

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 95

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE AD-
2 DITION OF A NEW SECTION 63-3622VV, IDAHO CODE, TO PROVIDE AN EXEMPTION
3 FROM THE SALES OR USE TAX ON CERTAIN MATERIALS USED IN CONNECTION WITH A
4 PUBLIC ROAD, TO PROVIDE EXCEPTIONS AND TO DEFINE TERMS.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
9 ignated as Section 63-3622VV, Idaho Code, and to read as follows:

10 63-3622VV. MATERIALS USED FOR PUBLIC ROADS. (1) There is exempted from
11 the taxes imposed by this chapter, sales of materials to a contractor or ma-
12 terials used by a contractor, regardless of whether the materials become a
13 component of real property or improvement or fixture thereto, when all of the
14 following conditions are met:

15 (a) The materials become part of a public road;

16 (b) The materials are used under a contract with a federal, state,
17 county or city government entity or any political subdivision or agency
18 of such government entity, including contracts for projects qualifying
19 under section 63-3641, Idaho Code; and

20 (c) Upon completion of the contract, the materials become the property
21 of a federal, state, county or city governmental entity or any political
22 subdivision or agency of such governmental entity.

23 (2) The provisions of this section shall not apply to:

24 (a) Property that continues to be owned by the contractor after comple-
25 tion of a contract;

26 (b) Any materials used by a private entity to develop any part of a pub-
27 lic road that has not yet been dedicated to the public;

28 (c) Any materials that remain the property of public utilities as de-
29 fined in section 61-129, Idaho Code, or any other nongovernmental enti-
30 ties;

31 (d) Materials that become part of a water or sewer system; and

32 (e) Materials that a contractor consumes in the performance of a con-
33 tract that are not intended to become part of a public road.

34 (3) As used in this section, "public road" means a public highway, pub-
35 lic right-of-way, public street, traffic-control device, facility or road
36 sign in Idaho under the jurisdiction of a public highway agency or interstate
37 highway.

38 (4) As used in this section, the terms "facility," "interstate high-
39 way," "public highway," "public highway agency," "public right-of-way" and
40 "public street" are as defined in chapter 1, title 40, Idaho Code, and the
41 term "traffic-control device" is as defined in section 49-121, Idaho Code.