported that the IRS will be conducting a security audit in May.

V. Adjourn

Commission Chair Valentine adjourned the meeting at 9:10 a.m.

Approved on: Thursday, May 12, 2016

Attested: Christa Johnson

Executive Assistant

Utah State Tax Commission