

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 112

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

1 RELATING TO SALES AND USE TAXES; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE,
2 BY THE ADDITION OF A NEW SECTION 63-3642, IDAHO CODE, TO PROVIDE FOR A
3 REBATE OF CERTAIN SALES AND USE TAXES COLLECTED ON THE SALE AND USE OF
4 ROAD MATERIALS.
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 63-3642, Idaho Code, and to read as follows:

10 63-3642. REBATE -- ROAD MATERIALS. (1) As provided in and subject to
11 the limitations of this section, a governmental agency shall receive a re-
12bate of sales and use taxes collected and remitted to the state tax commis-
13sion under this chapter by contractors who purchase or use road materials to
14construct, repair, or replace highways, streets, roads, and alleys on behalf
15of the governmental agency.

16 (2) As used in this section:

17 (a) "Contractor" means a contractor who has entered into a contractual
18agreement with a governmental agency to construct, repair, or replace
19highways, streets, roads, and alleys under the jurisdiction of the gov-
20ernmental agency.

21 (b) "Governmental agency" means a city, county, or highway district
22that receives highway funding pursuant to section 40-709, Idaho Code,
23or a state department or agency.

24 (c) "Road materials" means materials purchased or used by a contractor
25that:

26 (i) Become part of a public road;

27 (ii) Are used under a contract with a governmental agency; and

28 (iii) Become the property of the governmental agency upon comple-
29tion of the project.

30 (3) To obtain the rebate provided by this section, the governmental
31agency shall file a written claim with the state tax commission.

32 (a) The claim shall:

33 (i) Provide a copy of the construction contract between the gov-
34ernmental agency and the contractor;

35 (ii) Provide a copy of the contractor's invoices that include the
36purchase of road materials and the sales tax paid on the road mate-
37rials, or any use tax paid by the contractor, or both, if applica-
38ble; and

39 (iii) Provide evidence of the governmental agency's payment of the
40invoices described in subparagraph (ii) of this paragraph.

1 (b) A governmental agency must submit a claim under this section within
2 twelve (12) months of having paid the applicable invoice from the con-
3 tractor.

4 (4) No contractor shall have a right to receive any sales or use tax re-
5 bate under the provisions of this section.

6 (5) No interest shall be paid on the amounts rebated.

7 (6) All moneys rebated shall be paid by the state tax commission from
8 the state refund account during the next quarterly sales tax distribution
9 provided in section 63-3638, Idaho Code, following the thirty (30) day pe-
10 riod after the state tax commission's receipt of the governmental agency's
11 complete claim, including all materials required under subsection (3) (a) of
12 this section.

13 (7) Claims under this section may be made on an ongoing basis as in-
14 voices are paid pursuant to a contract. Final completion of the contracted
15 project is not a prerequisite to filing rebate claims under this section.