

**SALES TAX RULES COMMITTEE MEETING  
AGENDA**

The Committee convenes on Thursday, May 19, 2016, at 1:30 p.m. in Room 1CR5

1. Welcome
2. Negotiated Rule Discussion

**Rule 017. Security for Tax Required.** Cigarette Tax: Changes to the rule are to bring the rule into conformance with HB 376 which made changes to the cigarette wholesaler bonding requirements.

**Rule 107. Vehicles and Vessels – Gifts, Military Personnel, Nonresident, New Resident, Tax Paid to another State, Sales To Family Members, Sales To American Indians, and Other Exemptions.** Changes to the rule are due to HB 348 and adds paddleboards and similar vessels to the list of watercraft that are subject to sales tax when purchased by nonresidents.

**Rule 100. Prescriptions.** The rule change is to bring in line with HB 075 from the 2015 legislative session and clarifies that prescription eyeglasses and component parts are exempt from sales tax effective 7/1/15 and prescription contact lenses are exempt effective 7/1/16. We also are defining component parts.

**Rules 096. Irrigation Equipment and Supplies and 102. Logging.** Due to passage of HB 347, these rules need to be changed to state that hand tools used directly in the production process of agricultural irrigation and logging are not subject to sales tax regardless of cost.

**Rules 079 Production Exemption and 083 Farming and Ranching:** Changes to the Rules are to bring in line with HB 386 and amend the exemption to include the removal of the product from the farms initial storage. Clarification is being made that equipment and supplies used in the performance of a quality control function that is an integral and necessary step in maintaining specific product standards are included in the production exemption.

**Rule 080 Lumber Manufacturing, Rule 081 Underground Mining, Rule 082 Aboveground, Open Pit, Mining.** Clarification is being made to the three rules that equipment and supplies used in the performance of a quality control function that is an integral and necessary step in maintaining specific product standards are included in the production exemption.

Meeting adjourned.

Next meeting date: June 16, 2016

*For more information, please contact the Committee Chair, or the Rules Coordinator at [sherry.briscoe@tax.idaho.gov](mailto:sherry.briscoe@tax.idaho.gov) or at 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.*