LEGISLATURE OF THE STATE OF IDAHO

Sixty-fifth Legislature First Regular Session - 2019

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 165

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO INCOME TAX REFUNDS; REPEALING SECTION 63-3067A, IDAHO CODE, RELATING TO INCOME TAX REFUND OR PAYMENT DESIGNATIONS; REPEALING SECTION 63-3067B, IDAHO CODE, RELATING TO INCOME TAX REFUND OR PAYMENT DESIGNATIONS; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3067A, IDAHO CODE, TO PROVIDE FOR THE DESIGNATION OF AN INCOME TAX REFUND OR PAYMENT TO CERTAIN TRUST ACCOUNTS; AMENDING SECTION 63-3067C, IDAHO CODE, TO REVISE PROVISIONS REGARDING MINIMUM COLLECTION THRESHOLDS, TO PROVIDE THAT THE STATE TAX COMMISSION SHALL REPORT ANNUALLY ON THE TRUST ACCOUNTS FAILING TO MEET THE THRESHOLD, TO REMOVE CERTAIN CODE REFERENCES, AND TO REDESIGNATE THE SECTION; AMENDING SECTION 38-136, IDAHO CODE, TO REMOVE OBSOLETE LANGUAGE; AMENDING SECTION 65-209, IDAHO CODE, TO REMOVE A CODE REFERENCE; AND DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

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

SECTION 1. That Section 63-3067A, Idaho Code, be, and the same is hereby repealed.

SECTION 2. That Section 63-3067B, Idaho Code, be, and the same is hereby repealed.

SECTION 3. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3067A, Idaho Code, and to read as follows:

63-3067A. INCOME TAX REFUND OR PAYMENT DESIGNATION BY INDIVIDUALS TO TRUST ACCOUNTS. (1) Every individual who:

(a) Has a refund due and payable for overpayment of taxes under this chapter may designate all or any portion thereof to be deposited in a trust account specified in subsection (3) of this section; or

(b) Has an income tax liability may, in addition to his tax obligation, include a donation to be deposited in a trust account specified in subsection (3) of this section.

(2) A designation under subsection (1) of this section may be made in any taxable year in such manner and form as prescribed by the state tax commission. The manner and form so prescribed shall be a conspicuous portion of the principal form provided for the purpose of individual taxation.

(3) The trust accounts authorized to receive moneys designated under subsection (1) of this section are:

(a) The fish and game set-aside account created in section 36-111, Idaho Code;

(b) The children's trust fund created in section 39-6007, Idaho Code;

(c) The special olympics Idaho fund created in section 57-823, Idaho Code;

(d) The Idaho guard and reserve family support fund created in section 57-820, Idaho Code;

(e) The Idaho food bank fund created in section 57-824, Idaho Code;

(f) The veterans support fund created in section 65-209, Idaho Code; and

(g) The American red cross of greater Idaho fund created in section 57-821, Idaho Code.

(4) Prior to the distribution of funds into any of the trust accounts specified in subsection (3) of this section from the refund account, the state tax commission shall retain funds for the commission's costs for collecting and administering the moneys in the accounts as follows: three thousand dollars ($3,000) from each account for start-up costs during the first year of collections, and three thousand dollars ($3,000) or twenty percent (20%) of the moneys remitted to each account during the fiscal year, whichever is less, from each account during each fiscal year thereafter, which amounts are hereby appropriated to the state tax commission.

SECTION 4. That Section 63-3067C, Idaho Code, be, and the same is hereby amended to read as follows:

63-3067~~C~~<u>B</u>. SUNSETTING DESIGNATIONS. (1) The designations referred to in section 63-3067A ~~or 63-3067B~~, Idaho Code, shall expire and no longer appear on the income tax return form when:

(a) For each of two (2) consecutive calendar years, the amount received by the state tax commission that is designated for a particular trust fund named in section 63-3067A ~~or 63-3067B~~, Idaho Code, fails to equal or exceed twenty~~-five~~ thousand dollars ($2~~5~~<u>0</u>,000); and

(b) After one (1) year when collections fail to equal or exceed twenty~~-five~~ thousand dollars ($2~~5~~<u>0</u>,000), the <u>state</u> tax commission has notified the appropriate agency that:

(i) The amount received by the state tax commission that is designated for that particular trust fund failed to equal or exceed twenty~~-five~~ thousand dollars ($2~~5~~<u>0</u>,000); and

(ii) ~~If t~~<u>T</u>he amount received by the state tax commission that is designated for the particular trust fund in the next subsequent year fails to equal or exceed twenty~~-five~~ thousand dollars ($2~~5~~<u>0</u>,000).

(2) As used in this section, "appropriate agency" means the agency of the state of Idaho that is responsible for administering the programs benefiting from the fund to which amounts designated under section 63-3067A ~~or 63-3067B~~, Idaho Code, are distributed. If no agency of the state of Idaho has such responsibility, the term means such other private or public entity that is the principal beneficiary of the funds.

<u>(3) The state tax commission shall report annually to the house revenue and taxation committee on the trust funds that have failed to meet the necessary monetary threshold for collections for the prior two (2) years.</u>

SECTION 5. That Section 38-136, Idaho Code, be, and the same is hereby amended to read as follows:

38-136. COMMUNITY FORESTRY TRUST ACCOUNT. (1) There is hereby created within the dedicated fund of the state treasury the community forestry trust account.

(2) The account shall consist of the following:

(a) ~~Moneys as provided in section 63-3067B, Idaho Code;~~

~~(b)~~ Donations, gifts, and grants from any source;

(~~c~~b) Any other moneys which may hereinafter be provided by law; and

(~~d~~c) Interest earned by the account.

(3) The director or designee of the department of lands may authorize disbursements of moneys from the account for projects related to community forestry.

(4) Not less than thirty-five percent (35%) of the funding for an approved project shall be provided by the entity sponsoring or proposing the project or program. Contributions such as materials, personnel, supplies, or services may be considered as all or part of the funding provided by the petitioning entity.

SECTION 6. That Section 65-209, Idaho Code, be, and the same is hereby amended to read as follows:

65-209. VETERANS SUPPORT FUND. (1) There is hereby created in the state treasury the "Veterans Support Fund" to which shall be credited:

(a) The moneys designated under section~~s~~ 63-3067A ~~and 63-3067B~~, Idaho Code, and the moneys designated under section 49-403B, Idaho Code;

(b) Gifts, grants, contributions and bequests to the fund;

(c) Interest earned on the investment of idle moneys in the fund, which shall be paid to the fund; and

(d) All other moneys as may be provided by law.

(2) Moneys in the fund shall be used exclusively for the purposes of programs to support veterans and to defray the costs of administering gold star license plate eligibility pursuant to section 49-403B, Idaho Code. Moneys in the fund shall be continuously appropriated for such purposes.

(3) Disbursements of moneys from the fund shall be made upon authorization of the administrator of the division of veterans services.

SECTION 7. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval, and retroactively to January 1, 2019.