

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 a.m., Thursday, February 14, 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 9:00 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)

Gary Nielsen addressed the Commissioners regarding his desire for the Commission to modify Rule R865-19S-33. Commission Chair Valentine stated that the Legislature is considering a revision of tax policy in this area and recommended that Mr. Nielsen contact his Legislative Representative regarding his request. See attached submitted document.

III. Consider Approving Special Commission Meeting Minutes of January 24, 2019

MOTION: Commissioner Cragun moved to approve the Commission Meeting Minutes of January 24, 2019. The motion passed unanimously.

IV. Consider approving Internal Audit Charter for the Utah State Tax Commission.

MOTION: Commissioner Walters gave a brief explanation of the charter and moved to approve the Internal Audit Charter for the Utah State Tax Commission. The motion passed unanimously.

V. Consider Publication Revision

1. Publication 25: Sales and Use Tax General Information

Commission Chair Valentine gave a brief explanation of the changes that were made to Publication 25 and called for public comment on the Publications. There were none.

VI. Commissioners' Reports

Commission Chair Valentine remarked on this being week three of the Legislative Session. Much work has been done involving tax reform. With debates taking place behind closed doors, the Commission has yet to see any bill drafts. The Commission was invited by the legislative working group to answer questions regarding administration of different tax types in the sales tax arena, to which they were happy to comply.

The first couple weeks of income tax filings have been received. Reconciling withholding tables that were generated last April have begun. Commission Chair Valentine turned to time over to Executive Director Scott Smith to continue apprising us on this topic.

VII. Executive Director's Report

Executive Director Scott Smith mentioned that state withholding tables have been changed to reflect the impact that federal legislation was going to have on the refunds that taxpayers are claiming.

The number of taxpayers receiving refunds has not changed since the previous filing year. The average refund amount received has also stayed the same.

VIII. Adjourn

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

Commission Chair Valentine adjourned the meeting at 9:08 a.m.

Approved on: February 28, 2019

Attested: Jennifer Franklin

Executive Assistant, Utah State Tax Commission

Date: February 14, 2019

I HEREBY REQUEST THAT THE UTAH STATE TAX COMMISSION MODIFY ADMINISTRATIVE RULE R865-19S-33 TO DEFINE THE TERM "LESSON" TO THE FOLLOWING:

LESSON: ANY ACTIVITY WHERE ACTIVE INSTRUCTION IS GIVEN TO TEACH THE SKILLS NECESSARY TO PARTICIPATE IN THE ACTIVITY.

ACTIVITIES MAY BE MENTAL, OR PHYSICAL.

REFERENCES:

R865. Tax Commission, Auditing. R865-19S. Sales and Use Tax. R865-19S-33. Admissions and User Fees Pursuant to Utah Code Ann. Sections 59-12-102 and 59-12-103....

(6) Amounts paid for the following activities are not admissions or user fees: (a) lessons, public or private;

Effective 1/1/2019

59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

- (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:....
- (f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

Submitted by:
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Date: 2-14-19

The following is a partial list of "lessons" commonly taught in the State of Utah

ALL THE FOLLOWING ACTIVITIES ARE NON TAXABLE IN UTAH

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| 1 | Acting lessons | 26 | Indoor rock climbing lessons |
| 2 | Aerobic lessons | 27 | Paragliding lessons |
| 3 | Baseball lessons or camps | 28 | Pilot flying lessons |
| 4 | Basketball lessons or camps | 29 | Quilting lessons |
| 5 | Cheerleading lessons | 30 | Scrapbooking lessons |
| 6 | Computer lessons | 31 | Ice Skating lessons |
| 7 | Cooking lessons | 32 | Roller Skating lessons |
| 8 | Cycling lessons | 33 | Skateboard lessons |
| 9 | Dance lessons or dance camps | 34 | Skiing lessons, |
| 10 | Drill team lessons or camps | 35 | Snowboarding lessons |
| 11 | Driving Lessons | 36 | Sewing lessons, |
| 12 | Football lessons or training camps | 37 | Singing or Voice lessons, |
| 13 | Fly fishing lessons | 38 | Skydiving lessons |
| 14 | Golf lessons or golf clinics | 39 | Indoor Skydiving lessons |
| 15 | Gymnastic lessons or camps | 40 | Scuba Diving lessons |
| 16 | Hang glyding lessons | 41 | Soccer lessons or Camps |
| 17 | Horseback riding lessons | 42 | Surf lessons |
| 18 | Karate lessons | 43 | Indoor Surf lessons |
| 19 | Motocross riding lessons | 44 | Swimming lessons |
| 20 | Music lessons All types | 45 | Tennis lessons |
| 21 | American ninja warrior training lessons | 46 | Tumbling lessons |
| 22 | Race car driving lessons, | 47 | Tutoring- Reading, Writing, Math, Speech, etc. |
| 23 | Racquetball lessons | 48 | Wake Boarding lessons |
| 24 | Reading lessons, | 49 | Wake Surfing lessons |
| 25 | Rock climbing lessons | 50 | Water Skiing lessons |

LESSONS / INSTRUCTION MAY BE TAUGHT FOR ANY AMUSEMENT, ENTERTAINMENT, RECREATION, CULTURAL, OR ATHLETIC ACTIVITY

refer to : Utah code 59-12-103 (1)(d)