

IDAHO STATE TAX COMMISSION
COMMISSIONERS' OPEN MEETING
MINUTES OF MEETING HELD OCTOBER 2, 2013

In attendance: Commissioners Richard W. Jackson, Tom Katsilometes, David Langhorst, and Ken A. Roberts; Michael Chakarun, Valerie Dilley, Steve Fiscus, Roxanne Lopez, Chuck Pond, Mark Poppler, Liz Rodosovich, Randy Tilley, Bill von Tagen, Doreen Warren; Cynthia Adrian, Rod Brevig, Sherry Briscoe, Alan Dornfest, McLean Russell, David Wentland, Don Williams; George Brown, Chelsea Kidney, Mat Cundiff, Erick Shaner, and Phil Skinner; Terry Gober, Dwayne Hines, Gary Kenley, Jim Whitham.

Guests: Bret Clark.

Public Session.

Commissioner David R. Langhorst convened the open meeting.

Commissioner Langhorst entertained a motion to accept the proposed amended agenda and begin with the executive session to accommodate attendance of the legal counsel.

Commissioner Tom Katsilometes moved to accept the proposed amended agenda and move the executive session ahead of the other agenda items. Commissioner Ken A. Roberts seconded. All voted in the affirmative, and the amended agenda was approved.

Executive Session.

Commissioner Katsilometes moved to go into the Executive Session with legal counsel pursuant to Idaho Code § 67-2345(1)(f). Commissioner Roberts seconded. Commissioners Jackson, Katsilometes, Langhorst, and Roberts all voted in favor by roll call 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. No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

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

Recess.

Commissioner Langhorst recessed the Public Session for five minutes to reconvene the Public Session.

Reconvene Meeting.

Commissioner Langhorst reconvened the open meeting.

Presentation of Certificates of Service.

Roxanne Lopez, Human Resources Officer, acknowledged each of the employees that were receiving a Certificate of Service, and stated how much all of their combined 115 years of state service was appreciated.

The Certificate of Service recipients in attendance were: Terry Gober, Tax Technical Unit Supervisor, in Central Processing (Revenue Operations) for 5 years of service; and Jim Whitham, Tax Automated System Specialist, (Audit Division) for 30 years of service and a thank-you letter from the Governor.

The absent recipients that will have their certificates presented at a later date were: Jason Kasner, Tax Compliance Technician in the Coeur d'Alene Field Office (Collections Division) for 5 years of service; Patricia Burke, Tax Compliance Officer 2, in the Pocatello Field Office (Collections Division), and Rebecca Brehm, Tax Compliance Officer 3, in the Twin Falls Field Office (Collections Division) for 10 years of service; Rosa Greene, Tax Compliance Officer 2, in the Twin Falls Field Office (Collections Division) for 25 years of service and a thank-you letter from the Governor; and Kevin Solomon, Tax Auditor 3, in the Pocatello Field Office (Audit Division) for 30 years of service and a thank-you letter from the Governor.

The Commissioners said how the recipients' years of service and efforts were commendable and the everyday work they do is appreciated. Commissioner Langhorst noted how compliance with tax laws depends on a lot and the Commission understands that this job is not easy, and necessary to do, otherwise there would be no government services. Commissioner Langhorst restated how much the employees are appreciated and invited them to stay for the meeting.

Business Requiring Vote of the Commission.

Minutes: Open Meeting – September 4, 2013.

Commissioner Katsilometes moved that the minutes of the open meeting held on September 4, 2013, be approved. Chairman Jackson seconded. There were no comments or amendments. All voted in the affirmative, and the minutes of the open meeting on September 4, 2013, were approved.

Resolution 13-10 – Temporary and Proposed Income Tax Rules.

Cynthia Adrian, Income Tax Rules Committee Chair, presented Resolution 13-10 – Temporary and Proposed Income Tax Rules. The resolution recognizes the need for taxpayers, tax preparers, and tax commission administrators to know how a same-sex couple who file a joint return with the IRS should file with Idaho. Cynthia recommended the Commission adopt the Temporary Income Tax Administrative Rules 010T, Temporary Income Tax Administrative Rules 805T, and Temporary Administrative and Enforcement Rule 010T.

Chairman Jackson moved that 13-10 – Temporary and Proposed Income Tax Rules be approved, and Commissioner Roberts seconded. Commissioner Roberts thanked Cynthia, the committee, and other staff for all of their work on these rules. There were no further comments or questions. All voted in the affirmative, and the motion passed.

Resolution 13-11 – Proposed Fuels Tax Rules.

Don Williams gives the recommendation for the Commission to adopt Resolution 13-11 – Proposed Fuels Tax Rules. Commissioner Roberts acknowledged the amount of work and time put in to developing these rules by both staff and the public.

Commissioner Roberts moved that Resolution 13-11 – Proposed Fuels Tax Rules be approved, and Chairman Jackson seconded. There were no further comments or questions. All voted in the affirmative, and the motion passed.

Resolution 13-12 – 2014 Stumpage Values.

Alan Dornfest, Property Tax Policy Bureau Chief, introduced Rod Brevig, Forest Tax Administrator, who recommended that the Commission adopt Resolution 13-12 – 2014 Stumpage Values. Rod used a PowerPoint presentation on stumpage values and discussed the history and current status of the timber industry in Idaho. Rod indicated that there was not a lot of change from 2013 to 2014 due to the evaluation model, and no comments were received from the timber industry. Also, the weighting has not changed, retaining a level of stability. A brief discussion followed.

Commissioner Roberts noted that this was a significant presentation on a major issue and a large portion of taxation in Idaho. Commissioner Langhorst expressed that it was a great presentation and noted Rod has a unique and specialized job,

Commissioner Katsilometes moved that Resolution 13-12 – 2014 Stumpage Values be approved, and Commissioner Roberts seconded. There were no further comments or questions. All voted in the affirmative, and the motion passed.

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

Administrative Reports.

Audit Division, Randy Tilley.

Randy Tilley, Audit Division Administrator, reported that staffs from the Audit and Collection Divisions have been working to better utilize data from the Secretary of State on new businesses in Idaho. The Secretary of State sends the Tax Commission information regarding any new businesses that register to operate in Idaho. The information will now be put into a database, created by Michael Adams, a technical records specialist in Collections, and used to provide information to new business owners.

From the database, the audit staff will be able to check the new businesses against GenTax permits to determine which have not registered for withholding, sales and use, or other permit based taxes. The Tax Discovery Bureau (TDB) in Audit can then send “welcome to Idaho” business letters to identified entities, letting them know about potential filing requirements and directing them to our website or Taxpayer Services for more information.

In Collections, new businesses can be identified for a visit by a compliance officer who will provide information and answer any questions regarding filing and payment of tax-related liabilities. The compliance officers can also provide brochures, let them know about “Right Track” classes, and direct the businesses to the ISTC website or Taxpayer Services for more information as needed.

By utilizing existing information in a new way, we hope to assist new businesses in getting off on the right foot regarding Idaho taxes, lessen future audits, and enhance voluntary compliance. Commissioner Langhorst thanked Randy and added how the commissioners appreciate his efforts and how this is the kind of education needed. Commissioner Roberts said this proactive approach was exactly what the Commission wanted. Chairman Jackson also acknowledged the proactive efforts by TDB and Collections.

Property Tax, Steve Fiscus.

Steve Fiscus, Property Tax Division Administrator, reported that the IT Department, TSB (Technical Support Bureau), within the Property Tax Division was recognized as the “Outstanding IT Department” by Thompson Reuters at a recent ProVal (Manatron) conference in San Diego, California. The IT Department was one of 500 worldwide eligible for the award for the conversion to Aumentum Software. The members of that team are: Dwight McGee, Sandy Bowens, Gary Kenley, Kathy Pridgen, and Bryan Lass.

Steve added that the Capital for a Day in Potlatch was a success. There was a large attendance, a wonderful welcome, and many questions. Commissioner Langhorst thanked Steve and congratulated his staff for the recognition.

Revenue Operations, Doreen Warren.

Doreen Warren, Revenue Operations Division Administrator, reported that Michael Chakarun, Tax Policy Manager, and Liz Rodosovich, Public Information Officer, were working on the training program for the practitioners this fall. Between October 15 and December 5, Doreen and Michael will visit ten different training sessions, representing five different practitioner groups.

Liz commended Doreen on connecting with the accountants in eastern Washington and making every effort to accommodate them.

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, had nothing new to report.

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, had nothing new to report.

There were no questions.

Sales Tax Administrative Rules – Committee Chair, McLean Russell.

McLean Russell, Sales Tax Administrative Rules Committee Chair, had nothing new to report.

There were no questions.

Property Tax Rules – Committee Chair, Alan Dornfest.

Alan Dornfest, Property Tax Rules Committee Chair, reported that the negotiated property tax rules were published in the September Bulletin. The proposed property tax rules would be published in the October Bulletin.

There will be a public hearing on Proposed Property Tax Rule 205 and Proposed Property Tax Rule 626 at the open meeting on November 19, 2013, at 9 a.m. in Conference Room 1CR5.

There were no questions.

Other Business.

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

This Day in History, October 2:

1187 – Sultan Saladin retook Jerusalem from the Crusaders

1800 – Nat Turner born

1833 – Anti-Slavery Society organized in New York

1895 – Bud Abbot born of “Abbot & Costello”

1910 – First collision between two aircraft

1919 – President Wilson suffered a stroke.

1935 – Italy invaded Ethiopia

1942 – First self-sustaining nuclear reaction demonstrated in Chicago

1956 – First Atomic Clock exhibited in New York City

1959 – Twilight Zone Premiere

1967 – Thurgood Marshall sworn in as the first black Supreme Court Justice

1990 – Radio Berlin has final transmission – “The End” by The Doors.

#1 Song: 1970 – “Ain’t No Mountain High Enough” by Diana Ross

There was no other business.

Public Comments.

Commissioner Langhorst acknowledged Bret Clark who was in attendance for Rick Smith, of Hawley Troxell, and inquired if he had any comments. Mr. Clark stated that Resolution 13-10 was great and he would see if it addresses the problem in tax reporting for same sex marriages.

Commissioner Langhorst noted that the Commission needed more public intervention like this and thanked Mr. Clark.

There were no more public comments or other business.

There being no further business, the meeting adjourned.

Valerie J. Dilley
Secretary

David R. Langhorst
Chair