

**IDAHO STATE TAX COMMISSION**  
**COMMISSIONERS' OPEN MEETING**  
**MINUTES OF MEETING NOVEMBER 13, 2019**

In attendance: Commissioners Elliot Werk, Janet Moyle, Tom Katsilometes, and Tom Harris; John Bernasconi, Nick Landry, George Brown, Debbie Coulson, Kim Wind, Mike Chakarun, Mark Warbis, Michael Pendergrass, Shelli Boggie, Tom Shaner, Kimberlee Stratton, Kathlynn Ireland, Phil Skinner, Maria Young.

Guests: Laura Lantz, Executive Director, Idaho Society of Certified Public Accountants; Luke Kilcup, Lobby Idaho, Miguel Legaretta, President, Associated Taxpayers of Idaho; Brian Stender, Canyon County Assessor.

**Public Session**

Chairman Katsilometes called the meeting to order and welcomed all those in attendance.

**Presentation of Certificates of Service**

Michael Pendergrass, Human Resources Officer, acknowledged the employees receiving Certificates of Service. Mr. Pendergrass noted that their combined total of 105 years of state service is appreciated. The certificate of service recipients in attendance were: Stephanie Wills, Tax Auditor 2, Audit/Income Tax Audit, 5 years; Rhonda Haub, Tax Compliance Technician, Collection/Boise Field Office, 10 years; Leah Parsons, Tax Auditor 3, Audit/Sales Tax Audit, 10 years; Jessica Sargent-Hodson, Tax Compliance Officer 3, Collection/Boise Field Office, 10 years; Nicki Witt, Tax Auditor 2, Audit/Tax Discovery Bureau, 10 years; Beth Gasseling, Business Analyst, Collection/Administration, 10 years; Liliya Salato, Financial Specialist, Administration/Management Services, 20 years; Tarra Harris, Program Supervisor, Revenue Operations/Central Processing, 20 years. **Not Present:** Natalie Simons, Tax Auditor 2, Audit/Pocatello Field Office, 10 years

The commissioners thanked everyone for coming and their appreciation for everything they have done for the tax commission.

**Business requiring a vote of the Commission**

Minutes: Open Meeting – October 2, 2019

Commissioner Harris moved to approve the minutes of the open meeting held on October 2, 2019. Commissioner Katsilometes seconded the motion. All voted in the affirmative and the minutes of the open meeting held October 2, 2019 were approved.

Resolution 19-07: Idaho State Tax Commission 2020 Proposed Rules

Tom Shaner, Tax Policy Manager presented Resolution 19-07 for the Idaho State Tax Commission 2020 Proposed Rules. Commissioner Moyle asked why “farm credit systems” is being changed to “farm credit services.” Tax Commission Property Tax Specialist Kathlynn Ireland explained that the term was changed for continuity and consistency; “services” was the name originally used in Rules 613 and 614. Ms. Ireland added that this proposed rule was presented, reviewed and approved by the subcommittee because the historical records indicate the term was originally “services.” Commissioner Werk asked if there is a change in the way the

capital rate works. Ms. Ireland said the rate calculation method is not changed. The change is simply to ensure we have the name correct.

Commissioner Katsilometes moved to approve Resolution 19-07. Commissioner Harris seconded the motion. There was no further discussion. All commissioners voted in the affirmative and Resolution 19-07: Idaho State Tax Commission 2020 Proposed Rules was approved.

## **Administrative Reports**

### Revenue Operations, John Bernasconi

John Bernasconi reported that projections are being met. There was a 2% increase in individual income tax returns this year, to about 894,000. They will have received over 900,000 by year-end. Electronic business income tax return filings have increased 9.6%. Last year at this time, 73,800 electronic business returns had been received; so far this year, 80,981 have been received. This increase is due, in large part, to Laura Lantz and her group who regularly encourage businesses to file electronically. The Tax Commission has also been working with vendors to increase the electronic options in their packets and Form 66 (Idaho Fiduciary Income Tax Return) was added this year. Those filings have increased by approximately 15%. Overall, business income tax returns are about 3% higher.

Commissioner Katsilometes asked about the repairs to the floor in the Annex. Mr. Bernasconi explained that the Annex is where the initial operations and the image and data management (IDM) groups work. He said the room was formerly a chemical storage area for Hewlett Packard (HP), so the floor is sloped to the drains. It was not designed for sensitive electronic equipment or desks. The Tax Commission has asked to have the floor leveled for safety and security reasons. The Department of Administration declared that it must be an official project and the approval process is not yet complete.

Brian Stender, Canyon County Assessor, asked Mr. Bernasconi about Form 852 electronic filings. Mr. Bernasconi said Mr. Stender has long advocated electronic filing of Form 852 (Idaho Sales Tax Return – County Assessor) since it is how counties remit sales tax to the state. Counties can file 6 times per month, if they choose, and it has, unfortunately, only been on paper. The state allows electronic filing for payments but have not yet put the form into the Taxpayer Access Point (TAP). The Tax Commission is prioritizing projects for change. The Form 852 is a priority and it is also in the TAP process for change. Mr. Bernasconi said he hopes to have this completed sooner, rather than later.

### Property Tax Division Administrator, George Brown

No report

### Public Information and Taxpayer Resources, Mark Warbis

No Report

### Human Resources, Shelli Boggie

No report

### Management Services, Nick Landry

No report. Commissioner Moyle welcomed Nick Landry to the Tax Commission.

Collection Division Administrator, Debbie Coulson

No report

Audit Division Administrator, Kimberly Wind

No report

Tax Appeals Manager, Mike Chakarun

No report

### **Reports on Rules Committees**

Tom Shaner, Rules Review Officer, said tax policy specialists have been working to get the omnibus rules package prepared and they deserve our appreciation and support. The Division of Financial Management (DFM) is editing and proofreading the rules package. As part of their internal process, everything is retyped into their software system. Commissioner Werk asked why DFM retypes everything. Mr. Shaner said DFM uses a different software program. Kimberlee Stratton, Tax Commission Rules Coordinator, added that the publisher is required to retype, even if we submit in that program, as a check and balance for them. As the publisher types it, not cutting and pasting, it is believed he can ensure everything is organized correctly. Alex Adams is the new DFM Administrator and is looking into the process, but for now, it does not matter what software we use, everything will be retyped.

### **Other Business**

There were no public comments.

### **Public Comments**

There were no public comments.

### **Executive Session**

Commissioner Harris moved to go into Executive Session with legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. Maria Young, Management Assistant took a roll call vote: Commissioners Harris, Katsilometes, Moyle 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. 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, Commissioner Werk adjourned the meeting.

Maria Young

Elliot Werk