

# IDAHO STATE TAX COMMISSION

## COMMISSIONERS' OPEN MEETING MINUTES OF MEETING JANUARY 4, 2019

In attendance: Commissioners Ken A. Roberts, Tom Katsilometes, Janet Moyle, and Elliot S. Werk, Roxanne Lopez, Debbie Coulson, John Bernasconi, Mark Poppler, Mark Warbis, Mike Chakarun, Randy Tilley, Steve Fiscus, Terry Ford, Alan Dornfest, Cynthia Adrian, Don Williams, Leah Parsons, Phil Skinner, Adrienne Yates.

Guests: Idaho Attorney General Division Chief Kay Christensen, Jason Ronk, Micron.

### **Public Session**

Commissioner Roberts called the meeting to order and welcomed all those in attendance.

### **Presentation of Certificates of Service**

Roxanne Lopez, Human Resources Officer, acknowledged the employees receiving Certificates of Service. Ms. Lopez noted that their combined total of 80 years of state service is appreciated. The Certificate of Service recipients in attendance were: Mr. Nicholas Pentland, Technical Records Specialist 1, Taxpayer Accounting – 5 years; Theresa West, Program Supervisor, Revenue Operations – 5 years; Douglas (Dwight) McGee, IT Systems Analyst and Supervisor, Property Tax – 20 years; Dorice Archibald, Tax Compliance Officer 2, Boise Field Office – 20 years; Echo Rodriguez, Technical Records Specialist 1, Permit Account Services – 30 years.

The Commissioners expressed their congratulations and appreciation for all their years of service.

### **Business requiring Vote of the Commission**

#### Minutes: Open Meeting – December 7, 2018

Commissioner Werk moved to approve the minutes of the open meetings held on December 7, 2018. Commissioner Katsilometes seconded the motion. There were no comments or amendments. All voted in the affirmative and the minutes of the open meetings held on December 7, 2018 were approved.

#### Resolution No. 19-01: Income Tax Temporary Rule 645T

Cynthia Adrian, Income Tax Policy Specialist, presented that this temporary rule will allow water's-edge taxpayers to eliminate any foreign dividend income previously reported.

Commissioner Werk asked why a temporary rule is necessary. Ms. Adrian said it was brought to their attention that the way the current rule reads, people would be taxed twice. This temporary rule clarifies the language so there is no doubt.

Commissioner Moyle asked if this had to do with the way the dividends are treated now with the new tax reforms. Mr. Tom Shaner, Tax Policy Manager, responded that it was noticed

because of the recent changes in the foreign dividend rule; however, this would affect traditional foreign dividends, as well. No one is aware of any taxpayer that was treated unfairly under the current rule, it just had the potential.

Commissioner Werk moved to approve Resolution No. 19-01. Commissioner Katsilometes seconded the motion.

There was no further discussion. All voted in the affirmative and Resolution No. 19-01 was approved.

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

### **Administrative Reports**

#### Collection, Debbie Coulson

Debbie Coulson, Tax Collection Division Administrator, reported that the Pocatello opening date has been moved up. They expect to open the new location on February 11, 2019 and will have a grand opening by February 25, 2019.

The phone system changes provided some difficulties; however, the issue should be resolved shortly.

Commissioner Moyle asked if the Syringa contract is ready. Ms. Coulson said it appears so, but they will not know definitively until IT inspects everything.

#### Revenue Operations Division, John Bernasconi

John Bernasconi had no report at this time.

#### Management Services, Mark Poppler

Mark Poppler, Financial Officer, reported that Governor Little will give his State of the State speech and we will then know his recommendations for our budget. The Tax Commission will be the first agency before JFAC for budget-setting on January 11, 2019.

Mr. Poppler thanked Celin Adams for all the hard work she has done coordinating the move to the Chinden Office Complex.

#### Public Information and Taxpayer Resources, Mark Warbis

Mark Warbis, Public Information Director, reported that Senator Jim Woodward crafted an op-ed based on talking points provided by the Taxpayer Resources Unit and dealing with the withholding issue. It was published in the Bonner County Daily Bee and on the Tax Commission social media accounts.

Tax Policy Manager Tom Shaner and Chairman Ken Roberts traveled to Eastern Idaho and on Friday, December 28, 2018 they met at the capitol for discussions with legislative leaders regarding the individual income tax withholding issue.

Also, on Friday, Betsy Russell of the Idaho Press interviewed Tax Policy Specialist Cynthia Adrian and Public Information Officer Renee Eymann about the taxpayer withholding issue. Ms. Russell's story ran on Sunday in the Idaho Press-Tribune and Spokesman-Review. This piece was published on the Tax Commission social media accounts and was distributed to all legislators and members of governor-elect Little's staff on Wednesday, January 3, 2019.

Cynthia Adrian joined Chairman Roberts in a segment on the withholding issue Thursday, January 3, 2019 and that airs on Idaho Public Television Public Affairs program, Idaho Reports this evening or this weekend.

Taxpayer Resource Unit Education Outreach Manager Lisa Schroeder is working to ensure TPS personnel are ready for the upcoming tax drive calls that will likely be increasing more than usual due to the withholding issues. She is also monitoring Access Idaho's website for management activities for the refund status phone service and has identified some issues.

They will be interviewing candidates for a part-time Administrative Assistant to primarily support the Tax Policy division for the upcoming legislative session, as well as other parts of the Taxpayer Resources Unit as the season progresses.

Renee Eymann and Cheryl Flinn, in the Education and Outreach group have completed the Tax Commission's Annual Report. It was delivered to the printers and it should be delivered within the next week.

Renee Eymann and Mr. Warbis will meet with a vendor next Monday to hopefully get into production the distribution of a public service announcement on the withholding issue that will run throughout the state.

Don Williams, Taxpayer Resources Unit, Policy, has prepared a BCA on the need for changes in the fuel reporting processes. They will submit that at the January 10 ELT meeting.

Tax Appeals Manager, Mike Chakarun

Mike Chakarun had no report at this time.

Audit Division Administrator, Randy Tilley

Randy Tilley had no report at this time.

Human Resources, Roxanne Lopez

Roxanne Lopez had no report at this time.

County Support Division Administrator, Steve Fiscus

Steve Fiscus had no report at this time.

Information Technology, Terry Ford

Terry Ford is absent; however, Commissioner Werk referenced an email Ms. Ford distributed wherein she reported that the recent Century Link outage was caused by a network management card in Denver, CO that was propagating invalid frame packets across devices. Commissioner Roberts commented that it was an issue that was felt throughout the country.

**Reports on Rules Committees**

There were no reports on rules currently.

**Other Business**

There was no other business to discuss currently.

**Public Comments**

Jason Ronk, Micron, thanked Tax Commission staff for visiting with them in December and working on some of their conformity issues. Commissioner Roberts thought this was a very informative and productive meeting.

Commissioner Moyle noted that many of the state employees have updated their W-4 forms. Commissioner Roberts said they have been working to get this word out for the last eight months. Roxanne Lopez said they aren't seeing a significant increase in employees that are updating their withholding.

There were no other public comments.

### **Executive Session**

Commissioner Katsilometes moved to go into Executive Session with legal counsel pursuant to Idaho Code § 740296(1)(f) to discuss the current status of litigation to which the Commission is a party. A roll call vote was taken by Adrienne Yates, Administrative Assistant and Commissioners Roberts, Werk, and Moyle 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 Roberts declared the Executive Session ended and returned to the public session. There being no further business, Commissioner Roberts moved to adjourn the meeting. All Commissioners voted in the affirmative and the meeting was adjourned.

Maria Young

Ken A. Roberts