

**UTAH STATE TAX COMMISSION
MEETING MINUTES**

9:00 am Thursday, January 13th, 2022

Via Zoom, 210 North 1950 West, Salt Lake City, Utah

Participating:

John L. Valentine – Commission Chair
Michael J. Cragun – Commissioner
Rebecca L. Rockwell – Commissioner
Jennifer N. Fresques – 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/7437193782?pwd=K0pJRTVzTGJrWm14LzltTdjY0QzJDUT09>

Meeting ID: 743 719 3782

Passcode: 8fN54hj!

Dial in by

+1 253 215 8782 or +1 346 248 7799

Meeting ID: 743 719 3782

Passcode: 07438057

II. Call to Order

Commission Chair Valentine called the meeting to order at 9:08 a.m.

III. 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

IV. Consider approving Commission Meeting Minutes of December 9, 2021 and December 14, 2021

MOTION: Commissioner Cragun moved to approve the Commission Meeting Minutes of December 9, 2021 and December 14, 2021. The motion passed unanimously.

V. Commission Consideration of Request for Rulemaking from Utah Professional Towing Alliance. [action item]

Explanation from Commissioner Rockwell

MOTION: Commissioner Rockwell moved to deny the request for rulemaking at this time and to send a letter to the Utah Professional Towing Alliance informing them of the Commission's determination.

Commission Chair Valentine took a roll call vote and the motion passed unanimously

VI. Consider amending Administrative Rule. *[action item]*

Commissioner Rockwell: The following rule was published in the *Utah State Bulletin* on December 1, 2021 and the public comment period ended on December 31, 2021. We did not receive any public comments on the rule.

Rule R861-1A-16. Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207. The proposed rule amendments modify the Utah State Tax Commission's management plan to delegate certain responsibilities related to public information from the Office of the Commission to the executive director. The proposed rule amendments also make conforming changes consistent with organizational modifications in the Tax Commission and state government.

MOTION: Commissioner Rockwell moved to adopt the amendment to Rule R861-1A-16. Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207.

Commission Chair Valentine took a roll call vote and the motion passed unanimously

VII. Approve submission of proposed rule amendments to the Office of Administrative Rules for publication in *Utah State Bulletin* *[action item]*

1. R877-23V-14. Dealer Identification of Fees Associated with Issuance of Temporary Permits Pursuant to Utah Code Ann. Sections 41-3-301 and 41-3-302.
2. R861-1A-42. Waiver of Penalty and Interest for Reasonable Cause Pursuant to Utah Code Ann. Section 59-1-401.

Commissioner Rockwell: The following proposed rule amendments are for the Commission to consider and submit for publication to the Office of Administrative Rules. The rules will be published in the *Utah State Bulletin* on February 1, 2022 and the public comment period will end on March 3, 2022.

1. Rule R877-23V-14. Dealer Identification of Fees Associated with Issuance of Temporary Permits Pursuant to Utah Code Ann. Sections 41-3-301 and 41-3-302. This amendment to R877-23V-14 clarifies that the sign required in each motor vehicle dealership to disclose dealer documentary service fees must be displayed in

the sales area of the dealer's premises. The amendment also eliminates the requirement that the sign disclose the profits to the dealer for preparing and processing documents and other services related to the sale or lease of a motor vehicle.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to Rule R877-23V-14. Dealer Identification of Fees Associated with Issuance of Temporary Permits Pursuant to Utah Code Ann. Sections 41-3-301 and 41-3-302, to the Office of Administrative Rules for publication in the *Utah State Bulletin*.

Commission Chair Valentine took a roll call vote and the motion passed unanimously

2. Rule R861-1A-42. Waiver of Penalty and Interest for Reasonable Cause Pursuant to Utah Code Ann. Section 59-1-401. This amendment to R861-1A-42 modifies the provision for waiver related to "disaster relief" to include "governmentally declared disasters." The amendment also defines "governmentally declared disasters" to include disasters declared by possessions and territories of the United States government and the District of Columbia in addition to federal and state governments.

MOTION: Commissioner Rockwell moved to submit the proposed amendments to Rule R861-1A-42. Waiver of Penalty and Interest for Reasonable Cause Pursuant to Utah Code Ann. Section 59-1-401., to the Office of Administrative Rules for publication in the *Utah State Bulletin*.

Commission Chair Valentine took a roll call vote and the motion passed unanimously

VIII. Consider Publication Revisions

1. Publication 19: Business Personal Property Audits
2. Publication 20: Business Personal Property Taxes
3. Publication 23: Vehicle Property Assessment Fees Age-based Uniform Fee and 1.5 Percent Uniform Fee

Commission Chair Valentine acknowledged the revised publications.

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

1. HB 108, Vehicle Inspection Amendments (Brooks)

- Clarifies who is authorized to do a VIN inspection.

MOTION: Commissioner Rockwell moved that the Commission support HB 108, Vehicle Inspection Amendments. The motion passed unanimously.

2. HB 41, County Property Tax Statement Amendments (Barlow)

- Clarifies that the annual property tax statement prepared by the county auditor is sent to the Tax Commission instead of the State Auditor.

MOTION: Commissioner Rockwell moved that the Commission support HB 41, County Property Tax Statement Amendments. The motion passed unanimously.

3. SB 51, Transportation Amendments (Harper)

- Directs the Office of the Attorney General to prosecute cases related to motor vehicle enforcement.

MOTION: Commissioner Rockwell moved that the Commission support SB 51, Transportation Amendments. The motion passed unanimously.

4. SB 64, Identification for Vehicle Registration Amendments (Davis)

- Amends the identification requirements to register a motor vehicle. Under current law, a driver license was required. SB 64 allows any state issued identification to be presented.

MOTION: Commissioner Rockwell moved that the Commission support SB 64, Identification for Vehicle Registration Amendments. The motion passed unanimously.

5. SB 48, Individual Income Tax Amendments (McCay)

- Provides that a claimant may not claim a Social Security tax credit or a military retirement tax credit, if a retirement tax credit is claimed on the same return.

MOTION: Commissioner Rockwell moved that the Commission support SB 48, Individual Income Tax Amendments. The motion passed unanimously.

6. HB 34, Cigarette Tax Amendments (Eliason)

- Clarifies the definition of “cigarette” for purposes of the cigarette tax to include new products entering the market.

MOTION: Commissioner Rockwell moved that the Commission support HB 34. Cigarette Tax Amendments (Eliason). The motion passed unanimously.

7. HB 26, Renter's Credit Amendments (Eliason)

- Provides the percentage that the commission shall deduct from rent when calculating a renter's credit if the rent includes electricity, natural gas, or both.

MOTION: Commissioner Rockwell moved that the Commission support HB 26, Renter's Credit Amendments (Eliason). The motion passed unanimously.

8. SB90, Tax Administration Amendments (Harper)

- Modifies the defined term "remote seller" to now be "voluntary seller" for purposes of sales and use tax collections.
- Clarifies that an appeal of a tax commission administrative garnishment is to the district court.

MOTION: Commissioner Rockwell moved that the Commission support SB90, Tax Administration Amendments (Harper). The motion passed unanimously.

9. SB 20, Telecommunications Tax Amendments (Bramble)

- defines "public utility" and "telecommunications service provider";
- provides that the State Tax Commission may not assess property owned by a telecommunications service provider; and
- creates a process for the Multicounty Appraisal Trust to value personal property of a telecommunications service provider before forwarding the information to county assessors for assessment.

MOTION: Commissioner Rockwell moved that the Commission take a neutral position on SB 20, Telecommunications Tax Amendments (Bramble), and that the Commission determines that it has no administrative concerns with SB 20. The motion passed unanimously.

X. Commissioners' Reports

Commission Valentine reported the commission is gearing up for the upcoming legislative session that is coming up next week.

XI. Executive Director's Report

No report.

XII. Adjourn

Commission Chair Valentine adjourned the meeting at 9:37 a.m.

Approved on:

Attested: Chantay Asper
Executive Assistant
Utah State Tax Commission