Idaho State Tax Commission
**SALES TAX RULES COMMITTEE**

**ATTENDEES:** *Committee Members:* McLean Russell, Susan Foster, Doug Harrie, Larry Kolb, Renee Marsh, Tim Hurst, Erick Shaner (via phone), and Laura Turner
*Rules Coordinator:* Sherry Cann
*Commissioner:* Ken Roberts
*Other Commission Employees:* Mike Chakarun, Nancy Allen, Aaron Stevens, and Kathryn Christie
*Guests* : Steve Martin, Marni Odermann, and Sarah Weintraub

**MINUTES:** The March 20, 2013 minutes were read and approved.

**LEGISLATIVE UPDATE:** McLean gave a legislative update regarding the following items relating to sales and use tax:

- HB12 – [**signed into law**] Updates language for the former food stamp exemption, now the Supplemental Nutrition Assistance Program, and clarifies the language of the use tax exemption for household property brought into Idaho by military personnel.
- HB 13 – [**defeated in the House**] Responsible parties for use tax liabilities.
- HB15 – [**signed into law**] Gives a specific statutory definition for the use of words 'primary' and 'primarily'.
- HB62 – Extends existing exemption on purchases made by specified health-related entities to nonprofit pregnancy resource clinics that do not perform abortions. *Passed the House.*
- HB 157 – Exempts purchases by and donations to nonprofit homeless shelters. *Passed the House*.
- HB187 – [**signed into law**] Exempts the use of food samples given away and further clarifies the exemption for the use of beverage samples given away.
- HB 243 – [**signed into law**] Exempts sales of application software accessed over the internet.
- HB 250 – Exempts the sale of girl scout cookies. *Passed the House.*
- HB 193 – [**signed into law**] Imposes a new emergency telecommunications fee – 2.5% fee on the sale of prepaid wireless communications services.
- HB 202 – [**signed into law**] Requires the ISTC to report any positive fiscal impact greater than $10,000 related to any proposed rule.

**Deadline Review:** Just a reminder that any proposed rule must be prepared by the end of August. If anyone has any ideas for rules to be looked at for the next legislature, they need to be discussed now.

**NEW BUSINESS:**

RULE 010 A lengthy discussion was held regarding the application of the Travel & Convention Tax to the rental of state park sites with structures intended for sleeping, such as yurts or camper cabins, available at the site. Steve Martin with Idaho Parks & Recreation brought the revenue numbers for the yurts and camper cabins on state park lands. The committee voted five to three in favor of treating these sites as hotels and motels rather than campgrounds. This change will impose a collection responsibility on Parks & Rec for the travel and convention tax on rentals of sites with sleeping structures. It was further voted six to two to address this through a Rule, rather than legislation. McLean will prepare a draft rule.

RULE 114 Sales under the SNAP and WIC programs, records required for payment with electronic benefit transfer cards, and WIC tender. Everyone was fine with this rule, no changes were offered.

RULE 130 Tim passed this draft to the field offices, and they all approved of it. There was some discussion on the form that event promoters use to collect information from vendors. Kathryn suggested that the "if known" language e removed from subsection 03 so as to minimize abuse. The majority of the committee agreed with the suggestion so the change will be made. McLean will also clean up the language on this a little.

HB 187 A cursory discussion was held on 63-3621 – Imposition and Rate of the Use Tax – exemptions. No draft was presented. There was some concern over taking the word "free" out of the rule. This will be reviewed further.

The next meeting was set for May 22, 2013.

The meeting was adjourned.

*McLean Russell*
*Chairman*

*Sherry A. E. Cann*
*Rules Coordinator*