



## First Legislative Bill Heads to House Vote

This week the IACI Legislative Committee voted to support [House Bill 1](#), which is legislation designed to address a question in the law regarding water storage. The problem arose with a decision by the Idaho Department of Water Resources that stated it was possible that measures to control flooding, which includes spilling water from reservoirs, would count against water right holders and their ability to have their allocations filled during the growing year. Typically when there are flood control spills, they are designed to reduce the existing storage to make room for anticipated runoff that would refill the reservoir. It was not anticipated that this would be counted against water right holders, despite the fact that part of the utility of the state's water storage system is designed for flood control. [House Bill 1](#) resolves this issue, which will be voted on by the full Idaho House of Representatives next week.



## Manufacturers Keep Working Amid Shutdown

The ongoing partial federal government shutdown, the result of an impasse between President Donald Trump and Congress over funding to build a wall along portions of the U.S.–Mexico border, has entered its 28th day and is now the longest government shutdown in U.S. history.

Since five of the 12 annual appropriations bills needed to fund the federal government were already signed into law, the shutdown is affecting about half of federal government agencies. While portions of the federal government continue to operate as normal, the shutdown has had the effect of slowing the work at impacted federal agencies on a number of manufacturers' regulatory priorities, including the International Trade Commission's review of the U.S.–Mexico–Canada trade agreement and the Environmental Protection Agency's consideration of 2020 ozone and particulate matter standards, among others. Nevertheless, despite the shutdown, manufacturers have continued to make progress on other priorities in Congress and in the administration. The NAM will continue to work with our members and federal agencies to ensure that progress continues as President Trump and Congress work toward reopening the government. - Originally published in the National Association of Manufacturers' "Capital Briefing"

[Click Here for the IACI Legislative Tracking List](#)

## Conformity Issues with Federal Tax Act

In 2018 the Idaho Legislature responded to the federal Tax Cuts and Jobs Act (TCJA), passed December 2017, by conforming to some sections of the TCJA, but excluding some sections relating to corporate income taxation of foreign income. The TCJA takes a "carrot-and-stick" approach to the corporate taxation of this income. Idaho essentially conformed to all the "stick" provisions of the Act, but did not conform to any of the "carrot" provisions, which were designed to soften the blow to corporate taxpayers. Given more time to fully understand the TCJA and the implications for Idaho companies, we believe the most fair approach for Idaho taxpayers is to conform to the federal law with regard to corporate taxation in these critical areas. IACI staff is working with the Governor's office as well as Idaho Legislative leadership on the timeline for crafting and passage of legislation. IACI is recommending the 2019 Legislature conform to the federal code on four specific sections of corporate taxation that were not conformed to last year.



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