

ARIZONA STATE LEGISLATURE

JOINT LEGISLATIVE INCOME TAX CREDIT REVIEW COMMITTEE

Minutes of the Meeting
December 11, 2013
2:00 p.m., Senate Hearing Room 1

Members Present:

Senator Steve Yarbrough, Co-Chair
Senator Olivia Cajero Bedford
Senator David Farnsworth

Representative Javan Mesnard, Co-Chair
Representative Chad Campbell
Representative Mark Cardenas

Members Absent:

Senator Robert Meza
Senator Bob Worsley

Representative Debbie Lesko
Representative Justin Olson

Staff:

Bill Ritz, Senate Research Analyst
David Fernandez, Senate Assistant Research Analyst

Co-Chairman Yarbrough called the meeting to order at 2:05 p.m. and attendance was noted.

Open Session - Consideration of Income Tax Credits on the 2013 Review Schedule

Hans Olofsson, Joint Legislative Budget Committee (JLBC) Staff, distributed a copy of his powerpoint presentation (Attachment A) and gave a brief overview of the purpose of the Committee. Mr. Olofsson discussed A.R.S. § 43-1074.01 - Research and Development Credit (Individual) and A.R.S. § 43-1168 - Research and Development Credit (Corporate) and answered questions posed by the Committee. Mr. Olofsson explained that according to Laws 2010, Chapter 225, the Department of Revenue has authorization to disclose confidential "statistical information" only to the Committee and JLBC Staff and the Committee would convene into Executive Session to consider certain credits as referenced on the Committee agenda.

Senator Yarbrough stated that the Committee would continue with presentations. He stated that the Committee would go to Executive Session to hear presentations on the tax credits listed on the agenda.

Representative Mesnard said “Mr. Chairman I move that we go into Executive Session to consider the items that you mentioned.” The motion PASSED by voice vote.

RECESS

The Committee RECESSED for Executive Session at 2:27 p.m.
Executive Session convened at 2:31 p.m. and adjourned at 2:41 p.m.

RECONVENE

The Committee reconvened at 2:50 p.m.

Discussion and Recommendations by the Committee

Senator Yarbrough stated that the Committee would now consider recommendations.

Representative Mesnard moved that the Joint Legislative Income Tax Credit Review Committee recommend that the Individual Research and Development Tax Credit be amended, be retained and returned, with some consideration given to the adoption of performance measures. The motion PASSED with a voice vote.

Representative Mesnard moved the Joint Legislative Income Tax Credit Review Committee recommend that the Corporate Research and Development Tax Credit be amended with some of the improvement measures discussed and returned to the statutory schedule and be continued. The motion PASSED with a voice vote.

Representative Mesnard moved the Joint Legislative Income Tax Credit Review Committee recommend that the Individual Pollution Control Equipment Tax Credit be amended with consideration given to the performance measures discussed and returned to the statutory schedule and continued. The motion PASSED with a voice vote.

Representative Mesnard moved the Joint Legislative Income Tax Credit Review Committee recommend that the Corporate Pollution Control Equipment Tax Credit be amended with some performance measures discussed and returned to the statutory schedule and continued. The motion PASSED with a voice vote.

Representative Mesnard moved the Joint Legislative Income Tax Credit Review Committee recommend that the Taxes Paid for Coal Consumed in Generating Electric Power Tax Credit be amended with

some of the performance measures discussed and returned to the statutory schedule and continued. The motion PASSED with a voice vote.

There being no further business, the meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Shelley Ponce
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)