

IDAPA 35 - STATE TAX COMMISSION

35.01.01 - INCOME TAX ADMINISTRATIVE RULES

DOCKET NO. 35-0101-1201

NOTICE OF INTENT TO PROMULGATE RULES - NEGOTIATED RULEMAKING

AUTHORITY: In compliance with Sections 67-5220(1) and 67-5220(2), Idaho Code, notice is hereby given that this agency intends to promulgate rules and desires public comment prior to initiating formal rulemaking procedures. This negotiated rulemaking action is authorized pursuant to Sections 67-5221(1) and 63-105A, Idaho Code.

MEETING SCHEDULE: A public meeting on the negotiated rulemaking will be held as follows: TBD

METHOD OF PARTICIPATION: Persons wishing to participate in the negotiated rulemaking may do any of the following:

1. Attend the negotiated rulemaking meeting and participate in the negotiation process;
2. Attend through a teleconference;
3. Provide oral or written recommendations, or both, at the negotiated rulemaking meeting; and/or
4. Submit written recommendations and comments to the address below.

DESCRIPTIVE SUMMARY: The following is a statement in nontechnical language of the substance and purpose of the intended negotiated rulemaking and the principle issues involved:

Income Tax Rule 130 is being amended consistent with House Bill 364 to clarify the treatment of pensions received by certain retired police officers and firefighters. The definition of disability is changed to a more clear definition as found in Idaho Code section 49-117(7)(b)(iv).

Income Tax Rule 140 is being amended consistent with House Bill 485 to revise the eligibility criteria for taking a state income tax deduction for installing energy efficiency upgrade measures within existing residences.

Income Tax Rule 171 is being changed to clarify what constitutes non-qualifying property for the Idaho capital gains deduction.

Income Tax Rules 290, 291 & 877 are being amended consistent with House Bill 582 to revise the options of pass-through entities. The pass-through entity may file a composite return for non-residents and pay the tax due or the entity can do backup withholding under Section 63-3036B, Idaho Code.

Income Tax Rule 600 is being changed to clarify that excess inclusion income should not be subject to Idaho modifications.

Income Tax Rule 700 is being amended consistent with House Bill 634 to clarify that the Texas margins tax is an income tax and would be included as a tax qualifying for the Idaho credit for income taxes paid to other states.

Income Tax Rule 714 is being changed to clarify the current practice of applying Idaho investment tax credit limitations first to mobile property and then to used property.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS, OBTAINING COPIES: For assistance on technical questions concerning this negotiated rulemaking or to obtain a copy of the preliminary draft of the text of the proposed rule, if available, contact Cynthia Adrian (208) 334-7544.

Anyone may submit written comments regarding this negotiated rulemaking. All written comments must be directed to the undersigned.

DATED this 4th day of May, 2012.

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State Tax Commission

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