

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**

9:00 a.m., Thursday, May 12, 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 9:02 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, April 14, 2016**

**MOTION:** Commissioner Rockwell moved to approve the Commission Meeting minutes of Thursday, April 14, 2016. The motion passed unanimously.

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

1. R865-6F-28. Enterprise Zone Corporate Franchise Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215

Commissioner Rockwell explained that in the 2016 General Session House Bill 31 removes the determination of whether an applicant qualifies for the enterprise zone credit, and the amount of credit for which a successful applicant applies, from the Tax Commission to the Governor's Office of Economic Development (GOED). Accordingly, this rule is no longer necessary.

2. R865-9I-37. Enterprise Zone Individual Income Tax Credits Pursuant to Utah Code Ann. Sections 63N-2-201 through 63N-2-215.

Commissioner Rockwell explained that in the 2016 General Session House Bill 31 removes the determination of whether an applicant qualifies for the enterprise zone credit, and the amount of credit for which a successful applicant applies, from the Tax Commission to Governor's Office of Economic Development (GOED). Accordingly, this rule is no longer necessary.

3. R873-22M-34. Rule for Denial of Personalized Plate Requests Pursuant to Utah Code Ann. Sections 41-1a-104 and 41-1a-411.

Commissioner Rockwell explained the proposed amendment recognizes the exception to the rule's prohibition on "69" format license plates that was enacted by 2016 General Session House Bill 156.

4. R877-23V-20. Reasonable Cause to Deny, Suspend, or Revoke a License Issued Under Title 41, Chapter 3 Pursuant to Utah Code Ann. Section 41-3-209.

Commissioner Rockwell explained the proposed amendment expands the rule to apply to licensees as well as license applicants, and clarifies that the Motor Vehicle Enforcement Division bears the burden of rebutting the presumption that this rule sets forth.

5. R884-24P-10. Taxation of Underground Rights in Land That Contains Deposits of Oil or Gas Pursuant to Utah Code Ann. Sections 59-2-201 and 59-2-210.

Commissioner Rockwell explained the proposed amendment codifies long-standing practice by replacing the phrase "will shall not" with "may not." This corrects an error in the rule that had been sent to the Division of Administrative Rules (DAR) when the phrase "will not be allowed," which was intended to read "shall not be included," was inadvertently sent to DAR as "will shall not be included." Finally, the proposed amendment makes technical changes.

Commissioner Rockwell explained the rules will be published in the Utah Bulletin on June 1, 2016 and the Public comment will end on July 1, 2016.

**MOTION:** Commissioner Rockwell moved to approve submission of the proposed rules as presented to the Division of Administrative Rules. The motion passed unanimously

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

Mr. Conover reported that the Internal Revenue Service will be conducting a three-day safeguards and security audit starting Tuesday, May 17, 2016.

## **VI. Commissioners' Report**

Commission Chair Valentine reported that the Tax Commission will be giving a presentation to the Legislative Revenue and Taxation Interim Committee on Wednesday, May 18, 2016.

Commission Chair Valentine reported that Commissioner Robert Pero has been reappointed by the Governor and the Utah State Senate will consider the reappointment by a vote on Wednesday, May 18, 2016.

Commission Chair Valentine recognized Senator Curtis Bramble in the audience.

## **VII. Adjourn**

Commission Chair Valentine adjourned the meeting at 9:12 a.m.

**Approved on:** Thursday, July 14, 2016

**Attested:** Christa Johnson

Executive Assistant

Utah State Tax Commission