

IDAHO STATE TAX COMMISSION
COMMISSIONERS' OPEN MEETING
MINUTES OF MEETING FEBRUARY 4, 2015

In attendance: Commissioners Richard W. Jackson, Tom Katsilometes, and Ken A. Roberts; Michael Chakarun, Debbie Coulson, Valerie Dilley, Steve Fiscus, Scott Grothe, Roxanne Lopez, Robin O'Neill, Mark Poppler, Chuck Pond, Liz Rodosovich, Mike Teller, Bill von Tagen, Randy Tilley, Doreen Warren; Cynthia Adrian, Rod Brevig, Renee Eymann, McLean Russell, Don Williams; George Brown, Mat Cundiff, Erick Shaner, Phil Skinner, David Young; Jim Gunter, David Noland, Lisa Palmer, Marti Peace.

Guests: Steven Olsen, Jeremy Pisca.

Public Session.

Commissioner Tom Katsilometes convened the open meeting. Commissioner Katsilometes welcomed guest, Jeremy Pisca, Attorney at Risch Pisca, PLLC, and stated how the Commission appreciated his interest and participation.

Presentation of Certificates of Service.

Roxanne Lopez, Human Resources Officer, acknowledged the employees receiving a Certificate of Service, and stated how much their combined 85 years of state service were appreciated.

The Certificate of Service recipients in attendance were: Marti Peace, Data Coordinator, (Revenue Operations) for 10 years of state service; and Jim Gunter, Tax Policy Specialist, (Tax Policy) for 35 years of state service and a thank-you letter from the Governor.

The absent recipients who will receive their certificates at a later time are: Jill Sanders, Tax Auditor 3, (Audit) for 5 years of state service; Johnny Ketner, Tax Auditor 3, Pocatello Field Office (Collection) for 10 years of state service; and Lynn Howard, Tax Compliance Officer 3, Coeur d'Alene Field Office (Collection) for 35 years of state service and a thank-you letter from the Governor.

The Commissioners expressed their congratulations to all the recipients and said how the recipients' combined total of 85 years of dedicated state service was commendable and how the everyday work they do is valued and appreciated.

Business Requiring Vote of the Commission.

Minutes: Open Meeting – January 7, 2015.

Chairman Jackson moved that the minutes of the open meeting held on January 7, 2015, be approved. Commissioner Roberts seconded. There were no comments or amendments. All voted in the affirmative and the minutes of the open meeting on January 7, 2015, were approved.

2015 Forestland Values.

Rod Brevig, Forestland Tax Administrator, presented the 2015 Forestland Values for the state of Idaho to the Commission and recommended the Commission adopt the Forestland Values for 2015. Rod reviewed a brief explanation on the recent history of Idaho's forestland values and

acknowledged the four forestland value zones in Idaho. Rod noted that the values stayed the same from last year's values. There were no questions.

Commissioner Roberts moved to adopt the 2015 Forestland Values for the state of Idaho, and Chairman Jackson seconded. There were no comments or questions. All voted in the affirmative and the 2015 Forestland Values were adopted.

Administrative Policy #15-01 – Outside Employment and Business Activity.

Roxanne Lopez, Human Resource Office, presented the Administrative Policy #15-01 – Outside Employment and Business Activity, and recommended the Commission adopt the updated policy. Roxanne noted there were minor revisions to the policy, which provide clarification on prohibited activities.

Commissioner Katsilometes clarified that this policy does also apply to the commissioners.

Chairman Jackson moved that Administrative Policy #15-01 – Outside Employment and Business Activity, be adopted with the two amendments, and Commissioner Roberts seconded. There were no more comments or questions. All voted in the affirmative and Administrative Policy #15-01 – Outside Employment and Business Activity, was adopted with the two amendments.

Administrative Policy #15-04 – Confidentiality and Employee Access to Tax Records and Information.

Roxanne Lopez, Human Resource Office, presented the Administrative Policy #15-04 – Confidentiality and Employee Access to Tax Records and Information, and recommended the Commission adopt the updated policy. Roxanne noted that a section on paper information was omitted, since all records are imaged, kept for four months, and then destroyed. A brief discussion followed.

Chairman Jackson moved that Administrative Policy #15-04 – Confidentiality and Employee Access to Tax Records and Information, be adopted, and Commissioner Roberts seconded. There were no more comments or questions. All voted in the affirmative and Administrative Policy #15-04 – Confidentiality and Employee Access to Tax Records and Information, was adopted.

There was no more business requiring a vote of the Commission.

Administrative Reports.

Management Services, Mark Poppler.

Mark Poppler, Financial Officer, presented the administrative report for Management Services (MS). Mark reported that the Tax Commission's presentation of the Governor's Budget Recommendation for FY2016 for our agency would be on Monday morning, February 16 at 8:30 a.m. (MST). Mark reserved a couple of fleet cars for those who wanted to ride over as a group. The plan was for Chairman Jackson to lead off with an agency update, then a review of the budget numbers, and discuss the status of detection resources for fraud and identity theft.

The Cigarette tax distribution was substantially changed in last year's legislative session. The first approximately \$1.3 million per month goes to a half dozen set funds, with any remainder then going, in cascading order, to other targeted causes. The first target for this year, the amount needed to finish the Capital Restoration Fund in the permanent building fund, was reached in December 2014. Therefore, in January, money was deposited for the first time into the second target fund, the Garvee Bonds state match. Details of cigarette tax distribution can be found on page 5 of the monthly Comparative report.

Mark noted how pleasantly surprised MS was to see a familiar face show up among the tax drive temps starting this week. Julie Smith, who worked in the Accounting Department for over 30 years, until her retirement last March, was back in the building for the tax drive.

There were no questions.

There were no more administrative reports.

Reports on Rules Committees.

[Income Tax, Administration & Enforcement, Kilowatt, Mine License Rules – Committee Chair, Cynthia Adrian.](#)

Cynthia Adrian, Income Tax, Administration & Enforcement, Kilowatt, and Mine License Rules Committee Chair, reported that the income tax & administration & enforcement rules had been approved by the House & Senate. Cynthia noted that next Wednesday, February 11, 2015, at 1:30 p.m. the Income Tax Rules Committee would meet to discuss the rules for next session.

There were no questions.

[Motor and Special Fuels Tax Rules – Committee Chair, Don Williams.](#)

Don Williams, the Motor and Special Fuels Tax Rules Committee Chair, reported that both dockets passed the House Transportation & Defense Committee. One docket passed the Senate Transportation Committee, Docket 35-0105-1401 for Rule – 001 Title and Scope, Rule 004 – Incorporation by Reference, and Rule 006 – Public Records Compliance, and the other docket was held, Docket 35-0105-1402 for Rules 110 –Calculation of Tax on Gaseous Fuels, and Rule 311 – IFTA License Bond.

There were no questions.

[Sales & Use Tax Administrative Rules – Committee Chair, McLean Russell.](#)

McLean Russell, Sales & Use Tax Administrative Rules Committee Chair, reported on the status of a few rules, noting six rules were approved. Rule 102 was lagging and Rule 128 on the exemption for hotels and motels will be rejected. McLean noted that after productive discussion with the fire industry in the rules committee there would probably some change in the rules for tree farming, since tree farms language was not in the rule. Commissioner Katsilometes voiced concern if the tree farms felt included in the discussion.

The rule on software is being held, but not rejected due to issues related to specific software companies.

There were no more questions.

[Property Tax Rules – Committee Chair, Alan Dornfest.](#)

Steve Fiscus, Property Tax Division Administrator, reported on the Property Tax Rules Committee in the absence of Alan Dornfest, Property Tax Rules Committee Chair. Steve noted that the property tax rules were going through the House and Senate germane committees. There would be a rules committee meeting on February 25, 2015, at 9:30 a.m.

There were no questions.

Other Business.

Bill von Tagen, Deputy Attorney General, presented This Day in History.

This Day in History, February 4:

- 1787 – Shays' Rebellion (of debt-ridden Massachusetts farmers) fails
- 1822 – Free American Blacks settle Liberia, West Africa
- 1824 – J W Goodrich introduces rubber galoshes to the public
- 1846 – Mormons leave Nauvoo MO for settlement in the west
- 1861 – Confederate constitutional convention meets for 1st time, Montgomery AL, Georgia, Florida, Louisiana, Mississippi & South Carolina elect Jefferson Davis President of Confederacy
- 1866 – Mary Baker Eddy cures her injuries by opening a bible
- 1887 – Interstate Commerce Act authorizes federal regulation of railroads
- 1931 – National League adopts a deader baseball
- 1932 – 3rd Winter Olympics games open in Lake Placid NY
- 1962 – Russian newspaper Izvestia reports baseball is an old Russian game
- 1974 – Patricia Hearst (19), daughter of publisher Randolph Hearst kidnapped by Symbionese Liberation Army
- 1997 – OJ Simpson found liable in murders of Ron Goldman & Nicole Simpson

1789 & 1792 – On this day in 1789, George Washington becomes the first and only president to be unanimously elected by the Electoral College. He repeated this notable feat on the same day in 1792.

#1 Song:

1961 – “Will You Love Me Tomorrow” by the Shirelles

Birthdates:

- 1902 – Charles A Lindbergh Detroit MI, pilot (1st fly solo across Atlantic)
- 1906 – Dietrich Bonhoeffer German theologist (Confessing Church)
- 1913 – Woody Hayes [Wayne], college football coach (Ohio, 1968 coach of year)
- 1921 – Betty Friedan Peoria IL, feminist writer (Feminine Mystique)
- 1947 – Dan Quayle (Senator-R-IN)/(44th Vice-President-R 1989-93)
- 1948 – Alice Cooper [Vincent Furnier], Detroit MI, rocker (School's Out)

Deaths:

1987 – Liberace pianist (Liberace Show, Evil Chandell-Batman), dies at 67

This Month in History, February:

- February 11, 1990: Nelson Mandela released from prison
- February 18, 1885: Twain publishes “The Adventures of Huckleberry Finn”
- February 25, 1870: Hiram Rhoades Revels, a Republican from Natchez, Mississippi

sworn into the U.S. Senate, becoming the first African American ever to sit in Congress.

There was no other business.

Public Comments.

There were no more public comments.

Recess.

Commissioner Katsilometes recessed the Public Session for five minutes to reconvene for the commissioners to meet with the Commission's legal counsel.

Reconvene Meeting.

Commissioner Katsilometes reconvened the open meeting.

Executive Session.

Chairman Jackson moved to go into the Executive Session with its legal counsel pursuant to Idaho Code § 67-2345(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 67-2345(1)(b). Commissioner Roberts seconded. A roll call vote was given by Valerie Dilley, Executive Administrative Assistant. Commissioners Jackson, Katsilometes, and Roberts all voted in favor and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 67-2345(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 67-2345(1)(b). No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

Commissioner Katsilometes declared the Executive Session ended and returned to the public session.

There being no further business, the meeting adjourned.

Valerie J. Dilley
Secretary

Tom Katsilometes
Commissioner