

SENATE REVENUE COMMITTEE

January 11, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Carol Phillips, Committee Assistant

Witnesses: Lizbeth Martin-Mahar, Legislative
Revenue Office

TAPE 003, SIDE A

- 006 Chair Ferrioli Meeting called to order at 8:35 a.m.
- 016 Paul Warner Introduced Revenue Department personnel assigned corporate income tax and property tax issues who will be assisting LRO during this session.
- 031 Warner Discussed Anticipated Issues for 2001 Revenue Committees. Subject Area: Schools: Formula Review, Treatment of Additional Federal Forest Receipts, Review of Local Option, ESD

Equalization, and School Capital Needs.

General discussion, and questions and answers, particularly regarding students with special needs issues (ADA) interspersed. Exhibit 1.

TAPE 004, SIDE A

- 010 Warner Continuing discussion regarding school issues.
- 035 Warner Discussed Subject Area: Corporate Income and Excise Tax: Income Apportionment Formula, Pollution Control Facilities Credit, and Research Activities Credit.
- General discussion, and questions and answers interspersed.
- 136 Warner Discussed Subject Area: Excise Taxes: Cigarette Surcharge Sunset, Beer and/or Wine Excise Taxes, and Other Excise Taxes. Questions and answers interspersed.
- 179 Warner Discussed Subject Area: Personal Income Tax: Capital Gains Tax Rate Reduction, Low Income Tax Relief, Marriage Penalty, Arts Endowment Credit, Reconnect, and Interstate Tax Issues. Questions and answers interspersed.
- 279 Warner Discussed Subject Area: Property Tax: Timber Taxation, and Intangibles. Members had questions regarding the definition of "intangibles". At this point, Mr. Warner invited Lizbeth Martin-Mahar to give some information.
- 353 Lizbeth Martin-Mahar Stated, for example, FCC licenses are considered intangibles. Each industry group has different ideas of what would be an intangible. Intangibles can be valued using cost approach or income approach, or a combination of the two. Different industries use whichever method is most advantageous for their specific needs.

General discussion, and questions and answers interspersed.

TAPE 003, SIDE B

- 033 Warner Continuation of discussion re: Ag Processing Equipment, Historic Property, Urban Renewal, Low Income Housing, Measure 50 Clean-Up, Enterprise Zone, and Inverse Taxing Districts.
- 076 Sen. Ferrioli Gave detailed information regarding how Inverse Taxing Districts benefit local communities.
- Questions and answers interspersed.
- 136 Warner Continuation of discussion re: Increase Personal Property Exemption Threshold.
General discussion, and questions and answers interspersed.
- 150 Warner Discussed Subject Area: Other: Transportation Taxes and Stabilization Fund.
- Questions and answers interspersed.
- 240 Sen. Ferrioli Distributed to Senate Revenue Committee Members a document he will be discussing with them covering various revenue topics for consideration this Session.
- 263 Sen. Ferrioli The meeting was adjourned at 10:48 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Warner, Anticipated Issues for the 2001 Revenue Committees, 4 pp.