

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, February 27, 2014

Commission Room 1000, 210 North 1950 West, Salt Lake City, Utah

Participating:

R. Bruce Johnson - 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 Johnson called the meeting to order at 9:01 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 Johnson asked if anyone wished to address the Tax Commissioners. There were no comments.

III. Consider Approving Special Commission Meeting minutes of Monday, December 9, 2013.

MOTION: Commissioner Dixon moved to approve the Special Commission Meeting minutes of Monday, December 9, 2014. The motion passed unanimously.

IV. Consider approving 2014 Notice of Scheduled Meetings

Commissioner Dixon asked that the Commissioners discuss at a future Commission meeting the possibility of starting Commission meetings at 1:30 pm.

MOTION: Commissioner Dixon moved to approve the 2014 Notice of Scheduled Meetings. The motion passed unanimously.

V. Annual OPMA training

Commissioner Cragun gave a presentation on Utah's Open and Public Meetings Act. Directors, deputy directors and assistant directors of the following Tax Commission divisions were present: Auditing, Taxpayer Services, Processing, Property Tax and Motor Vehicles. Leadership of Motor Vehicle Enforcement Division heard Commission Cragun's training presentation in a January MVED advisory board meeting.

VI. Consider Tax Commission positions on pending legislation

1. SB0047S03 Emergency Management Act Amendments
<http://le.utah.gov/~2014/bills/static/SB0047.html>
2. SB0206 Tax, Fee, or Charge Offense and Penalty Amendments
<http://le.utah.gov/~2014/bills/static/SB0206.html>
3. SB0214 Multistate Tax Compact Amendments
<http://le.utah.gov/~2014/bills/static/SB0214.html>

Commission Chair Johnson said that the Tax Commission generally does not support or oppose legislation, but there are three proposed bills in the 2014 Legislature that he would seek official action from Commissioners.

Commission Chair Johnson explained that Senate Bill 47, Substitute 3, Emergency Management Act Amendments defines an out-of-state business and provides that an out-of-state business that enters the state during a declared disaster or emergency to conduct work related to the disaster or emergency may be exempt from licensing or registration requirements. It provides: (1) an out-of-state business is exempt from corporate tax and from withholding requirements for its employees for income earned during a disaster period and for the purpose of responding to the disaster, (2) an out-of-state employee is exempt from individual income tax on income earned or passed through from an out-of-state business during a disaster period and for the purpose of responding to the disaster, (3) a sales tax exemption for property stored, used, or consumed in the state that is brought into the state during a period of disaster by an out-of-state business for disaster-related work and (4) property brought into the state temporarily is not subject to property tax. It also provides that any out-of-state business or out-of-state employee that remains in the state after the disaster period is subject to the state's normal standards for establishing presence or residency, or doing business in the state; and requires any out-of-state business that enters the state for disaster- or emergency-related work to provide the Division of Occupational and Professional Licensing a statement about the purpose of its business in the state, upon request. Commission Chair Johnson emphasized that this exemption would apply primarily to utility companies, particularly those in telecommunication services and not to contractors providing services primarily to the public.

Commission Chair Johnson explained that SB206 Tax, Fee, or Charge Offense and Penalty Amendments amends the intent provisions of a third degree felony offense from "with intent to evade" to "knowingly and intentionally" for purposes of a tax, fee, or charge administered by the State Tax Commission. This change was recommended by the Attorney Generals Office.

Commission Chair Johnson explained that SB214 Multistate Tax Compact Amendments reinstates the Tax Commission's membership in the Multistate Tax Compact and repeals certain sunset dates related to the Multistate Tax Compact.

Commissioner Dixon asked the status of each legislative bill.

Ms. Lynn Solarczyk, Legislative Director, replied that SB47, third substitute Emergency Management Act Amendments has passed the Senate Committee; SB206 Tax, Fee, or Charge Offense and Penalty Amendments is on the Senate's consent calendar and SB214 Multistate Tax Compact Amendments is also on the Senate's consent calendar.

MOTION: Commission Chair Johnson moved that the Tax Commission support the passage of the three bills discussed. The motion passed unanimously

VII. Acceptance of Internal Audit Plan

Commissioner Dixon gave an overview of the proposed 2014 internal audit plan. She recognized Mr. Aman Kudiya, Director of Internal Audit, to answer any questions.

MOTION: Commissioner Dixon moved acceptance of the Internal Audit Plan for 2014. The motion passed unanimously.

Mr. Conover said that he appreciates the work of Mr. Kudiya. The internal audit unit is improving many processes in the divisions of the Utah State Tax Commission.

VIII. Executive Director's Report

Mr. Conover reported that same-sex couples who are eligible to file a joint federal income tax return and who elect to file their federal return jointly may also file a joint 2013 Utah Individual Income Tax return if they were married as of December 31, 2013.

Mr. Conover thanked Processing Division for preparing the instructional changes, Website Developers for quickly making the changes to the agency's web page and Charlie Roberts for informing the media of joint filing status issue.

Mr. Conover reported that Hearing Room 1025 is in the process of being re-structured and it will be getting new audio-visual equipment in upcoming weeks.

IX. Commissioners' Reports

Commission Chair Johnson stated that while Mr. Conover did make the decision to change the joint filing instructions, Mr. Conover, had consulted with him on the issue and on informing the media.

Commission Dixon expressed her gratitude to Christa Johnson, Executive Assistant to the Commission, and Tiffany Harms, General Services Specialist, for working together on upgrades to the audio recording system in Hearing Room 1025. These upgrades are necessary to assure audio recordings of formal hearings, which must be on the record, are properly recorded.

X. Closed Session to Discuss the character, professional competence, or physical or mental health of one or more individuals

MOTION: Commissioner Cragun moved that the Commission meet in closed session in Room 4041 to discuss the character, professional competence, or physical or mental health of one or more individuals and adjourn from there as no action is required after the discussion. The motion passed with Commission Chair Johnson, Commissioner Dixon, Commissioner Cragun and Commissioner Pero all voting aye.

XI. Adjourn

The Commissioners moved to Room 4041 to meet in closed session at 10:00 a.m.

Approved on: Thursday, June 12, 2014

Attested: Christa Johnson
Executive Assistant
Utah State Tax Commission