

**UTAH STATE TAX COMMISSION  
MEETING MINUTES**  
9:00 a.m., Thursday, May 25, 2017  
Commission Hearing Room 1025, 210 North 1950 West, Salt Lake City, Utah

**Participating:**

John L. Valentine – Commission  
Michael J. Cragun – Commissioner  
Robert P. Pero – Commissioner  
Rebecca L. Rockwell – Commissioner  
Scott Smith – Deputy Executive Director

**Commission Office:**

Christa Johnson, Commission Executive Assistant

**Note:** A copy of related materials and an audio recording of the meeting can be found on the Tax Commission website: <http://tax.utah.gov/commission-office/meetings>.

**I. Call to Order**

Commission Chair Valentine called the meeting to order at 9:04 a.m.

**II. Public Comment (individuals or groups wishing to address the Commissioners for up to three minutes on matters not related to a pending or reasonably imminent appeal to the Tax Commission)**

Commission Chair Valentine asked if anyone wished to address the Tax Commissioners. There were no comments.

**III. Public Comment on TC-410 Form, Publication 22**

Commissioner Rockwell explained in the 2017 Legislative General Session S.B. 17, which took effect May 9, 2017, requires the Utah State Tax Commission to place changes to a publication on a Tax Commission agenda. Publication 22 has been placed on the agenda because it is being discontinued and replaced by form TC-410. All the information required for Offers in Compromise is contained in TC-410; therefore, the publication is no longer necessary.

There were no comments.

**IV. Consider Approving Open and Closed Commission Meeting minutes of Tuesday, April 11, 2017**

**MOTION:** Commissioner Pero moved to approve the Open and Closed Commission Meeting Minutes of Tuesday, April 11, 2017. The motion passed unanimously.

**V. Approve submission of proposed rule amendments to Division of Administrative Rules for publication in Utah Register [action item]**

1. Rule R861-1A-20. Time of Appeal
2. Rule R861-1A-42. Waiver of Penalty and Interest for Reasonable Cause

3. Rule R865-9I-54. Renewable Energy Credit Amount
4. Rule R873-22M-2. Documentation Required and Procedures to Follow to Register or Title Certain Vehicles
5. Rule R873-22M-16. Authorization to Issue a Certificate of Title

Commissioner Rockwell explained that these proposed rule amendments are for the Commission to consider and submit for publication to the Division of Administrative Rules. The rules will be published in the Utah Bulletin on June 15, 2017, and the public comment period will end on July 17, 2017.

Rule R861-1A-20. The proposed amendment deletes duplicative language and clarifies current Tax Commission practice that a petition for adjudicative action must be received in the Tax Commission offices no later than 30 days from the date of the action that creates the right to appeal.

**MOTION:** Commissioner Rockwell moved to submit the proposed rule amendment R861-1A-20. Time of Appeal, to the Division of Administrative Rules. The motion passed unanimously.

Rule R861-1A-42. The proposed amendment clarifies that if a taxpayer first requests a waiver of unpaid penalties or interest in an appeal to the commission, the taxpayer is not required to provide certain information that would be required if the waiver request were for penalty and interest that the taxpayer had paid. This correlates with the current Tax Commission practice.

**MOTION:** Commissioner Rockwell moved to submit the proposed rule amendment Rule R861-1A-42. Waiver of Penalty and Interest for Reasonable Cause, to the Division of Administrative Rules. The motion passed unanimously.

Rule R865-9I-54. In the 2017 General Session, House Bill 23 repeals the discretionary rulemaking authority of the Tax Commission under Section 59-10-1014. Although the discretionary rulemaking authority of the Tax Commission remains under Section 59-10-1106, no rule is necessary under that section. R362-2, Renewable Energy Systems Tax Credits, provides guidance for the credits under Sections 59-10-1014 and 59-10-1106.

**MOTION:** Commissioner Rockwell moved to submit the proposed rule amendment Rule R865-9I-54. Renewable Energy Credit Amount, to the Division of Administrative Rules. The motion passed unanimously.

Rule R873-22M-2. The proposed amendment deletes references to affidavits where affidavits are no longer required; updates the proof of notice required to title or register a vehicle foreclosed by advertisement to match current statutes; clarifies long-standing agency practice to require an indemnification agreement in all cases when satisfactory documentary evidence of ownership is lacking and the applicant has exhausted all normal means of obtaining evidence of ownership; and makes technical changes.

**MOTION:** Commissioner Rockwell moved to submit the proposed rule amendment Rule R873-22M-2. Documentation Required and Procedures to Follow to Register or Title Certain Vehicles, to the Division of Administrative Rules. The motion passed unanimously.

Rule R873-22M-16. The proposed amendment deletes language that appears in Tax Commission rule R873-22M-2; deletes references to affidavits where affidavits are no longer required; clarifies Tax Commission practice with respect to issuance of title when there is an assignment of a lienholder; and makes technical changes.

**MOTION:** Commissioner Rockwell moved to submit the proposed rule amendment Rule R873-22M-16. Authorization to Issue a Certificate of Title, to the Division of Administrative Rules. The motion passed unanimously.

## **VI. Commissioners' Reports**

Mr. Smith acknowledged the individuals in the Taxpayer Services Division who received the Governor's Award of Excellence. He thanked them for all their work in extraordinary customer service.

## **VII. Adjourn to Closed Session**

**MOTION:** Commissioner Cragun moved that the Commissioners meet in closed session to discuss pending or reasonably imminent litigation. The motion passed with Commission Chair Valentine, Commissioner Cragun, Commissioner Pero, and Commissioner Rockwell voting aye.

## **VIII. Return to Open Session**

Commission Chair Valentine called the meeting back to order at 9:25 a.m.

## **IX. Consider approving stipulation and settlement agreement for Union Oil of California v. Utah State Tax Commission, Third District Court, Case No. 140903270 [action item]**

**MOTION:** Commissioner Cragun moved to accept the stipulation and settlement agreement for Union Oil of California v. Utah State Tax Commission, Third District Court, Case No. 140903270 and authorize counsel's signature. This will be a final resolution of all claims. The motion passed unanimously.

## **X. Adjourn**

Commission Chair Valentine adjourned the meeting at 9:27 a.m.

**Approved on:** Thursday, June 8, 2017

**Attested:** Christa Johnson

Executive Assistant, Utah State Tax Commission