

Administrative Rule Meeting
Thursday, September 17, 2009 • 8:00 a.m.
Commission Hearing Room 1025 • Tax Commission Building
210 North 1950 West • Salt Lake City, Utah

Participating:

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

Commission 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 801-297-3900.

1. Commission Business

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

COMMISSION COMMENT: Commissioners wished their fellow Commissioner and Commission Chair, Pam Hendrickson, happy birthday. Commissioner Dixon noted Utah has a new Governor – Governor Gary R. Hebert. Former Governor Jon Huntsman Jr. resigned as governor to serve as US Ambassador to China.

Commissioner Dixon asked for approval of the minutes of March 26, 2009.

MOTION: Commissioner B. Johnson moved approval of the minutes for March 26, 2009. The motion passed unanimously with the exception of Commissioner M. Johnson who abstained because he was not present at the meeting.

2. Rule Items

COMMISSION COMMENT: Commissioner Dixon said all proposed rules have met the public comment period. One comment was received on Rule R865-4D-2 from Mr. Bill Gray, Excise Tax Manager of Sinclair Oil Corp. Mr. Gray said he agreed with the changes made to the rule and appreciated the Commission considering his suggestions. Commissioner B Johnson thanked Mr. Gray for working with the Commission to reach a workable solution.

The following proposed rules were read into the record.

2.1 Proposed Rules Amendments

- a. R861A-44 Definition of Delivery Service Pursuant to Utah Code Ann. Section 59-1-1404.
- b. R865-9I-13 Non-Resident'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 59-10-1405.
- c. R865-9I-56 Determination of Amounts withheld by a Pass-Through Entity that is an S Corporation Pursuant to Utah Code Ann. Section 59-10-116, 59-10-117, 59-10-118, 59-10-1403.2, and 59-10-1405.
- d. R865-9I-55 Qualified Subchapter S Subsidiaries Pursuant to Utah Code Ann. Section 59-10-1403.
- e. R865-12L-17 Procedures for the Administration of the Tourism, Recreation, Cultural and Convention Facilities Tax Pursuant to Utah Code Ann. Sections 59-12-602 and 59-12-603.
- f. R865-19S-58 Materials and Supplies Sold to Owners, Contractors and Repairmen of Real Property Pursuant to Utah Code Ann. Sections 59-12-102 and 59-12-103.
- g. R877-23V-8 Signs and Identification Pursuant to Utah Code Ann. Section 41-3-105.
- h. R877-23V-12 Documents Required Prior to Issue of a License Pursuant to Utah Code Ann. Section 41-3-105.
- i. R884-24P-33 2010 Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Sections 59-2-301.
- j. R865-4D-2 Refund Procedures for Special Fuel Used Off-Highway or to Operate a Power Take-Off Unit, and Sales Tax Liability Pursuant to Utah Code Ann. Sections 59-13-301 and 59-13-304.

COMMISSION QUESTION: Commissioner B. Johnson noticed in Rule R884-24P-33 there was a substantial reduction in the personal property schedules and requested an explanation from staff.

STAFF RESPONSE: Herbert Jenkins, Personal Property Appraiser Manager for the Utah State Tax Commission responded. He said the reduction in the personal property values was due largely to the decline in the economy.

MOTION: Commissioner Hendrickson moved the rules as posted be approved. The motion passed unanimously.

The following proposed rules were read into the record.

2.2 Rules proposed to be repealed due to rule amendments.

- a. R861-1A-41 Date of Assessment Pursuant to Utah Code Ann. Sections 59-1-302.1 and 59-1-706.
- b. R865-25X-1 Brine Shrimp Royalty Procedures Pursuant to Utah Code Ann. Section 59-23-4.
- c. R865-6F-34 Qualified Subchapter S Subsidiaries Pursuant to Utah Code Ann. Section 59-7-01.
- d. R865-6F-35 S Corp Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.
- e. R865-19S-107 Reporting of Exempt Sales or Purchases Pursuant to Utah Code Ann. Section 59-12-105.

COMMISSION QUESTION: Commissioner B. Johnson asked staff to clarify for the record why Rule R865-25X-1 Brine Shrimp Royalty was being repealed.

STAFF RESPONSE: Lynn Solarczyk, Director of Legislative and Government Affairs, said the rule is not relevant because the statute was repealed in 2001.

COMMISSION COMMENT: Commissioner Dixon noted there were no comments received on these rules.

MOTION: Commissioner B. Johnson moved the rule as posted be approved. The motion passed unanimously.

3. Other Items/Adjourn

Commissioner Hendrickson moved to adjourn. The motion passed unanimously.

Commissioner Dixon adjourned the meeting at 8:17 a.m.

Approved:

Attested: Cheryl Lee