

**SALES TAX RULES COMMITTEE MEETING
AGENDA**

The committee convenes on Wednesday, June 24, 2015, at 1:30 p.m. at the following location:

Idaho State Tax Commission
Room 1CR5 / Plaza IV / 800 Park Blvd / Boise, Idaho

1. Welcome
2. Review of Rulemaking Process
3. Reminder about Rule Housekeeping
 - a. When the Tax Commission proposes a rule change, the entire rule must be published regardless of what is being amended. Besides specific changes under discussion, you can help us by reviewing the rest of the rule for possible improvements in grammar and clarity.
4. Negotiated Rulemaking Discussion
 - a. **SUT Rules 041 & 072.** Food and Use Tax – House Bill 237 (2015) amended Idaho Code Section 63-3621 exempting prepared food and beverage given away to employees by a retailer that is in the business of selling prepared food, such as a restaurant. Both of these rules will be reviewed for changes required by the new law. In addition, there have been other legislative changes in the past few years exempting food and beverage samples and donations. Changes will be discussed related to those exemptions as well.
 - b. **SUT Rule 067.** Real Property – The sales tax audit staff proposed that we discuss whether changes to the National Electrical Code in regard to abandoned data cabling necessitate a change to that section of the rule. At this point, the committee will not be proposing changes to the rule but instead seeks comment on whether the rule as written adequately addresses the most current version of the NEC.
 - c. **SUT Rules 50 & 103** – House Bill 39 (2015) removed the hand tool exclusion from the production exemption (Idaho Code Section 63-3622D). These rules need to be amended to conform to the change.
 - d. **SUT Rule 128.** Certificates for Resale and Other Exemption Claims - Like Rules 50 & 103, these rules need to be amended to remove language related to the hand tool change. We also need to add Form 108TR, Occasional Sales

Exemption Claim – Office Trailer and Transport Trailer, to the list of exemption certificates. Finally, we would like to discuss language addressing situations where there are multiple purchasers of a vehicle and one or more of the purchasers don't qualify for a claimed exemption.

- e. **SUT Rules 079 & 083** – Like Rules 50 & 103, hand tool language needs to be removed. House Bill 221 (2015) also affected the production exemption adding hunting and fishing operations as qualifying businesses. No draft will be presented. Instead, we will discuss whether rule changes are necessary and, if they are, what needs to be addressed.

5. Dates to Keep in Mind

- a. **July 23** – Next public meeting
- b. **August 31** – The big one. Final drafts of proposed rules must be ready and submitted to Rules Coordinator. Always good to keep in mind.