IDAHO STATE TAX COMMISSION

SPECIAL BUSINESS MEETING
MINUTES OF MEETING SEPTEMBER 10, 2026

Chairman John Bernasconi called the special meeting to order at 11:00 AM. Those present included Chairman John Bernasconi, Commissioner Paul Woods, and Commissioner Jared Zwygart. There is a quorum and they will continue with the action item before them today.

Business requiring a vote of the Commission.

Resolution 26-03: Resolution 26-03: Temporary Rule 35.01.03.419 (Property Tax Rule 419)

Garin Evans, Property Tax Policy Specialist, said this temporary rule defines "retail customer" for purposes of kilowatt hour and therm tax under Idaho Code 63-3502B. This code uses the term "retail customer" when identifying which sales of kilowatt hours or therms are subject to the tax. "Retail customer" is frequently used within the utility industry but is not formally defined. As they began administering the new kilowatt hour and therm tax, they identified a need to provide a clear and uniform definition for administrative purposes, particularly where atypical rates, contractual arrangements, or other transactions could result in different treatments of sales. This rule clarifies how the Tax Commission will administer the kilowatt hour and therm tax by proving a consistent basis for identifying who is a retail customer and determining the kilowatt hours and therms associated with those sales. It also communicates the Tax Commission's expectations for how taxpayers will report the sales. Because this issue was identified during the initial administration of the tax, and clarification is needed for the current reporting cycle, Property Tax Division is bringing this forward as a Temporary Rule and will pursue Proposed Rulemaking in the future to make this clarification permanent.

There are three key points to discuss with the rules. It will define who a retail customer is, clarifying that atypical rates or other arrangements won't change that classification, and it will ensure all kilowatt hours, or therms, sold to retail customers are included in the tax calculations.

Commissioner Woods thanked Mr. Evans for explaining the situation well. Commissioner Zwygart asked if this is just clarifying due to some questions received. Mr. Evans said this is to clarify how some of the reporting is going to come to the Tax Commission. Property Tax looked at some initial reports and noted differences of opinion on how the reports should be sent. Commissioner Zwygart asked if this rule will be sent to all the users, so they'll all be aware of it. Mr. Evans explained his understanding of the process, saying once this is approved as a temporary rule, they will send it out to all the affected taxpayers, then there will be a proposed rulemaking on October 13, followed by a public comment period.

Chairman Bernasconi observed no further comments and called for a motion. **Commissioner Woods moved to approve Resolution 26-03: Temporary Rule 25.01.03.419 (Property Tax Rule 419). Maria Young, Management Assistant, conducted a roll call vote: Commissioner Zwygart, aye; Commissioner Bernasconi, aye; Commissioner Woods, aye. Resolution 26-03: Temporary Rule 25.01.03.419 (Property Tax Rule 419) was approved.**

Chairman Bernasconi noted the next Commission Business Meeting is scheduled for October 28, 2026, at 1:00 p.m. to review the proposed rules for the 2027 legislative session.

There was no further business and Chairman Bernasconi adjourned the meeting.

Maria Young, Secretary

John Bernasconi, Chairman