

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 311

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO TAXATION POLICY; AMENDING SECTION 63-2402, IDAHO CODE, TO REVISE
2 THE TAX IMPOSED ON MOTOR FUEL AND TO ESTABLISH PROVISIONS CONCERNING
3 A FLOOR STOCK TAX; AMENDING SECTION 63-2412, IDAHO CODE, TO ESTABLISH
4 ADDITIONAL PROVISIONS CONCERNING THE DISTRIBUTION OF TAX REVENUES FROM
5 TAX ON MOTOR FUEL; AMENDING SECTION 63-2418, IDAHO CODE, TO ESTABLISH
6 ADDITIONAL PROVISIONS CONCERNING THE DISTRIBUTION OF TAX REVENUES FROM
7 TAX ON SPECIAL FUELS; AMENDING SECTION 63-3024, IDAHO CODE, TO ESTAB-
8 LISH ADDITIONAL PROVISIONS CONCERNING IDAHO TAXABLE INCOME; REPEALING
9 SECTION 63-3024A, IDAHO CODE, RELATING TO THE GROCERY TAX CREDIT;
10 AMENDING SECTION 63-3067, IDAHO CODE, TO PROVIDE THAT A CERTAIN SUM
11 SHALL BE DISTRIBUTED ON A DATE CERTAIN TO OFFSET THE LOSS OF REVENUES
12 CAUSED BY THE REPEAL OF THE FOOD TAX CREDIT; AMENDING CHAPTER 36, TI-
13 TLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3622VV, IDAHO
14 CODE, TO PROVIDE A SALES AND USE TAX EXEMPTION FOR FOOD SOLD FOR HUMAN
15 CONSUMPTION AND TO PROVIDE A DEFINITION OF "FOOD"; AMENDING SECTION
16 63-3638, IDAHO CODE, TO ESTABLISH ADDITIONAL PROVISIONS CONCERNING
17 PAYMENTS FROM THE REVENUE SHARING ACCOUNT; REPEALING SECTION 63-3638,
18 IDAHO CODE, RELATING TO SALES TAX DISTRIBUTION; AMENDING CHAPTER 36,
19 TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3638, IDAHO
20 CODE, TO PROVIDE FOR THE DISTRIBUTION OF MONEYS COLLECTED ON SALES TAX;
21 PROVIDING SEVERABILITY; DECLARING AN EMERGENCY, PROVIDING RETROACTIVE
22 APPLICATION AND PROVIDING EFFECTIVE DATES.
23

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

25 SECTION 1. That Section 63-2402, Idaho Code, be, and the same is hereby
26 amended to read as follows:

27 63-2402. IMPOSITION OF TAX UPON MOTOR FUEL. (1) A tax is hereby imposed
28 upon the distributor who receives motor fuel in this state. The legal inci-
29 dence of the tax imposed under this section is borne by the distributor. The
30 tax becomes due and payable upon receipt of the motor fuel in this state by
31 the distributor unless such tax liability has previously accrued to another
32 distributor pursuant to this section. The tax shall be imposed without re-
33 gard to whether use is on a governmental basis or otherwise, unless exempted
34 by this chapter.

35 (2) The tax imposed in this section shall be at the rate of ~~twenty-five~~
36 thirty-two cents (325¢) per gallon of motor fuel received. This tax shall be
37 subject to the exemptions, deductions and refunds set forth in this chapter.

38 (3) Nothing in this chapter shall prohibit the distributor who is li-
39 able for payment of the tax imposed under subsection (1) of this section from
40 including as part of the selling price an amount equal to such tax on motor
41 fuels sold or delivered by such distributor; provided however, that nothing
42 in this chapter shall be deemed to impose tax liability on any person to whom

1 such fuel is sold or delivered except as provided in subsection (6) of this
2 section.

3 (4) Any person coming into this state in a motor vehicle may transport
4 in the manufacturer's original tank of that vehicle, for his own use only,
5 not more than thirty (30) gallons of motor fuel for the purpose of operating
6 that motor vehicle, without complying with the provisions of this chapter.

7 (5) The tax imposed in this section does not apply to:

8 (a) Special fuels that have been dyed at a refinery or terminal under
9 the provisions of 26 U.S.C. section 4082 and regulations adopted there-
10 under, or under the clean air act and regulations adopted thereunder ex-
11 cept as provided in section 63-2425, Idaho Code; or

12 (b) Special fuel dispensed into a motor vehicle which uses gaseous spe-
13 cial fuels and which displays a valid gaseous special fuels permit under
14 section 63-2424, Idaho Code; or

15 (c) Special fuels that are gaseous special fuels, as defined in section
16 63-2401, Idaho Code, except that part thereof that is delivered into the
17 fuel supply tank or tanks of a motor vehicle; or

18 (d) Aircraft engine fuel subject to tax under section 63-2408, Idaho
19 Code.

20 (6) Should the distributor of first receipt be exempt from imposition
21 of the tax as a matter of federal law, by virtue of its status as a feder-
22 ally-recognized Indian tribe or member of such tribe, such distributor shall
23 not bear the tax's legal incidence and must pass the tax through as part of
24 the selling price of the fuel. Such distributor shall retain the administra-
25 tive obligation to remit the tax, and such obligation shall accrue upon re-
26 ceipt in accordance with subsection (1) of this section. Should a retailer
27 otherwise subject to the tax be exempt from imposition of the tax as a mat-
28 ter of federal law, by virtue of its status as a federally-recognized Indian
29 tribe or member of such tribe, the retailer shall not bear the tax's legal in-
30 cidence and must pass the tax through as part of the selling price of the fuel
31 to the consumer, unless such consumer is exempt from imposition of the tax
32 as a matter of federal law, by virtue of its status as a federally-recognized
33 Indian tribe or membership in such tribe, and the retailer shall be entitled
34 to claim a credit against taxes otherwise due and owing under this chapter or
35 a tax refund, together with interest, attributable to the fuel purchased by
36 such consumer.

37 (7) When the tax rate imposed on motor fuel subject to the tax in this
38 chapter is changed, the motor fuel in inventory on the last day of the old
39 rate is subject to a floor stock tax. The floor stock tax is the difference
40 between the old rate and the new rate. The floor stock tax will be reported
41 and paid by Idaho licensed distributors as prescribed by the state tax com-
42 mission.

43 SECTION 2. That Section 63-2412, Idaho Code, be, and the same is hereby
44 amended to read as follows:

45 63-2412. DISTRIBUTION OF TAX REVENUES FROM TAX ON GASOLINE AND AIR-
46 CRAFT ENGINE FUEL. (1) The revenues received from the taxes imposed by sec-
47 tions 63-2402 and 63-2421, Idaho Code, upon the receipt or use of gasoline,
48 and any penalties, interest, or deficiency additions, shall be distributed
49 periodically as follows:

1 (a) An amount of money equal to the actual cost of collecting, admin-
2 istering and enforcing the gasoline tax requirements by the commission,
3 as determined by it shall be retained by the commission. The amount re-
4 tained by the commission shall not exceed the amount authorized to be
5 expended by appropriation by the legislature. Any unencumbered balance
6 in excess of the actual cost of collecting, administering and enforcing
7 the gasoline tax requirements by the commission at the end of each fis-
8 cal year shall be distributed as listed in paragraph (f) of this subsec-
9 tion.

10 (b) An amount of money shall be distributed to the state refund account
11 sufficient to pay current refund claims. All refunds authorized by the
12 commission to be paid shall be paid from the state refund account and
13 those moneys are hereby continuously appropriated for that purpose.

14 (c) As soon as possible after the beginning of each fiscal year, the sum
15 of two hundred fifty thousand dollars (\$250,000) shall be distributed
16 to the railroad grade crossing protection account in the dedicated
17 fund, to pay the amounts from the account pursuant to the provisions of
18 section 62-304C, Idaho Code.

19 (d) As soon as possible after the beginning of each fiscal year, the
20 sum of one hundred thousand dollars (\$100,000) shall be distributed to
21 the local bridge inspection account in the dedicated fund, to pay the
22 amounts from the account pursuant to the provisions of section 40-703,
23 Idaho Code.

24 (e) An amount of money equal to seven percent (7%) shall be distributed
25 to the state highway account established in section 40-702, Idaho Code.

26 (f) From the balance remaining with the commission after distributing
27 the amounts in paragraphs (a) through (e) of subsection (1) of this sec-
28 tion:

29 1. One and twenty-eight hundredths percent (1.28%) shall be
30 distributed as follows: sixty-six percent (66%) of the one and
31 twenty-eight hundredths percent (1.28%) shall be distributed
32 to the waterways improvement account, as created in chapter 15,
33 title 57, Idaho Code. Up to twenty percent (20%) of the moneys
34 distributed to the waterways improvement account under the pro-
35 visions of this paragraph may be used by the department of parks
36 and recreation to defray administrative costs. Any moneys un-
37 used at the end of the fiscal year by the department of parks and
38 recreation shall be returned to the state treasurer for deposit in
39 the waterways improvement account. Thirty-three percent (33%) of
40 the one and twenty-eight hundredths percent (1.28%) shall be dis-
41 tributed into the park and recreation capital improvement account
42 as created in section 57-1801, Idaho Code. One percent (1%) of
43 the one and twenty-eight hundredths percent (1.28%) shall be dis-
44 tributed to the search and rescue fund created in section 67-2913,
45 Idaho Code;

46 2. One and twenty-eight hundredths percent (1.28%) shall be
47 distributed as follows: sixty-six percent (66%) of the one and
48 twenty-eight hundredths percent (1.28%) shall be distributed to
49 the off-road motor vehicle account, as created in section 57-1901,
50 Idaho Code. Up to twenty percent (20%) of the moneys distributed

1 to the off-road motor vehicle account by this subparagraph may be
 2 used by the department of parks and recreation to defray adminis-
 3 trative costs. Any moneys unused at the end of the fiscal year by
 4 the department of parks and recreation shall be returned to the
 5 state treasurer for deposit in the off-road motor vehicle account.
 6 Thirty-three percent (33%) of the one and twenty-eight hundredths
 7 percent (1.28%) shall be distributed into the park and recreation
 8 capital improvement account as created in section 57-1801, Idaho
 9 Code. One percent (1%) of the one and twenty-eight hundredths
 10 percent (1.28%) shall be distributed to the search and rescue fund
 11 created in section 67-2913, Idaho Code; and

12 3. Forty-four hundredths percent (.44%) shall be distributed to
 13 the park and recreation capital improvement account as created
 14 in section 57-1801, Idaho Code, to be used solely to develop,
 15 construct, maintain and repair roads, bridges and parking areas
 16 within and leading to parks and recreation areas of the state.

17 4. The balance remaining shall be distributed to the highway dis-
 18 tribution account created in section 40-701, Idaho Code.

19 (2) The distribution pursuant to subsection (1) of this section of rev-
 20 enues received from the taxes imposed pursuant to section 63-2402(2), Idaho
 21 Code, shall apply only to twenty-five cents (25¢) of every thirty-two cents
 22 (32¢) received. The remaining seven cents (7¢) of every thirty-two cents
 23 (32¢) received pursuant to section 63-2402(2), Idaho Code, shall be dis-
 24 tributed to the highway distribution account to be appropriated, notwith-
 25 standing any other provision of section 40-701, Idaho Code, as follows:

26 (a) Sixty percent (60%) to the state highway account as provided in sec-
 27 tion 40-702, Idaho Code; and

28 (b) Forty percent (40%) to be distributed pursuant to the provisions of
 29 subsections (1) through (7) of section 40-709, Idaho Code.

30 (3) The revenues received from the taxes imposed by section 63-2408,
 31 Idaho Code, and any penalties, interest, and deficiency amounts, shall be
 32 distributed as follows:

33 (a) An amount of money shall be distributed to the state refund account
 34 sufficient to pay current refund claims. All refunds authorized by the
 35 commission to be paid shall be paid from the state refund account, and
 36 those moneys are hereby continuously appropriated.

37 (b) The balance remaining of all the taxes collected shall be dis-
 38 tributed to the state aeronautics account, as provided in section
 39 21-211, Idaho Code.

40 SECTION 3. That Section 63-2418, Idaho Code, be, and the same is hereby
 41 amended to read as follows:

42 63-2418. DISTRIBUTION OF TAX REVENUES FROM TAX ON SPECIAL FUELS. The
 43 revenues received from the tax imposed by this chapter upon the receipt of
 44 special fuel and any penalties, interest or deficiency additions, or from
 45 the fees imposed by the commission under the provisions of section 63-2424 or
 46 63-2438, Idaho Code, shall be distributed as follows:

47 (1) An amount of money equal to the actual cost of collecting, adminis-
 48 tering and enforcing the special fuels tax provisions by the commission, as
 49 determined by it shall be retained by the commission. The amount retained by

1 the commission shall not exceed the amount authorized to be expended by ap-
 2 propriation by the legislature. Any unencumbered balance in excess of the
 3 actual cost of collecting, administering and enforcing the special fuels tax
 4 requirements by the commission at the end of each fiscal year shall be dis-
 5 tributed to the highway distribution account.

6 (2) An amount of money shall be distributed to the state refund account
 7 sufficient to pay current refund claims. All refunds authorized by the com-
 8 mission to be paid under this chapter shall be paid from the state refund ac-
 9 count, those moneys being hereby continuously appropriated.

10 (3) An amount of money equal to seven percent (7%) shall be distributed
 11 to the state highway account as established in section 40-702, Idaho Code.

12 (4) The balance remaining with the commission after distributing the
 13 amounts specified in subsections (1), (2) and (3) of this section shall
 14 be distributed to the highway distribution account established in section
 15 40-701, Idaho Code.

16 (5) The distribution pursuant to subsections (1) through (4) of this
 17 section of revenues received from the taxes imposed by this chapter upon the
 18 receipt of special fuel shall apply only to twenty-five cents (25¢) of ev-
 19 ery thirty-two cents (32¢) received. The remaining seven cents (7¢) of every
 20 thirty-two cents (32¢) received shall be distributed to the highway distri-
 21 bution account to be appropriated, notwithstanding any other provision of
 22 section 40-701, Idaho Code, as follows:

23 (a) Sixty percent (60%) to the state highway account as provided in sec-
 24 tion 40-702, Idaho Code; and

25 (b) Forty percent (40%) to be distributed pursuant to the provisions of
 26 subsections (1) through (7) of section 40-709, Idaho Code.

27 SECTION 4. That Section 63-3024, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 63-3024. INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS. For taxable
 30 year 2001, and each taxable year thereafter, a tax measured by Idaho taxable
 31 income as defined in this chapter is hereby imposed upon every individual,
 32 trust, or estate required by this chapter to file a return.

33 (a) The tax imposed upon individuals, trusts and estates shall be com-
 34 puted at the following rates:

35 When Idaho taxable income is:	The rate is:
36 Less than \$1,000	One and six-tenths percent (1.6%)
37 \$1,000 but less than \$2,000	\$16, plus three and six-tenths
38	percent (3.6%) of the amount over \$1,000
39 \$2,000 but less than \$3,000	\$52, plus four and one-tenth
40	percent (4.1%) of the amount over \$2,000
41 \$3,000 but less than \$4,000	\$93, plus five and one-tenth
42	percent (5.1%) of the amount over \$3,000
43 \$4,000 but less than \$5,000	\$144, plus six and one-tenth
44	percent (6.1%) of the amount over \$4,000
45 \$5,000 but less than \$7,500	\$205, plus seven and one-tenth

1	When Idaho taxable income is:	The rate is:
2		percent (7.1%) of the amount over \$5,000
3	\$7,500 and over	\$383, plus seven and four-tenths
4		percent (7.4%) of the amount
5		over \$7,500

6 For taxable year 2000 and each year thereafter, the state tax commission
7 shall prescribe a factor which shall be used to compute the Idaho income tax
8 brackets provided in subsection (a) of this section. The factor shall pro-
9 vide an adjustment to the Idaho tax brackets so that inflation will not re-
10 sult in a tax increase. The Idaho tax brackets shall be adjusted as follows:
11 multiply the bracket amounts by the percentage (the consumer price index for
12 the calendar year immediately preceding the calendar year to which the ad-
13 justed brackets will apply divided by the consumer price index for calendar
14 year 1998). For the purpose of this computation, the consumer price index
15 for any calendar year is the average of the consumer price index as of the
16 close of the twelve (12) month period for the immediately preceding calendar
17 year, without regard to any subsequent adjustments, as adopted by the state
18 tax commission. This adoption shall be exempt from the provisions of chapter
19 52, title 67, Idaho Code. The consumer price index shall mean the consumer
20 price index for all U.S. urban consumers published by the United States de-
21 partment of labor. The state tax commission shall annually include the fac-
22 tor as provided in this subsection to multiply against Idaho taxable income
23 in the brackets above to arrive at that year's Idaho taxable income for tax
24 bracket purposes.

25 (b) In case a joint return is filed by husband and wife pursuant to the
26 provisions of section 63-3031, Idaho Code, the tax imposed by this section
27 shall be twice the tax which would be imposed on one-half (1/2) of the aggre-
28 gate Idaho taxable income. For the purposes of this section, a return of a
29 surviving spouse, as defined in section 2(a) of the Internal Revenue Code,
30 and a head of household, as defined in section 2(b) of the Internal Revenue
31 Code, shall be treated as a joint return and the tax imposed shall be twice
32 the tax which would be imposed on one-half (1/2) of the Idaho taxable income.

33 (c) For taxable years beginning on or after January 1, 2015, and each
34 taxable year thereafter the tax rates in subsection (a) of this section shall
35 apply only when Idaho taxable income as defined in this chapter is less than
36 four thousand dollars (\$4,000) as adjusted in subsection (a) of this sec-
37 tion. All other Idaho taxable income as defined in this chapter shall be
38 taxed at the rate of six and seven-tenths percent (6.7%).

39 (d) In the case of a trust that is an electing small business trust as
40 defined in section 1361 of the Internal Revenue Code, the special rules for
41 taxation of such trusts contained in section 641 of the Internal Revenue Code
42 shall apply except that the maximum individual rate provided in this section
43 shall apply in computing tax due under this chapter.

44 (e) The state tax commission shall compute and publish Idaho income
45 tax liability for taxpayers at the midpoint of each bracket of Idaho taxable
46 income in fifty dollar (\$50.00) steps to fifty thousand dollars (\$50,000),
47 rounding such calculations to the nearest dollar. Taxpayers having income
48 within such brackets shall file returns based upon and pay taxes according

1 to the schedule thus established. The state tax commission shall promulgate
2 rules defining the conditions upon which such returns shall be filed.

3 SECTION 5. That Section 63-3024A, Idaho Code, be, and the same is hereby
4 repealed.

5 SECTION 6. That Section 63-3067, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 63-3067. REVENUE RECEIVED -- STATE REFUND ACCOUNT. (1) A sum equal to
8 the amount withheld under section 63-3035A, Idaho Code, shall be distributed
9 fifty percent (50%) to the public school income fund to be utilized to facil-
10 itate and provide substance abuse programs in the public school system, and
11 fifty percent (50%) shall be distributed to the counties to be utilized for
12 county juvenile probation services. These funds shall be distributed quar-
13 terly to the counties based upon the percentage the population of the county
14 bears to the population of the state as a whole.

15 (2) All moneys except as provided in subsection (1) of this section and
16 a sum of five million dollars (\$5,000,000) to offset the loss of revenues
17 caused by the repeal of the food tax credit set forth in section 63-3024A,
18 Idaho Code, as that code section existed on December 31, 2014, which sum
19 shall be distributed on October 1, 2015, to the highway distribution account
20 to be appropriated, notwithstanding any other provision of section 40-701,
21 Idaho Code, as follows: (a) three million dollars (\$3,000,000) shall be dis-
22 tributed to the state highway account as provided in section 40-702, Idaho
23 Code; and (b) two million dollars (\$2,000,000) shall be distributed pursuant
24 to the provisions of subsections (1) through (7) of section 40-709, Idaho
25 Code, and except as hereinafter provided, received by the state of Idaho
26 under this act shall be deposited by the state tax commission, as received
27 by it, with the state treasurer and shall be placed in and become a part of
28 the general account under the custody of the state treasurer. Providing
29 however, that an amount equal to twenty percent (20%) of the amount deposited
30 with the state treasurer shall be placed in the "state refund account" which
31 is hereby created for the purpose of repaying overpayments and for the pur-
32 pose of paying any other erroneous receipts illegally assessed or collected,
33 penalties collected without authority and taxes and licenses unjustly as-
34 essed, collected or which are excessive in amount. Whenever necessary for
35 the purpose of making prompt payment of refunds, the board of examiners, upon
36 request from the state tax commission, and after review, may authorize the
37 state tax commission to transfer any additional specific amount from income
38 tax collections to the "state refund account." There is appropriated out of
39 the state refund account so much thereof as may be necessary for the payment
40 of the refunds herein provided. Claims for, and payment of refunds under the
41 provisions of this section shall be made in the same manner as other claims
42 against the state of Idaho.

43 (3) Any unencumbered balance remaining in the state refund account on
44 June 30 of each and every year in excess of the sum of one million five hundred
45 thousand dollars (\$1,500,000) shall be transferred to the general fund and
46 the state controller is hereby authorized and directed on such dates to make
47 such transfers unless the board of examiners, which is hereby authorized to
48 do so, changes the date of transfer or sum to be transferred.

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

4 63-3622VV. FOOD FOR HUMAN CONSUMPTION. (1) There is hereby exempted
5 from the taxes imposed by this chapter the sale of food sold for human con-
6 sumption. The types and kinds of food products eligible for exemption by
7 this section shall be the same types and kinds of food products that are el-
8 igible for purchase with benefits provided under the federal supplemental
9 nutrition assistance program (SNAP) and do not include restaurant sales of
10 food.

11 (2) As used in this section, "food" shall have the same definition as
12 provided in 7 U.S.C. section 2012 as that section existed on January 1, 2015.

13 SECTION 8. That Section 63-3638, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
16 chapter, except as may otherwise be required in sections 63-3203 and
17 63-3709, Idaho Code, shall be distributed by the state tax commission as
18 follows:

19 (1) An amount of money shall be distributed to the state refund account
20 sufficient to pay current refund claims. All refunds authorized under this
21 chapter by the state tax commission shall be paid through the state refund
22 account, and those moneys are continuously appropriated.

23 (2) Five million dollars (\$5,000,000) per year is continuously appro-
24 priated and shall be distributed to the permanent building fund, provided by
25 section 57-1108, Idaho Code.

26 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
27 is continuously appropriated and shall be distributed to the water pollution
28 control account established by section 39-3628, Idaho Code.

29 (4) An amount equal to the sum required to be certified by the chair-
30 man of the Idaho housing and finance association to the state tax commis-
31 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
32 appropriated and shall be paid to any capital reserve fund, established by
33 the Idaho housing and finance association pursuant to section 67-6211, Idaho
34 Code. Such amounts, if any, as may be appropriated hereunder to the capital
35 reserve fund of the Idaho housing and finance association shall be repaid for
36 distribution under the provisions of this section, subject to the provisions
37 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
38 tion, as soon as possible, from any moneys available therefor and in excess
39 of the amounts which the association determines will keep it self-support-
40 ing.

41 (5) An amount equal to the sum required by the provisions of sections
42 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
43 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
44 paid as provided by sections 63-709 and 63-717, Idaho Code.

45 (6) An amount required by the provisions of chapter 53, title 33, Idaho
46 Code.

47 (7) An amount required by the provisions of chapter 87, title 67, Idaho
48 Code.

1 (8) For fiscal year 2011, and each fiscal year thereafter, four million
2 one hundred thousand dollars (\$4,100,000), of which two million two hundred
3 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
4 (44) counties in equal amounts, and one million nine hundred thousand dol-
5 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
6 ties in the proportion that the population of the county bears to the popula-
7 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
8 the amount distributed pursuant to this subsection, shall be adjusted annu-
9 ally by the state tax commission in accordance with the consumer price index
10 for all urban consumers (CPI-U) as published by the U.S. department of la-
11 bor, bureau of labor statistics, but in no fiscal year shall the total amount
12 allocated for counties under this subsection, be less than four million one
13 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
14 justment required in this section shall be distributed to each county in the
15 proportion that the population of the county bears to the population of the
16 state. Each county shall establish a special election fund to which shall be
17 deposited all revenues received from the distribution pursuant to this sub-
18 section. All such revenues shall be used exclusively to defray the costs as-
19 sociated with conducting elections as required of county clerks by the pro-
20 visions of section 34-1401, Idaho Code.

21 (9) One dollar (\$1.00) on each application for certificate of title
22 or initial application for registration of a motor vehicle, snowmobile,
23 all-terrain vehicle or other vehicle processed by the county assessor or the
24 Idaho transportation department excepting those applications in which any
25 sales or use taxes due have been previously collected by a retailer, shall be
26 a fee for the services of the assessor of the county or the Idaho transporta-
27 tion department in collecting such taxes, and shall be paid into the current
28 expense fund of the county or state highway account established in section
29 40-702, Idaho Code.

30 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
31 ated and shall be distributed to the revenue sharing account which is created
32 in the state treasury, and the moneys in the revenue sharing account will
33 be paid in installments each calendar quarter by the state tax commission
34 as follows, provided that the amount of money remitted shall be the greater
35 of the amount remitted for the period July 1, 2014, to June 30, 2015, or the
36 amount the percentage in this subsection yields:

37 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
38 various cities as follows:

39 (i) Fifty percent (50%) of such amount shall be paid to the vari-
40 ous cities, and each city shall be entitled to an amount in the pro-
41 portion that the population of that city bears to the population of
42 all cities within the state; and

43 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
44 ous cities, and each city shall be entitled to an amount in the pro-
45 portion that the preceding year's market value for assessment pur-
46 poses for that city bears to the preceding year's market value for
47 assessment purposes for all cities within the state.

48 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
49 various counties as follows:

1 (i) One million three hundred twenty thousand dollars
2 (\$1,320,000) annually shall be distributed one forty-fourth
3 (1/44) to each of the various counties; and

4 (ii) The balance of such amount shall be paid to the various coun-
5 ties, and each county shall be entitled to an amount in the propor-
6 tion that the population of that county bears to the population of
7 the state;

8 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
9 priated in this subsection shall be paid to the several counties for
10 distribution to the cities and counties as follows:

11 (i) Each city and county which received a payment under the provi-
12 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
13 of calendar year 1999, shall be entitled to a like amount during
14 succeeding calendar quarters.

15 (ii) If the dollar amount of money available under this subsection
16 (10) (c) in any quarter does not equal the amount paid in the fourth
17 quarter of calendar year 1999, each city's and county's payment
18 shall be reduced proportionately.

19 (iii) If the dollar amount of money available under this subsec-
20 tion (10) (c) in any quarter exceeds the amount paid in the fourth
21 quarter of calendar year 1999, each city and county shall be en-
22 titled to a proportionately increased payment, but such increase
23 shall not exceed one hundred five percent (105%) of the total pay-
24 ment made in the fourth quarter of calendar year 1999.

25 (iv) If the dollar amount of money available under this subsection
26 (10) (c) in any quarter exceeds one hundred five percent (105%) of
27 the total payment made in the fourth quarter of calendar year 1999,
28 any amount over and above such one hundred five percent (105%)
29 shall be paid fifty percent (50%) to the various cities in the pro-
30 portion that the population of the city bears to the population of
31 all cities within the state, and fifty percent (50%) to the various
32 counties in the proportion that the population of a county bears to
33 the population of the state; and

34 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
35 this subsection shall be paid to the several counties for distribution
36 to special purpose taxing districts as follows:

37 (i) Each such district which received a payment under the provi-
38 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
39 of calendar year 1999, shall be entitled to a like amount during
40 succeeding calendar quarters.

41 (ii) If the dollar amount of money available under this subsec-
42 tion (10) (d) in any quarter does not equal the amount paid in the
43 fourth quarter of calendar year 1999, each special purpose taxing
44 district's payment shall be reduced proportionately.

45 (iii) If the dollar amount of money available under this subsec-
46 tion (10) (d) in any quarter exceeds the amount distributed under
47 paragraph (i) of this subsection (10) (d), each special purpose
48 taxing district shall be entitled to a share of the excess based on
49 the proportion each such district's current property tax budget
50 bears to the sum of the current property tax budgets of all such

1 districts in the state. The state tax commission shall calculate
2 district current property tax budgets to include any unrecovered
3 foregone amounts as determined under section 63-802(1) (e), Idaho
4 Code. When a special purpose taxing district is situated in more
5 than one (1) county, the state tax commission shall determine the
6 portion attributable to the special purpose taxing district from
7 each county in which it is situated.

8 (iv) If special purpose taxing districts are consolidated, the
9 resulting district is entitled to a base amount equal to the sum of
10 the base amounts which were received in the last calendar quarter
11 by each district prior to the consolidation.

12 (v) If a special purpose taxing district is dissolved or disin-
13 corporated, the state tax commission shall continuously distrib-
14 ute to the board of county commissioners an amount equal to the
15 last quarter's distribution prior to dissolution or disincorpora-
16 tion. The board of county commissioners shall determine any re-
17 distribution of moneys so received.

18 (vi) Taxing districts formed after January 1, 2001, are not enti-
19 tled to a payment under the provisions of this subsection (10) (d).

20 (vii) For purposes of this subsection (10) (d), a special purpose
21 taxing district is any taxing district which is not a city, a
22 county or a school district.

23 (11) Amounts calculated in accordance with section 2, chapter 356, laws
24 of 2001, for annual distribution to counties and other taxing districts be-
25 ginning in October 2001 for replacement of property tax on farm machinery and
26 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
27 districts, the state tax commission shall distribute one-fourth (1/4) of
28 this amount certified quarterly to each county. For school districts, the
29 state tax commission shall distribute one-fourth (1/4) of the amount certi-
30 fied quarterly to each school district. For nonschool districts, the county
31 auditor shall distribute to each district within thirty (30) calendar days
32 from receipt of moneys from the state tax commission. Moneys received by
33 each taxing district for replacement shall be utilized in the same manner
34 and in the same proportions as revenues from property taxation. The moneys
35 remitted to the county treasurer for replacement of property exempt from
36 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
37 counties and other taxing districts and budgeted at the same time, in the
38 same manner and in the same year as revenues from taxation on personal prop-
39 erty which these moneys replace. If taxing districts are consolidated, the
40 resulting district is entitled to an amount equal to the sum of the amounts
41 which were received in the last calendar quarter by each district pursuant
42 to this subsection prior to the consolidation. If a taxing district is
43 dissolved or disincorporated, the state tax commission shall continuously
44 distribute to the board of county commissioners an amount equal to the
45 last quarter's distribution prior to dissolution or disincorporation. The
46 board of county commissioners shall determine any redistribution of moneys
47 so received. If a taxing district annexes territory, the distribution of
48 moneys received pursuant to this subsection shall be unaffected. Taxing
49 districts formed after January 1, 2001, are not entitled to a payment under
50 the provisions of this subsection. School districts shall receive an amount

1 determined by multiplying the sum of the year 2000 school district levy mi-
2 nus .004 times the market value on December 31, 2000, in the district of the
3 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
4 vided that the result of these calculations shall not be less than zero (0).
5 The result of these school district calculations shall be further increased
6 by six percent (6%). For purposes of the limitation provided by section
7 63-802, Idaho Code, moneys received pursuant to this section as property tax
8 replacement for property exempt from taxation pursuant to section 63-602EE,
9 Idaho Code, shall be treated as property tax revenues.

10 (12) Amounts necessary to pay refunds as provided in section 63-3641,
11 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
12 stration pilot project fund created in section 63-3641, Idaho Code.

13 (13) Amounts calculated in accordance with subsection (4) of section
14 63-602KK, Idaho Code, for annual distribution to counties and other taxing
15 districts for replacement of property tax on personal property tax exemp-
16 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
17 amounts are continuously appropriated unless the legislature enacts a dif-
18 ferent appropriation for a particular fiscal year. For purposes of the
19 limitation provided by section 63-802, Idaho Code, moneys received pursuant
20 to this section as property tax replacement for property exempt from taxa-
21 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
22 tax revenues. If taxing districts are consolidated, the resulting district
23 is entitled to an amount equal to the sum of the amounts that were received in
24 the last calendar year by each district pursuant to this subsection prior to
25 the consolidation. If a taxing district or revenue allocation area annexes
26 territory, the distribution of moneys received pursuant to this subsection
27 shall be unaffected. Taxing districts and revenue allocation areas formed
28 after January 1, 2013, are not entitled to a payment under the provisions of
29 this subsection.

30 (14) Amounts collected from purchasers and paid to the state of Idaho by
31 retailers that are not engaged in business in this state and which retailer
32 would not have been required to collect the sales tax, less amounts other-
33 wise distributed in subsections (1) and (10) of this section, shall be dis-
34 tributed to the tax relief fund created in section 57-811, Idaho Code. The
35 state tax commission will determine the amounts to be distributed under this
36 subsection.

37 (15) Any moneys remaining over and above those necessary to meet and
38 reserve for payments under other subsections of this section shall be dis-
39 tributed to the general fund.

40 SECTION 9. That Section [63-3638](#), Idaho Code, be, and the same is hereby
41 repealed.

42 SECTION 10. That Chapter 36, Title 63, Idaho Code, be, and the same is
43 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
44 ignated as Section 63-3638, Idaho Code, and to read as follows:

45 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
46 chapter, except as may otherwise be required in sections 63-3203 and
47 63-3709, Idaho Code, shall be distributed by the state tax commission as
48 follows:

1 (1) An amount of money shall be distributed to the state refund account
2 sufficient to pay current refund claims. All refunds authorized under this
3 chapter by the state tax commission shall be paid through the state refund
4 account, and those moneys are continuously appropriated.

5 (2) Five million dollars (\$5,000,000) per year is continuously appro-
6 priated and shall be distributed to the permanent building fund, provided by
7 section 57-1108, Idaho Code.

8 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
9 is continuously appropriated and shall be distributed to the water pollution
10 control account established by section 39-3628, Idaho Code.

11 (4) An amount equal to the sum required to be certified by the chair-
12 man of the Idaho housing and finance association to the state tax commis-
13 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
14 appropriated and shall be paid to any capital reserve fund, established by
15 the Idaho housing and finance association pursuant to section 67-6211, Idaho
16 Code. Such amounts, if any, as may be appropriated hereunder to the capital
17 reserve fund of the Idaho housing and finance association shall be repaid for
18 distribution under the provisions of this section, subject to the provisions
19 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
20 tion, as soon as possible, from any moneys available therefor and in excess
21 of the amounts which the association determines will keep it self-support-
22 ing.

23 (5) An amount equal to the sum required by the provisions of sections
24 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
25 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
26 paid as provided by sections 63-709 and 63-717, Idaho Code.

27 (6) An amount required by the provisions of chapter 53, title 33, Idaho
28 Code.

29 (7) An amount required by the provisions of chapter 87, title 67, Idaho
30 Code.

31 (8) For fiscal year 2011, and each fiscal year thereafter, four million
32 one hundred thousand dollars (\$4,100,000), of which two million two hundred
33 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
34 (44) counties in equal amounts, and one million nine hundred thousand dol-
35 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
36 ties in the proportion that the population of the county bears to the popula-
37 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
38 the amount distributed pursuant to this subsection, shall be adjusted annu-
39 ally by the state tax commission in accordance with the consumer price index
40 for all urban consumers (CPI-U) as published by the U.S. department of la-
41 bor, bureau of labor statistics, but in no fiscal year shall the total amount
42 allocated for counties under this subsection, be less than four million one
43 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
44 justment required in this section shall be distributed to each county in the
45 proportion that the population of the county bears to the population of the
46 state. Each county shall establish a special election fund to which shall be
47 deposited all revenues received from the distribution pursuant to this sub-
48 section. All such revenues shall be used exclusively to defray the costs as-
49 sociated with conducting elections as required of county clerks by the pro-
50 visions of section 34-1401, Idaho Code.

1 (9) One dollar (\$1.00) on each application for certificate of title
2 or initial application for registration of a motor vehicle, snowmobile,
3 all-terrain vehicle or other vehicle processed by the county assessor or the
4 Idaho transportation department excepting those applications in which any
5 sales or use taxes due have been previously collected by a retailer, shall be
6 a fee for the services of the assessor of the county or the Idaho transporta-
7 tion department in collecting such taxes, and shall be paid into the current
8 expense fund of the county or state highway account established in section
9 40-702, Idaho Code.

10 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
11 ated and shall be distributed to the revenue sharing account which is created
12 in the state treasury, and the moneys in the revenue sharing account will be
13 paid in installments each calendar quarter by the state tax commission as
14 follows:

15 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
16 various cities as follows:

17 (i) Fifty percent (50%) of such amount shall be paid to the vari-
18 ous cities, and each city shall be entitled to an amount in the pro-
19 portion that the population of that city bears to the population of
20 all cities within the state; and

21 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
22 ous cities, and each city shall be entitled to an amount in the pro-
23 portion that the preceding year's market value for assessment pur-
24 poses for that city bears to the preceding year's market value for
25 assessment purposes for all cities within the state.

26 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
27 various counties as follows:

28 (i) One million three hundred twenty thousand dollars
29 (\$1,320,000) annually shall be distributed one forty-fourth
30 (1/44) to each of the various counties; and

31 (ii) The balance of such amount shall be paid to the various coun-
32 ties, and each county shall be entitled to an amount in the propor-
33 tion that the population of that county bears to the population of
34 the state;

35 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
36 priated in this subsection shall be paid to the several counties for
37 distribution to the cities and counties as follows:

38 (i) Each city and county which received a payment under the provi-
39 sions of section 63-3638(e), Idaho Code, during the fourth quarter
40 of calendar year 1999, shall be entitled to a like amount during
41 succeeding calendar quarters.

42 (ii) If the dollar amount of money available under this subsection
43 (10)(c) in any quarter does not equal the amount paid in the fourth
44 quarter of calendar year 1999, each city's and county's payment
45 shall be reduced proportionately.

46 (iii) If the dollar amount of money available under this subsec-
47 tion (10)(c) in any quarter exceeds the amount paid in the fourth
48 quarter of calendar year 1999, each city and county shall be en-
49 titled to a proportionately increased payment, but such increase

1 shall not exceed one hundred five percent (105%) of the total pay-
2 ment made in the fourth quarter of calendar year 1999.

3 (iv) If the dollar amount of money available under this subsection
4 (10) (c) in any quarter exceeds one hundred five percent (105%) of
5 the total payment made in the fourth quarter of calendar year 1999,
6 any amount over and above such one hundred five percent (105%)
7 shall be paid fifty percent (50%) to the various cities in the pro-
8 portion that the population of the city bears to the population of
9 all cities within the state, and fifty percent (50%) to the various
10 counties in the proportion that the population of a county bears to
11 the population of the state; and

12 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
13 this subsection shall be paid to the several counties for distribution
14 to special purpose taxing districts as follows:

15 (i) Each such district which received a payment under the provi-
16 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
17 of calendar year 1999, shall be entitled to a like amount during
18 succeeding calendar quarters.

19 (ii) If the dollar amount of money available under this subsec-
20 tion (10) (d) in any quarter does not equal the amount paid in the
21 fourth quarter of calendar year 1999, each special purpose taxing
22 district's payment shall be reduced proportionately.

23 (iii) If the dollar amount of money available under this subsec-
24 tion (10) (d) in any quarter exceeds the amount distributed under
25 paragraph (i) of this subsection (10) (d), each special purpose
26 taxing district shall be entitled to a share of the excess based on
27 the proportion each such district's current property tax budget
28 bears to the sum of the current property tax budgets of all such
29 districts in the state. The state tax commission shall calculate
30 district current property tax budgets to include any unrecovered
31 foregone amounts as determined under section 63-802(1) (e), Idaho
32 Code. When a special purpose taxing district is situated in more
33 than one (1) county, the state tax commission shall determine the
34 portion attributable to the special purpose taxing district from
35 each county in which it is situated.

36 (iv) If special purpose taxing districts are consolidated, the
37 resulting district is entitled to a base amount equal to the sum of
38 the base amounts which were received in the last calendar quarter
39 by each district prior to the consolidation.

40 (v) If a special purpose taxing district is dissolved or disin-
41 corporated, the state tax commission shall continuously distrib-
42 ute to the board of county commissioners an amount equal to the
43 last quarter's distribution prior to dissolution or disincorpora-
44 tion. The board of county commissioners shall determine any re-
45 distribution of moneys so received.

46 (vi) Taxing districts formed after January 1, 2001, are not enti-
47 tled to a payment under the provisions of this subsection (10) (d).

48 (vii) For purposes of this subsection (10) (d), a special purpose
49 taxing district is any taxing district which is not a city, a
50 county or a school district.

1 (11) Amounts calculated in accordance with section 2, chapter 356, laws
2 of 2001, for annual distribution to counties and other taxing districts be-
3 ginning in October 2001 for replacement of property tax on farm machinery and
4 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
5 districts, the state tax commission shall distribute one-fourth (1/4) of
6 this amount certified quarterly to each county. For school districts, the
7 state tax commission shall distribute one-fourth (1/4) of the amount certi-
8 fied quarterly to each school district. For nonschool districts, the county
9 auditor shall distribute to each district within thirty (30) calendar days
10 from receipt of moneys from the state tax commission. Moneys received by
11 each taxing district for replacement shall be utilized in the same manner
12 and in the same proportions as revenues from property taxation. The moneys
13 remitted to the county treasurer for replacement of property exempt from
14 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
15 counties and other taxing districts and budgeted at the same time, in the
16 same manner and in the same year as revenues from taxation on personal prop-
17 erty which these moneys replace. If taxing districts are consolidated, the
18 resulting district is entitled to an amount equal to the sum of the amounts
19 which were received in the last calendar quarter by each district pursuant
20 to this subsection prior to the consolidation. If a taxing district is
21 dissolved or disincorporated, the state tax commission shall continuously
22 distribute to the board of county commissioners an amount equal to the
23 last quarter's distribution prior to dissolution or disincorporation. The
24 board of county commissioners shall determine any redistribution of moneys
25 so received. If a taxing district annexes territory, the distribution of
26 moneys received pursuant to this subsection shall be unaffected. Taxing
27 districts formed after January 1, 2001, are not entitled to a payment under
28 the provisions of this subsection. School districts shall receive an amount
29 determined by multiplying the sum of the year 2000 school district levy mi-
30 nus .004 times the market value on December 31, 2000, in the district of the
31 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
32 vided that the result of these calculations shall not be less than zero (0).
33 The result of these school district calculations shall be further increased
34 by six percent (6%). For purposes of the limitation provided by section
35 63-802, Idaho Code, moneys received pursuant to this section as property tax
36 replacement for property exempt from taxation pursuant to section 63-602EE,
37 Idaho Code, shall be treated as property tax revenues.

38 (12) Amounts necessary to pay refunds as provided in section 63-3641,
39 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
40 stration pilot project fund created in section 63-3641, Idaho Code.

41 (13) Amounts calculated in accordance with subsection (4) of section
42 63-602KK, Idaho Code, for annual distribution to counties and other taxing
43 districts for replacement of property tax on personal property tax exemp-
44 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
45 amounts are continuously appropriated unless the legislature enacts a dif-
46 ferent appropriation for a particular fiscal year. For purposes of the
47 limitation provided by section 63-802, Idaho Code, moneys received pursuant
48 to this section as property tax replacement for property exempt from taxa-
49 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
50 tax revenues. If taxing districts are consolidated, the resulting district

1 is entitled to an amount equal to the sum of the amounts that were received in
2 the last calendar year by each district pursuant to this subsection prior to
3 the consolidation. If a taxing district or revenue allocation area annexes
4 territory, the distribution of moneys received pursuant to this subsection
5 shall be unaffected. Taxing districts and revenue allocation areas formed
6 after January 1, 2013, are not entitled to a payment under the provisions of
7 this subsection.

8 (14) Amounts collected from purchasers and paid to the state of Idaho by
9 retailers that are not engaged in business in this state and which retailer
10 would not have been required to collect the sales tax, less amounts other-
11 wise distributed in subsections (1) and (10) of this section, shall be dis-
12 tributed to the tax relief fund created in section 57-811, Idaho Code. The
13 state tax commission will determine the amounts to be distributed under this
14 subsection.

15 (15) Any moneys remaining over and above those necessary to meet and
16 reserve for payments under other subsections of this section shall be dis-
17 tributed to the general fund.

18 SECTION 11. SEVERABILITY. The provisions of this act are hereby de-
19 clared to be severable and if any provision of this act or the application
20 of such provision to any person or circumstance is declared invalid for any
21 reason, such declaration shall not affect the validity of the remaining por-
22 tions of this act.

23 SECTION 12. An emergency existing therefor, which emergency is hereby
24 declared to exist, Sections 4, 5 and 6 of this act shall be in full force and
25 effect on and after passage and approval, and retroactively to January 1,
26 2015. Sections 1, 2, 3 and 7 of this act shall be in full force and effect on
27 and after October 1, 2015. Section 8 of this act shall be in full force and
28 effect on and after November 1, 2015. Sections 9 and 10 of this act shall be
29 in full force and effect on and after November 1, 2018.