

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 am Thursday, January 14th, 2021

Via Zoom, 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 Smith – Executive Director

Commission Office:

Chantay Asper, 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. Join Zoom Meeting:

<https://us02web.zoom.us/j/81631967912?pwd=MWdqdVUyQmRYVmZidHNGbVp6TFNvdz09>

Meeting ID: 816 3196 7912

Passcode: aAK6y^YJ

Dial in by

+1 346 248 7799 or +1 669 900 6833

Meeting ID: 816 3196 7912

Passcode: 46644228

II. Call to Order

Commission Chair Valentine called the meeting to order at 9:00 a.m.

- III.** Based upon the facts outlined in Governor Gary Herbert’s Executive Order No. 2020-51, and as authorized by Utah Code 52-4-207, I, John L. Valentine, Utah State Tax Commission Chair, hereby determine that conducting electronic public meetings of the Utah State Tax Commission with an anchor location presents a substantial risk to the health and safety of those who may be present at an anchor location. Until this determination expires on February 12th, 2021, notices and agendas for Utah State Tax Commission meetings shall include information on how a member of the public may listen to the meetings and make a comment. Meeting technology used by Utah State Tax Commission does not currently support public viewing.

- IV. 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)**

There was no public comment

V. Consider approving Commission Meeting Minutes of November 24, 2020

MOTION: Commissioner Walters moved to approve the Commission Meeting Minutes of November 24, 2020. The motion passed unanimously.

VI. Consider Public Comment for possible changes to R884-24P-62

Many members of the public commented on possible changes. Written comments were submitted and posted to the Public Notice Website

V. Consider Publication Revisions

1. Publication 35: Sales Tax Information for Public and Private Elementary and Secondary Schools
2. Publication 19: Business Personal Property Audits
3. Publication 20: Business Personal Property Taxes
4. Publication 36: Property Tax Abatement, Deferral and Exemption Programs for Individuals

VII. Consider Tax Commission positions on pending legislation [*action item*]

1. HB 39 Corporate Tax Unadjusted Income Amendments

Commissioner Rockwell:

HB 39 Corporate Tax Unadjusted Income Amendments (Sagers) Provides clarification on what deductions should be included in Utah unadjusted income.

MOTION: Commissioner Rockwell moved that the Commission support HB 39 Corporate Tax Unadjusted Income Amendments. The motion passed unanimously.

2. HB 40 Tax Status Disclosure Amendments

Commissioner Rockwell:

HB 40 Tax Status Disclosure Amendments (Thurston) This bill authorizes the State Tax Commission to disclose tax status information to the Alcoholic Beverage Control Commission related to individuals who are obtaining or maintaining a license under the Alcoholic Beverage Control Act.

MOTION Commissioner Rockwell moved that the Commission support HB 40 Tax Status Disclosure Amendments. The motion passed unanimously.

3. SB 24 Property Tax Revisions

Commissioner Rockwell:

SB 24 Property Tax Revisions (Bramble) This bill harmonizes deadlines to file an application to apply a residential exemption to the value of a part-year residential property. This bill also allows a county to waive or reduce a penalty for failure to file a required signed statement of a person's real and personal property that is assessable by the assessor, upon a showing of reasonable cause.

MOTION: Commissioner Rockwell moved that the Commission support SB 24 Property Tax Revisions. The motion passed unanimously.

4. SB 25 Corporate Tax Amendments

Commissioner Rockwell:

SB 25 Corporate Tax Amendments (Bramble) This bill clarifies the calculation of the 80% limitation on claiming Utah net operating losses. (This clarification was requested by the Tax Commission) This bill also allows a taxpayer to carry back, for up to three years, a Utah net loss realized during certain taxable years.

MOTION: Commissioner Rockwell moved that the Commission support SB 25 Corporate Tax Amendments. The motion passed unanimously.

5. SB 26 Property Tax Relief Amendments

Commissioner Rockwell:

SB 26 Property Tax Relief Amendments (Davis) This bill clarifies how property tax relief is calculated for a part-year owner of real property by prorating the amount of property taxes accrued and the amount of a homeowner's credit if the claimant buys or sells a residence after January 1 but on or before September 1. This bill also modifies the qualifications for circuit breaker tax relief and changes the consumer price index used to adjust annual income qualifications.

MOTION: Commissioner Rockwell moved that the Commission support SB 26 Property Tax Relief Amendments. The motion passed unanimously.

6. SB 35 Income Tax Domicile Amendments

Commissioner Rockwell:

SB 35 Income Tax Domicile Amendments (Bramble) This bill provides that an individual may not be determined to have Utah domicile for purposes of assessing an income tax based on the individual's dependent being enrolled in a public school in this state if the individual is a noncustodial parent and the individual was never married to the dependent's custodial parent.

MOTION: Commissioner Rockwell moved that the Commission support SB 35 Income Tax Domicile Amendments. The motion passed unanimously.

7. SB 42 Tax Commission Administrative Garnishment Process

Commissioner Rockwell:

SB 42 Tax Commission Administrative Garnishment Process (Bramble) This bill allows the Tax Commission to issue administrative garnishments as an alternative garnishment process to the existing judicial garnishment process. These administrative garnishments will save taxpayers court costs and fees associated with the current judicial garnishment process.

MOTION: Commissioner Rockwell moved that the Commission support SB 42 Tax Commission Administrative Garnishment Process. The motion passed unanimously.

VIII. Commissioners' Reports

No report.

IX. Executive Director's Report

Scott Smith reported on procedures for responding to potential protests including designating public protest areas and employee safety precautions. He thanked agency employees for their continuing dedicated service during challenging times. He noted two specific pandemic related budget cuts that are significantly impacting the public: DMV no longer sends registration renewal reminder postcards and required electronic filing of all sales tax returns beginning in 2022. In response, DMV offers an electronic reminder service and Taxpayer Services will mail notices to those currently filing paper sales tax returns

X. Adjourn

Commission Chair Valentine adjourned the meeting at 11:45 a.m.

Approved on: March 17, 2021

Attested: Chantay Asper

Executive Assistant

Utah State Tax Commission