

APPENDIX F

October 30, 2019 Meeting Minutes

1:00, Room 430, Hoover State Office Building

Task Force chair Amy Harris was unable to attend, so Tim Reilly led the third meeting of the Task Force. All other members were present, including three on the phone: Mike Rubino, Diane Hudson, and John Bartlett. Also in attendance was new Department of Revenue attorney, Elizabeth Burnett, and Sharon Presnall on behalf of the Iowa Taxpayers Association.

Prior to October 30, Tim shared with all members drafts of suggested definitions of “computer peripheral,” and Tom Sands shared a completed table of taxable or exempt items under the existing definition of “computer.” After introductions and a reminder of the charge of the Task Force, a discussion of the Department’s suggested definitions. The first option was taken nearly verbatim from existing Department rule which includes “devices attached to a computer” in the definition of “computer.” The second option describes a peripheral as “an ancillary device used to get information into or get information out of a computer” and includes a non-exclusive list of specific devices included in the definition.

The first comment indicated preference for the second option. Another person noted he liked the list of devices. Another noted that the first option mentions “signal cables,” which is an outdated term. The conversation quickly settled on the second option as preferable, with an added reference to language about connection to a computer. Tim agreed to modify the second option as discussed and share a new draft ahead of the fourth Task Force meeting.

Discussion of the list of items quickly concluded that many of the items would come down to fact-based determinations regarding how the items are used, so the members did not spend much time discussing the specific items.

One person noted that another approach could be to specify in the Iowa Code what specific items are exempt rather than to include a general, catch-all term like “computer peripheral” or redefine “computer.” Another person noted that the apparent intent behind exempting computers was to encourage investment in new technology, and that limiting the Code to specific items may not be optimal long-term.

The members agreed it would be preferable to have a draft of the Task Force report to be submitted to the General Assembly to review and discuss at the fourth and final meeting. Tim agreed to prepare that document and circulate it with members in advance of the meeting, tentatively set for December 6. One person noted it might be helpful to discuss the origin of the exemption in the report and the impact of Streamlined. Another noted the Task Force should tread lightly on discussing history in the report.

The meeting was adjourned.