

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 269

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO SALES TAX; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE THE SALES TAX REVENUE DISTRIBUTION FORMULA TO COUNTIES AND CITIES.

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

SECTION 1. That Section 63-3638, Idaho Code, be, and the same is hereby amended to read as follows:

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

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

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

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

(4) An amount equal to the sum required to be certified by the chairman of the Idaho housing and finance association to the state tax commission pursuant to section 67-6211, Idaho Code, in each year is continuously appropriated and shall be paid to any capital reserve fund, established by the Idaho housing and finance association pursuant to section 67-6211, Idaho Code. Such amounts, if any, as may be appropriated hereunder to the capital reserve fund of the Idaho housing and finance association shall be repaid for distribution under the provisions of this section, subject to the provisions of section 67-6215, Idaho Code, by the Idaho housing and finance association, as soon as possible, from any moneys available therefor and in excess of the amounts which the association determines will keep it self-supporting.

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

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

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

(8) For fiscal year 2011, and each fiscal year thereafter, four million one hundred thousand dollars (\$4,100,000), of which two million two hundred

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

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

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

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

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

39 (ii) 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 preceding year's market value for assessment pur-
42 poses for that city bears to the preceding year's market value for
43 assessment purposes for all cities within the state.

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

46 (i) One million three hundred twenty thousand dollars
47 (\$1,320,000) annually shall be distributed one forty-fourth
48 (1/44) to each of the various counties; and

49 (ii) The balance of such amount shall be paid to the various coun-
50 ties, and each county shall be entitled to an amount in the propor-

tion that the population of that county bears to the population of the state;

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

~~(i) Each city and county which received a payment under the provisions of section 63-3638 (e), Idaho Code, during the fourth quarter of calendar year 1999, shall be entitled to a like amount during succeeding calendar quarters, except as provided in subparagraphs (ii) through (xii) of this paragraph.~~

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

~~(iii) If the dollar amount of money available under this subsection (10) (c) in any quarter exceeds the amount paid in the fourth quarter of calendar year 1999, each city and county shall be entitled to a proportionately increased payment, but such increase shall not exceed one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999.~~

~~(iv) If the dollar amount of money available under this subsection (10) (c) paragraph in any quarter of fiscal year 2018 exceeds one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such one hundred five percent (105%) shall be paid fifty percent (50%) to the various cities in the proportion that the population of the city bears to the population of all cities within the state, and fifty percent (50%) to the various counties in the proportion that the population of a county bears to the population of the state; and~~

~~(ii) If the dollar amount of money available under this paragraph in any quarter of fiscal year 2019 exceeds ninety-five percent (95%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such ninety-five percent (95%) shall be paid fifty percent (50%) to the various cities in the proportion that the population of the city bears to the population of all cities within the state, and fifty percent (50%) to the various counties in the proportion that the population of a county bears to the population of the state;~~

~~(iii) If the dollar amount of money available under this paragraph in any quarter of fiscal year 2020 exceeds eighty-five percent (85%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such eighty-five percent (85%) shall be paid fifty percent (50%) to the various cities in the proportion that the population of the city bears to the population of all cities within the state, and fifty percent (50%) to the various counties in the proportion that the population of a county bears to the population of the state;~~

~~(iv) If the dollar amount of money available under this paragraph in any quarter of fiscal year 2021 exceeds seventy-five percent~~

1 (75%) of the total payment made in the fourth quarter of calen-
2 dar year 1999, any amount over and above such seventy-five percent
3 (75%) shall be paid fifty percent (50%) to the various cities in
4 the proportion that the population of the city bears to the popula-
5 tion of all cities within the state, and fifty percent (50%) to the
6 various counties in the proportion that the population of a county
7 bears to the population of the state;

8 (v) If the dollar amount of money available under this paragraph
9 in any quarter of fiscal year 2022 exceeds sixty-five percent
10 (65%) of the total payment made in the fourth quarter of calendar
11 year 1999, any amount over and above such sixty-five percent (65%)
12 shall be paid fifty percent (50%) to the various cities in the pro-
13 portion that the population of the city bears to the population of
14 all cities within the state, and fifty percent (50%) to the various
15 counties in the proportion that the population of a county bears to
16 the population of the state;

17 (vi) If the dollar amount of money available under this para-
18 graph in any quarter of fiscal year 2023 exceeds fifty-five per-
19 cent (55%) of the total payment made in the fourth quarter of cal-
20 endar year 1999, any amount over and above such fifty-five percent
21 (55%) shall be paid fifty percent (50%) to the various cities in
22 the proportion that the population of the city bears to the popula-
23 tion of all cities within the state, and fifty percent (50%) to the
24 various counties in the proportion that the population of a county
25 bears to the population of the state;

26 (vii) If the dollar amount of money available under this para-
27 graph in any quarter of fiscal year 2024 exceeds forty-five per-
28 cent (45%) of the total payment made in the fourth quarter of cal-
29 endar year 1999, any amount over and above such forty-five percent
30 (45%) shall be paid fifty percent (50%) to the various cities in
31 the proportion that the population of the city bears to the popula-
32 tion of all cities within the state, and fifty percent (50%) to the
33 various counties in the proportion that the population of a county
34 bears to the population of the state;

35 (viii) If the dollar amount of money available under this para-
36 graph in any quarter of fiscal year 2025 exceeds thirty-five per-
37 cent (35%) of the total payment made in the fourth quarter of cal-
38 endar year 1999, any amount over and above such thirty-five per-
39 cent (35%) shall be paid fifty percent (50%) to the various cities
40 in the proportion that the population of the city bears to the pop-
41 ulation of all cities within the state, and fifty percent (50%)
42 to the various counties in the proportion that the population of a
43 county bears to the population of the state;

44 (ix) If the dollar amount of money available under this para-
45 graph in any quarter of fiscal year 2026 exceeds twenty-five per-
46 cent (25%) of the total payment made in the fourth quarter of cal-
47 endar year 1999, any amount over and above such twenty-five per-
48 cent (25%) shall be paid fifty percent (50%) to the various cities
49 in the proportion that the population of the city bears to the pop-
50 ulation of all cities within the state, and fifty percent (50%)

1 to the various counties in the proportion that the population of a
 2 county bears to the population of the state;

3 (x) If the dollar amount of money available under this paragraph
 4 in any quarter of fiscal year 2027 exceeds fifteen percent (15%) of
 5 the total payment made in the fourth quarter of calendar year 1999,
 6 any amount over and above such fifteen percent (15%) shall be paid
 7 fifty percent (50%) to the various cities in the proportion that
 8 the population of the city bears to the population of all cities
 9 within the state, and fifty percent (50%) to the various counties
 10 in the proportion that the population of a county bears to the pop-
 11 ulation of the state;

12 (xi) If the dollar amount of money available under this paragraph
 13 in any quarter of fiscal year 2028 exceeds five percent (5%) of the
 14 total payment made in the fourth quarter of calendar year 1999, any
 15 amount over and above such five percent (5%) shall be paid fifty
 16 percent (50%) to the various cities in the proportion that the pop-
 17 ulation of the city bears to the population of all cities within
 18 the state, and fifty percent (50%) to the various counties in the
 19 proportion that the population of a county bears to the population
 20 of the state; and

21 (xii) In fiscal year 2029 and each year thereafter, one hundred
 22 percent (100%) of the money available under this paragraph shall
 23 be paid fifty percent (50%) to the various cities in the propor-
 24 tion that the population of the city bears to the population of all
 25 cities within the state, and fifty percent (50%) to the various
 26 counties in the proportion that the population of a county bears to
 27 the population of the state.

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

31 (i) Each such district which received a payment under the pro-
 32 visions of section 63-3638(e), Idaho Code, as such subsection ex-
 33 isted immediately prior to July 1, 2000, during the fourth quarter
 34 of calendar year 1999, shall be entitled to a like amount during
 35 succeeding calendar quarters.

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

40 (iii) If the dollar amount of money available under this subsec-
 41 tion (10) (d) in any quarter exceeds the amount distributed under
 42 paragraph (i) of this subsection (10) (d), each special purpose
 43 taxing district shall be entitled to a share of the excess based on
 44 the proportion each such district's current property tax budget
 45 bears to the sum of the current property tax budgets of all such
 46 districts in the state. The state tax commission shall calculate
 47 district current property tax budgets to include any unrecovered
 48 foregone amounts as determined under section 63-802(1) (e), Idaho
 49 Code. When a special purpose taxing district is situated in more
 50 than one (1) county, the state tax commission shall determine the

1 portion attributable to the special purpose taxing district from
2 each county in which it is situated.

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

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

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

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

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

1 by six percent (6%). For purposes of the limitation provided by section
2 63-802, Idaho Code, moneys received pursuant to this section as property tax
3 replacement for property exempt from taxation pursuant to section 63-602EE,
4 Idaho Code, shall be treated as property tax revenues.

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

8 (13) Amounts calculated in accordance with subsection (4) of section
9 63-602KK, Idaho Code, for annual distribution to counties and other taxing
10 districts for replacement of property tax on personal property tax exemp-
11 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
12 amounts are continuously appropriated unless the legislature enacts a dif-
13 ferent appropriation for a particular fiscal year. For purposes of the
14 limitation provided by section 63-802, Idaho Code, moneys received pursuant
15 to this section as property tax replacement for property exempt from taxa-
16 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
17 tax revenues. If taxing districts are consolidated, the resulting district
18 is entitled to an amount equal to the sum of the amounts that were received in
19 the last calendar year by each district pursuant to this subsection prior to
20 the consolidation. If a taxing district or revenue allocation area annexes
21 territory, the distribution of moneys received pursuant to this subsection
22 shall be unaffected. Taxing districts and revenue allocation areas formed
23 after January 1, 2013, are not entitled to a payment under the provisions of
24 this subsection.

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

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