

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING SEPTEMBER 2, 2015

In attendance: Commissioners Richard W. Jackson, Tom Katsilometes, Ken A. Roberts, and Elliot S. Werk; Michael Chakarun, Valerie Dilley, Scott Grothe, Robin O'Neill, Kathleen Osborn, Mark Poppler, Chuck Pond, Mike Teller, Doreen Warren; Cynthia Adrian, Rick Anderson, Alan Dornfest, James Pendergrass, McLean Russell, Mark Stones, Don Williams; George Brown, Mat Cundiff, Nathan Nielson, Erick Shaner, Phil Skinner, David Young; Philip Hall, Carol Nettles, David Wentland, Steve Wynn.

Guest: Kay Christensen, Ben Davenport, Matt Warnick.

Public Session.

Commissioner Elliot S. Werk convened the open meeting and welcomed all those in attendance.

Presentation of Certificates of Service.

James Pendergrass, Performance Development Specialist, acknowledged the employees receiving a Certificate of Service in Roxanne Lopez, Human Resources Officer's absence. James stated how much their combined total of 90 years of state service were appreciated.

The Certificate of Service recipients were: Phillip (PJ) Hall, Technical Records Specialist 1 (Revenue Operations), for 5 years of state service; David Wentland, IT Resource Manager (Information Technology), for 10 years of state service; Steve Wynn, Tax Policy Specialist (Tax Policy), and Carol Nettles, Tax Automated System Specialist (Information Technology), for 25 years of state service and a thank-you letter from the Governor

The recipients not in attendance were: Sammie Keirnes, Tax Compliance Technician, Pocatello Field Office (Collection), for 10 years of state service; and Greg Heinrich, Consulting Tax Appraiser (Property Tax), for 15 years of state service. Those absent will receive their certificates at a later time.

The Commissioners expressed their congratulations to all the recipients and said how the recipients' combined total of 90 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 Meetings – August 5, 2015.

Chairman Richard W. Jackson moved that the minutes of the open meeting held on August 5, 2015, be approved. Commissioner Ken A. Roberts seconded. There were no comments or amendments. All voted in the affirmative and the minutes of the open meeting held on August 5, 2015, were approved.

Resolution 15-07 – 2016 Homeowners Exemption.

Rick Anderson, Property Tax Policy Specialist, presented Resolution 15-07 – 2016 Homeowners Exemption. Rick noted that the Idaho the State Tax Commission (ISTC) must publish, in accordance with the procedures required by section 63-602G, Idaho Code, and Property

Tax Administrative Rule 609 (IDAPA 35.01.03.609), the maximum homeowner's exemption for tax year 2016. After review of the Idaho House Price Index, ISTC finds the maximum homeowner's exemption for tax year 2016 is \$94,745. Rick recommended that the Commission adopt Resolution 15-07 – 2016 Homeowners Exemption.

Commissioner Tom Katsilometes moved that Resolution 15-07 – 2016 Homeowners Exemption be adopted, and Chairman Jackson seconded. There were no comments or questions. All voted in the affirmative and Resolution 15-07 – 2016 Homeowners Exemption was adopted.

Resolution 15-08 – 2016 Annual Interest Rates.

Michael Chakarun, Tax Policy Manager, presented Resolution 15-08 – 2016 Annual Interest Rates. Mike C. noted that for calendar year 2016, the annual rate of interest applicable to delinquent state taxes accruing or unpaid during all or any part of calendar year 2016 subject to assessment of interest under Idaho Code § 63-3045 is four percent (4%) simple interest. Mike C. recommended that the Commission adopt Resolution 15-08 – 2016 Annual Interest Rates.

Chairman Jackson moved that Resolution 15-08 – 2016 Annual Interest Rates be adopted, and Commissioner Tom Katsilometes seconded. There were no comments or questions. All voted in the affirmative and Resolution 15-08 – 2016 Annual Interest Rates was adopted.

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

Administrative Reports.

Tax Policy, Michael Chakarun.

Michael Chakarun, Tax Policy Manager, presented an update on the 2016 Legislative Proposals submitted to the Division of Financial Management (DFM). Mike C. noted that fifteen of the proposals were approved and one was rejected. The legislative package included five proposals on property tax, and several others with administrative and technical corrections. A brief discussion followed.

There were no more 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, was absent and there was no report.

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

Don Williams, the Motor and Special Fuels Tax Rules Committee Chair, reported that the Motor and Special Fuels Tax Rules Committee's proposed rules have been completed and published. The proposed rules will be submitted to the Commission soon for approval.

There were no questions.

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

McLean Russell, Sales & Use Tax Administrative Rules Committee Chair, reported that the Sales & Use Tax Administrative Rules Committee's proposed changes to 13 sales tax rules would be published in the Administrative Bulletin on October 7, 2015. Ten of the proposed rules were

negotiated and three of the proposed rules were not negotiated. The three rules not negotiated were Rule 081 – Underground Mining, which has the removal of the language referring to the hand tool exclusion; Rule 099 – Occasional Sales; Rule 110 – Returns Filed by County Assessors and Financial Institutions, which updates references to an exemption certificate form (ST-108 to ST-108TR). Public comments on the proposed rules will be accepted in writing through October 28, 2015.

McLean noted that there were notable rule changes discussed this year that will not move forward. The rule changes included addressing the addition of hunting and fishing operations to the production exemption, the new prescription eyeglass exemption, and issues with abandoned cabling and changes to the electrical code. The committee is still working on a temporary rule for the new prescription eyeglass exemption.

There were no more questions.

Property Tax Rules – Committee Chair, Alan Dornfest.

Alan Dornfest, Property Tax Rules Committee Chair, reported that the Property Tax Rules Committee has all nine proposed property tax rules published in the July and September Bulletins. Alan noted that all of the rules were presented to the county assessors on August 25, 2015, at the Idaho Association of County Assessors conference in Pocatello. Also the rules development process was explained to the new county assessors.

Commissioner Werk inquired about who attends the rules committee meetings and if interaction was received. Alan noted that it depends on the subject, normally the rules committee meetings are government attendees, unless there is a taxpayer issue. Sometimes an exemption is controversial and there is a lot of involvement from representatives of companies and county assessors. In addition to the public notices, the meeting invitations are sent out to all those who have shown an interest in the subjects. A brief discussion followed.

There were no questions.

There were no more rules committee reports.

Other Business.

George Brown, Deputy Attorney General, presented This Day in History.

This Day in History, September 2:

31 B.C. – The battle of Actium: Roman Republic effectively ended when Octavian’s navy beats Mark Antony and Cleopatra’s forces off the coast of Greece.

1789 – Congress establishes the U.S. Treasury Department

1864 – Sherman captures and burns Atlanta

1901 – VP Teddy Roosevelt advises, “speak softly and carry a big stick” at the Minnesota state fair.

1902 – First science fiction film “A Trip to the Moon” is released.

1945 – Japan Surrenders unconditionally aboard the USS Missouri.

1962 – Stan Musial hits his then record 3516th hit.

1963 – George Wallace blocks integration of Tuskegee High School by surrounding it with State Troopers

1963 – Mickey Wright wins the inaugural and only LPGA Idaho Centennial Ladies Open at Hillcrest Country Club. Mickey is known as the top women’s golfer ever, with 82 event wins and 13 majors.

1969 – Star Trek airs its final episode.

1972 – Rod Stewart releases his first #1 hit, “You Wear It Well”

#1 Song: 1972 – “Brandy (You’re a Fine Girl)” by the Looking Glass.

Birthdates, September 2:

1838 – Liliuokalani – the last queen of Hawaii

1948 – Terry Bradshaw

1951 – Mark Harmon

Commissioner Werk congratulated all those who received the Toastmaster awards at its fall contest held on August 27, 2015. The River Speakers Toastmaster Club, was spearheaded by Robin O’Neill, Special Projects Program Manager, and several other Tax Commission employees. The top winners of the Humorous Speech and Evaluation contests will compete again on September 10, 2015, in an Area 3 contest in Meridian, Idaho. The winners include, Sherry Briscoe, Rules Coordinator in first place for the Humorous speech; James Pendergrass, Performance Development Specialist, in first place for the Evaluation contest, and Charmaine Caprai, Income Tax Auditor 2, in second place for the Evaluation contest.

There was no other business.

Public Comments.

Commissioner Werk asked if the guests in attendance had any comments. The commissioners expressed their appreciation for the guests’ interest and participation.

There were no public comments.

Recess.

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

Reconvene Meeting.

Commissioner Werk reconvened the open meeting.

Executive Session.

Commissioner Katsilometes moved to go into the Executive Session with its legal counsel pursuant to Idaho Code § 74-206(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 § 74-206(1)(b). Commissioner Roberts seconded. A roll call vote was taken by Valerie Dilley, Executive Administrative Assistant. Commissioners Jackson, Katsilometes, Roberts, and Werk all voted in favor and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 74-206(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 § 74-206(1)(b). No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

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

There being no further business, the meeting adjourned.

Valerie J. Dilley
Secretary

Elliot S. Werk
Chair