

**SALES TAX RULES COMMITTEE
FINAL AGENDA**

The Committee convenes on Tuesday, August 20, 2013, at 1:30 p.m. at:

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

1. Welcome & Introductions
2. Sales & Use Tax Rules Discussion
 - a. **Rule 027.** Computer Equipment, Software, and Data Services. (*Draft 4*) House Bill 243 (2013) amended the definition of tangible personal property to exclude “application software accessed over the internet or through wireless media” resulting in the exemption of certain sales of “software as a service.” The rule will be amended to address the new statutory language and other changes in technology in recent years. { **TC "027. Computer Equipment, Software, And Data Services" \f C \l "1" }** }
 - b. **Rule 037** Aircraft and Flying Services (*Draft 3*) – House Bill 15 (2013) created a definition for primary and primarily in regards to the use of tangible personal property. Some simple examples will be added to this rule to address the application of the new definition.
 - c. **Rule 046** Coatings (*Draft 2*) – Clarify that sales of coatings of all kinds (paint, powder coating, spray on bedliner, chrome plating, etc.) will be treated consistently. In addition, the rule will address when a materials charge must be broken out and when it is subject to tax.
3. Cigarette and Tobacco Products Tax Rules Discussion
 - a. **Rule 019** Tobacco Manufacturers and Distributors (*Draft 2*) – House Bill 7 (2011) amended the statutory definition of “wholesale sales price” to include “any person” selling tobacco products. The rule section on “wholesale sales price” needs to be updated to reflect this change. In addition, the rule change will address when separately stated charges are part of the wholesale sales price subject to tax and when those charges should be excluded.

4. Prepaid Wireless E911 Fee Rules

- a. **Rules 000 – 999** (Draft 2) – House Bill 193 (2013) imposed a new 2.5% fee on the sale of prepaid wireless telecommunications service. Starting January 1, 2014, the fee will be collected by retailers of such service from their customers. A new chapter of rules will be created to address the administration of the fee. Where possible, this new chapter will reference or defer to the sales tax code and administrative rules as directed by the new statute.

5. Any Additional Items for Discussion

6. Meeting adjourns

For more information, please contact the Rules Coordinator at 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.