

**IDAHO STATE TAX COMMISSION  
2013 ANNUAL MEETING  
MINUTES OF MEETING HELD DECEMBER 10, 2013**

In attendance: Commissioners Tom Katsilometes, David R. Langhorst, and Ken A. Roberts; Michael Chakarun, Debbie Coulson, Valerie Dilley, Steve Fiscus, Roxanne Lopez, Robin O’Neill, Chuck Pond, Mark Poppler, Liz Rodosovich, Bill von Tagen, Michael Teller, Randy Tilley, Doreen Warren; Alan Dornfest, Renee Eymann, Cheryl Flinn, Leslie Jones, Dave Noland; Representative Grant Burgoyne Tawnya Nyman, Senator Jim Rich, Dr. James Weatherby.

Guests: *(Names provided on attached sign-up sheets.)*

**Welcome/Introductions.**

Commissioner Tom Katsilometes opened the meeting. The Commissioner welcomed the guests and thanked them for attending the Idaho State Tax Commission’s 2013 Annual Meeting. Commissioner Katsilometes noted that this year the ISTC Annual Meeting was being live-streamed by Idaho Public Television and welcomed those viewing the meeting online.

Commissioner Katsilometes introduced Commissioner David R. Langhorst and Commissioner Ken A. Roberts. Chairman Richard W. Jackson was absent, due to his representing the Idaho State Tax Commission (ISTC) at the Multistate Tax Commission’s Fall Uniformity and Executive Committee Meetings in New Orleans, Louisiana. Commissioner Katsilometes also acknowledged the presence of the ISTC Executive Leadership Team (ELT).

Commissioner Katsilometes then introduced a pre-recorded video presentation of Chairman Jackson’s welcome. Chairman Jackson noted how “Cents and Sensibility” describes the dual roles the Tax Commission is charged with—collecting revenue, while offering services and education to help taxpayers comply with tax laws and rules without the need for enforcement. The Chairman noted this is a delicate balance and encouraged stakeholders—including legislators, business owners, practitioners, and individual taxpayers—to let the Commission know how they feel about what the agency is doing, and suggest changes.

After the video, Commissioner Katsilometes introduced Commissioner David Langhorst to discuss the Year in Review.

**Year in Review.**

Commissioner Langhorst recommended that those interested in the typical annual reports, given at previous annual meetings, to review the FY2013 Annual Report and ask any questions. This year the Commission chose to follow a different format for the annual meeting. The Commissioner covered the history at the Tax Commission over the last few years, from the focus on “Core Mission” (2008 – 2009), the “Tax Gap” Initiative (2009 – 2011), the Building Public Confidence Program (2011 – 2013), and recently the Operations of Performance Evaluation Report (OPE).

Commissioner Langhorst stated how the commissioners originally welcomed the OPE report, and were pleased with the work done in the report. The Commission perceived this evaluation as an opportunity and had already begun working on the recommendations.

Commissioner Langhorst then introduced Commissioner Ken Roberts to discuss Future Plans.

### **Future Plans.**

Commissioner Roberts discussed the Future Plans of the Tax Commission, covering: property tax software modernization – the 34-year-old property tax software needs to be updated; modernizing tax policy, with the need for modern tax policy development and evaluation; ISTC’s response to Office of Performance Evaluations report that was just released; the ISTC business plan continuing to improve taxpayer services; and ISTC must stay current with modern technology.

Commissioner Roberts clarified that the ISTC has met or is in the process of meeting the Office of Performance Evaluations recommendations. The first recommendation was to develop a comprehensive taxpayer rights publication, which is in process; the second recommendation was to develop a Web page dedicated to taxpayer rights, which is now available on [tax.idaho.gov](http://tax.idaho.gov); and the third recommendation was to improve data management to help guide agency decisions, also in process with the hiring of a research analyst to analyze and compile data for agency decision-making.

Commissioner Roberts introduced the next presenter, Michael Chakarun, Tax Policy Manager, to discuss Legislation and Negotiated Rulemaking.

### **Legislation & Negotiated Rulemaking.**

Michael Chakarun highlighted the Legislative Proposals submitted to the legislative session for 2014. Mr. Chakarun noted the Income Tax proposed rule for the annual conformity bill and the rule to modify multistate tax provisions. He also noted the Property Tax proposed rules to correct levy calculation formula and to provide the methodology to assess certain operating property. The Administrative proposed rules noted would require paid tax return preparers to electronically file income tax returns and require large corporations and partnerships to electronically file income tax returns.

Mr. Chakarun spoke about the negotiated rulemaking process and explained how it allows the front-end participation by the public. The PowerPoint presentation displayed a flow chart clarifying the informal and flexible process. Another slide showed how the public can follow or participate in the process, and where the information on the status of the rules can be found on the agency’s website.

Mr. Chakarun, after completing his presentation, turned the meeting back to Commissioner Katsilometes.

### **Recess.**

Commissioner Katsilometes announced a recess to break for refreshments provided by the Idaho Society of Certified Public Accountants (ISCPA). Following the recess, there would be a panel discussion moderated by Dr. Jim Weatherby. The panel would take questions from the audience and viewers could submit questions during the meeting or submit comments afterward through the ISTC website.

The meeting was recessed for a ten-minute break for refreshments.

### **Reconvene Meeting.**

Commissioner Katsilometes reconvened the meeting and again thanked Ms. Melissa Nelson and the ISCPA for providing the refreshments. Those in the audience were reminded to raise their hands and use the comment cards for the open questions section of the meeting.

### **Discussion Panel.**

Dr. James Weatherby introduced himself and the panel, Senator Jim Rich, Representative Grant Burgoyne, Tawnya Nyman, MSAT, CPA, and Commissioners Katsilometes, Langhorst, and Roberts. Dr. Weatherby presented questions on current tax topics to the panel for discussion.

The legislators were asked how they each perceive the role of the Tax Commission and what steps the Tax Commission could take to improve service to taxpayers, and to legislators. The practitioners were asked how they perceive the role of the Tax Commission and how the Tax Commission could improve its service to practitioners. The commissioners were asked what challenges the Tax Commission faces in dealing with the public, and the Legislature. Commissioner Langhorst and Commissioner Roberts, who were legislators, were asked if their view of the Tax Commission changed when they went from being a legislator to a tax commissioner, and what would they most like the public to know about the Tax Commission.

The discussions were very informative and the panel noted how the Tax Commission enforces the laws the Legislature makes, and does not make tax policy or the laws. Following the discussions by the panel, Dr. Weatherby opened the panel to entertain questions.

### **Open Questions.**

The panel responded to the various questions submitted by those in the audience or viewing online. Concluding comments included the legislators and the practitioner stressing how much they appreciated the Tax Commission and this opportunity to learn more. The panel also recognized the Commission's commitment to their mission and to transparency, and the professional assistance the ISTC staff provides. Representative Burgoyne and Senator Rice noted that the Tax Commission employees especially were to be commended and are valued state employees.

### **Adjourn.**

Commissioner Katsilometes again thanked everyone for attending or viewing online and invited those in attendance to mingle after the meeting to ask any further questions of the Commissioners. In addition, those who were viewing were invited to offer comments after the meeting by going to the Tax Commission's website, [tax.idaho.gov](http://tax.idaho.gov), for an email link on the home page. The link [taxmeeting@tax.idaho.gov](mailto:taxmeeting@tax.idaho.gov) would be available for a couple of weeks. In addition, the video of the annual meeting would be archived on the Tax Commission's website for future viewing.

There being no further business, the meeting adjourned.

Valerie Dilley  
Secretary

Tom Katsilometes  
Chair