

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, January 10, 2019

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

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner
Rebecca L. Rockwell – Commissioner
Lawrence C. Walters – Commissioner
Scott W. Smith – Executive Director

Commission Office:

Jennifer Franklin, 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 9:04 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. Consider Approving Special Commission Meeting Minutes of December 13, 2018

MOTION: Commissioner Walters moved to approve the Commission Meeting Minutes of December 13, 2018. The motion passed unanimously.

IV. Consider Amending Administrative Rule

1. R884-24P-27. Standards for Assessment Level and Uniformity of Performance Pursuant to Utah Code Ann. Sections 59-2-704 and 59-2-704.5.

Commissioner Rockwell explained that the following proposed rule amendment is for the Commission to consider adopting. The rule was published in the Utah Bulletin on December 1, 2018 and the public comment period ended on January 2, 2019. We did not receive any public comments on the rule.

R884-24P-27. Standards for Assessment Level and Uniformity of Performance Pursuant to Utah Code Ann. Sections 59-2-704 and 59-2-704.5. The amendment states that the permissible measure of central tendency is reduced from within ten percent to within five percent of the legal level of assessment for county-wide residential property in counties of the first through fourth class.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R884-24P-27. Standards for Assessment Level and Uniformity of Performance. The motion passed unanimously.

V. Consider Tax Commission positions on pending legislation

1. [H.B. 25](#) – Tax Commission Amendments (*Rep. Eliason, S.*)

H.B. 25 -- Tax Commission Amendments. This bill extends the authorization for the State Tax Commission to hold a meeting that is not open to the public to provide guidance to its employees on the interpretation and application of a law administered by the commission from May 9, 2019 to May 9, 2024; and requires the State Tax Commission to provide an electronic report of the meetings to the Revenue and Taxation Interim Committee on or before Sept. 30, 2020 and 2023.

MOTION: Commissioner Rockwell moved that the commission support H.B. 25 – Tax Commission Amendments. The motion passed unanimously.

VI. Consider Publication Revisions

1. Publication 36: Property Tax – Abatement, Deferral and Exemption Programs for Individuals
2. Publication 27: Taxation of Primary Residential Property
3. Publication 19: Business Personal Property Audits
4. Publication 20: Business Personal Property Taxes

Commission Chair Valentine called for public comment on the Publications. There were none.

VII. Annual Training for Open and Public Meetings (OPMA)

Commissioner Cragun gave a presentation on Utah’s Open and Public Meetings Act.

VIII. Commissioners’ Reports

Commissioner Walters gave an overview of what he and Commission Chair Valentine learned last week at the annual Federation of Tax Administrators (FTA) Mid-Winter/New Commissioner meeting in New Orleans. During one of the presentations, Commissioner Walters raised the issue of gas tax and gas tax alternatives being considered with attendees from other states. It is his understanding that representatives of these states will share the information that they put together. The exchange of information between other states is facilitated by these meetings which is beneficial.

Information is being compiled by the state of Minnesota regarding PLR reformation and making the process more streamlined. That information will also be shared with Utah.

Attendees of the meeting were also alerted to the issues regarding commercial fraud and how individuals are fabricating companies and using those fabricated companies to fraudulently obtain revenue from resources across the country.

Commission Chair Valentine commented on a presentation given at the FTA meeting regarding the VAT tax in Europe and South America. Payment is issued to vendors and VAT taxes are applied in real time as the transaction is completed. Bringing this to the United States is an issue that will require listening to vendors concerns about remote sales collections.

The LEO principal (Legal Ethical and Optical) was presented at the FTA meeting. It was discussed that when it comes to tax collection, tax authorities are criticized perhaps when they shouldn't be due to optics being wrong.

Commissioner Rockwell remarked on a letter received in the fall of 2018 from Salt Lake and Davis Counties regarding R884-24P-33 and their request to repeal the adjustment for refineries enacted in 2006 because of EPA promulgated regulations. It was decided that this request will be directed to the Legislature for review.

IX. Executive Director's Report

Executive Director Scott Smith indicated that he received an e-mail from the IRS stating that they will be opening up their systems for individual income tax filings on January 28, 2019. The Utah State Tax Commission (USTC) will open their system on January 28, 2019 to coincide with the IRS. Executive Director Smith thanked the employees of the USTC for their efforts in preparing the Tax Commission for income tax season.

X. Adjourn

MOTION: Commissioner Cragun moved that the Commissioners adjourn. The motion passed unanimously.

Commission Chair Valentine adjourned the meeting at 9:29 a.m.

Approved on: January 24, 2019

Attested: Jennifer Franklin

Executive Assistant, Utah State Tax Commission