

**Minutes of the Utah State Tax Commission
Administrative Rule Meeting**

Thursday, August 14, 2008 • 8:00 a.m.
Commission Hearing Room 1025 • Tax Commission Building
210 North 1950 West • Salt Lake City, Utah

Commissioners Participating:

D'Arcy Dixon Pignanelli – Commissioner, Chair Administrative Rules
Pam Hendrickson – Commission Chair
R. Bruce Johnson - Commissioner
Marc B. Johnson – Commissioner

Staff Present:

Cheryl Lee, Commission Executive Secretary

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 297-3900.

1. Commission Business

Commissioner Dixon called the meeting to order at 8:00 a.m.

Commissioner Dixon asked for approval of the minutes of June 27, 2008.

MOTION: Commissioner Hendrickson moved approval of the minutes. The motion passed unanimously.

2. Proposed Rules for Adoption by the Commission

Commissioner Dixon noted there were no public comments received for any of the rules posted for approval on the agenda.

Commissioner Dixon read the titles of all the proposed rules and the short description of the rules into the record to be approved in one motion.

2.1 Rule R865-9I-4 – Equitable Adjustments Pursuant to Utah Code Ann. Section 59-10-115.

- 2.2 **Rule R865-9I-11 – Share of Nonresident Estate or Trust, or it’s Beneficiaries in State Taxable Income Pursuant to Utah Code Ann. Section 59-10-207.**
- 2.3 **Rule R865-9I-12 – Fiduciary Adjustment Pursuant to Utah Code Ann. Section 59-10-210.**
- 2.4 **R865-9I-13 – Nonresident’s Share of Partnership or Limited Liability Company Income Pursuant to Utah Code Ann. Sections 59-10-116, 59-10-117, 59-10-118 and 59-10-303.**
- 2.5 **R865-9I-39 – Subtraction from Federal Taxable Income for a Handicapped Child or Adult Pursuant to Utah Code Ann. Sections 59-10-114, and 59-10-501.**
- 2.6 **R865-9I-48 – Adoption Expenses Deduction Pursuant to Utah Code Ann. Section 59-10-114.**
- 2.7 **R865-9I-52 – Subtractions for Health Care Insurance and for Premiums for Long Term Care Insurance Pursuant to Utah Code Ann. Section 59-10-114.**
- 2.8 **R861-1A-1 – Administrative Procedures Pursuant to Utah Code Ann. Section 59-1-210.**
- 2.9 **R861-1-3 – Division Conferences Pursuant to Utah Code Ann. Section 59-1-210 and 63-46b-1.**
- 2.10 **R865-6F-35 – S Corporation Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.**
- 2.11 **R865-9I-6 – Returns by Husband and Wife when one is a Resident and the other is a Non-Resident Pursuant to Utah Code Ann. Sections 59-10-119.**
- 2.12 **R865-9I-50 – Addition to Adjusted Gross Income for Interest Earned on Bonds, Notes, and Other Evidences of Indebtedness Pursuant to Utah Code Ann. Section 59-10-114.**
- 2.13 **R865-19S-94 – Tips, Gratuities, and Cover Charges Pursuant to Utah Code Ann. Section 59-12-103.**
- 2.14 **R865-20T-13 – Calculation of Tax on Moist Snuff Pursuant to Utah Code Ann. Section 59-14-302.**

Commissioner Dixon noted a typographical error on the agenda. And that it is Rule R865-20T-13.

Commission Comment: Commissioner R Johnson noted for the record, that although most of the long list of rules on the agenda to be approved at this meeting were technical changes or ministerial in nature, he wanted to note three of the rules that were more substantive in nature. Commissioner R. Johnson noted the following:

- *R865-20T-13 Calculation of Tax on Moist Snuff* -- the new rule is required to fulfill new statutory language and to recognize the discretionary action on the part of the commission.
- *R865-19S-94 Tips, Gratuities, and Cover Charge* -- the current definition of sales price includes a charge by the seller for any service necessary to complete the sale. The charge is negotiable regardless if it is on the bill. This required action on our part to complete this rule.
- *R865-9I-13 Nonresident's Share of Partnership or Limited Liability Company* – the special credits and deductions allowed under the new income tax system no longer allow the 15% deduction in the partnership composite return.

MOTION: Commissioner R. Johnson moved approval of the rules as posted noting item 2.14 is R865-20T-13. The motion passed unanimously

3. Other Items/Adjourn

Commissioner R Johnson moved to adjourn. The motion passed unanimously.

Commissioner Dixon adjourned the meeting at 8:13 a.m.

Approved:

Attested: Cheryl Lee
Commission Executive Secretary