

SENATE JOINT RESOLUTION 33

Introduced by Towe, et al.

4/22	Introduced
4/22	First Reading
4/22	Referred to Taxation
2/23	Hearing
4/23	Committee Report--Bill Passed as Amended
4/23	2nd Reading Passed as Amended
4/24	3rd Reading Passed
	Transmitted to House
2/24	First Reading
4/24	Referred to Taxation
4/25	Tabled in Committee

1 *Senate* JOINT RESOLUTION NO. *33* *Bob Ripstein*
 2 INTRODUCED BY *Don Vollenberg* *Ed Lynch*
 3 *Alceding* *Donny Yellowtail* *Rep. Ferguson*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN
 6 INTERIM STUDY OF THE ENTIRE TAX SYSTEM IN MONTANA; AND
 7 REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE 53RD
 8 LEGISLATURE. *John Bevan* *Rasm*

10 WHEREAS, the expressed goals of the people of Montana are to expand and diversify the economy of the state; and

12 WHEREAS, the Montana economy will grow by developing new industry and business as well as by nurturing existing industry and business; and

15 WHEREAS, national reports of Montana's poor business climate have encouraged the perception that Montana's tax structure, among other things, impedes economic development in the state; and

19 WHEREAS, a principal element of economic growth and development is tax fairness and reform; and

21 WHEREAS, the people of Montana have clearly spoken in favor of tax fairness and reform; and

23 WHEREAS, Initiative Measure No. 105 directed the Montana Legislature to reform property taxation; and

25 WHEREAS, the mandate for property tax reform has been

1 interpreted to mean that the Montana Legislature needs also
2 to address general tax reform, including the possibility of
3 a general sales tax; and

4 WHEREAS, several bills were introduced in the 1987 and
5 1989 Regular Sessions and the June 1989 Special Session
6 dealing with property tax reform and general tax reform in
7 response to Initiative Measure No. 105; and

8 WHEREAS, Senate Bill No. 460 and House Bill No. 1007,
9 dealing with property tax reform, and Senate Bill No. 467,
10 dealing with general tax reform, were introduced during the
11 1991 Regular Session; and

12 WHEREAS, the Montana Legislature has rejected all
13 attempts of purported property tax reform required by
14 Initiative Measure No. 105 as well as all attempts of
15 general tax reform; and

16 WHEREAS, proponents of tax reform have not achieved
17 consensus on the elements of realistic property tax reform
18 and general tax reform; and

19 WHEREAS, consensus is indispensable in achieving any
20 meaningful tax reform.

22 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
23 OF REPRESENTATIVES OF THE STATE OF MONTANA:

24 That an appropriate interim committee be assigned to
25 perform a comprehensive study of taxation in Montana.

1 That the members of the committee be members of the
2 taxation committees of the Senate and the House of
3 Representatives.

4 That the committee in its study:

5 (1) develop an inventory of taxes imposed at the state
6 and local level, including:

7 (a) taxation of property;

8 (b) taxation of income;

9 (c) excise and use taxes; and

10 (d) taxation of natural resource production;

11 (2) provide analyses that evaluate existing taxes in
12 terms of their adequacy, burden or incidence, and effect on
13 economic behavior, including their effect on individual and
14 business decisions and exportability, and in terms of the
15 costs of administration and compliance;

16 (3) examine existing sources and levels of taxation,
17 with particular attention given to the classification of
18 property and the taxable percentages applied to that
19 property, and evaluate the sources and levels of taxation
20 according to the criteria described in subsection (2);

21 (4) examine alternative methods of taxation from
22 existing sources as well as new sources of revenue, such as
23 broadening the property tax base to include, among other
24 things, stocks and bonds, and evaluate the alternative
25 methods and new sources according to the criteria described

1 in subsection (2); and

2 (5) based on the analyses done in subsections (1)
3 through (4), develop recommendations of a balanced and
4 integrated tax structure for the state.

5 That the committee, in its deliberations, solicit the
6 knowledge and advice of economists, tax policy experts, and
7 representatives of tax reform coalitions, local governments,
8 small business organizations, large industries, agriculture,
9 the Montana Chamber of Commerce, and the Department of
10 Revenue.

11 BE IT FURTHER RESOLVED, that the joint interim study
12 committee shall meet several times during the interim to
13 prepare a report to be presented to the Revenue Oversight
14 Committee by September 1, 1992.

15 BE IT FURTHER RESOLVED, that the committee report the
16 findings of the study and provide options for consideration
17 to the 53rd Legislature.

-End-

APPROVED BY COMMITTEE
ON TAXATION

1 SENATE JOINT RESOLUTION NO. 33
2 INTRODUCED BY TOWE, VAN VALKENBURG, HALLIGAN, PIPINICH,
3 ECK, LYNCH, WEEDING, DOHERTY, YELLOWTAIL, CRIPPEN, GAGE,
4 JERGESON, VAUGHN, KOEHNKE, SVRCEK, MAZUREK, FRITZ, FRANKLIN,
5 HOCKETT, WILLIAMS, BENGTON, BRUSKI, BLAYLOCK, WATERMAN,
6 REA, BIANCHI, KENNEDY, JACOBSON, PINSONEAULT, GROSFIELD,
7 STIMATZ, HARP, NATHE, THAYER, RYE, BURNETT, REAM

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12 REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE 53RD
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16 are to expand and diversify the economy of the state; and

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18 industry and business as well as by nurturing existing
19 industry and business; and

20 WHEREAS, national reports of Montana's poor business
21 climate have encouraged the perception that Montana's tax
22 structure, among other things, impedes economic development
23 in the state; and

24 WHEREAS, a principal element of economic growth and
25 development is tax fairness and reform; and

1 WHEREAS, the people of Montana have clearly spoken in
2 favor of tax fairness and reform; and

3 WHEREAS, Initiative Measure No. 105 directed the Montana
4 Legislature to reform property taxation; and

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6 in subsection (2); and

7 (5) based on the analyses done in subsections (1)
8 through (4), develop recommendations of a balanced and
9 integrated tax structure for the state;

10 (6) EXAMINE ALL FEES AND LICENSES THAT MAY BE
11 CONSIDERED FORMS OF TAXATION; AND

12 (7) EXAMINE ALL NONCONSTITUTIONALLY EARMARKED REVENUE
13 ACCOUNTS AND STATUTORY APPROPRIATIONS AS THEY RELATE TO THE
14 TOTAL REVENUE STRUCTURE OF THE STATE.

15 That the committee, in its deliberations, solicit the
16 knowledge and advice of economists, tax policy experts, and
17 representatives of tax reform coalitions, local governments,
18 small business organizations, large industries, agriculture,
19 the Montana Chamber of Commerce, and the Department of
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21 BE IT FURTHER RESOLVED, that the joint interim study
22 committee shall meet several times during the interim to
23 prepare a report to be presented to the Revenue Oversight
24 Committee by September 1, 1992.

25 BE IT FURTHER RESOLVED, that the committee report the

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- 1 Findings of the study and provide options for consideration
- 2 to the 53rd Legislature.

-End-

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3 OF REPRESENTATIVES OF THE STATE OF MONTANA:

4 That ~~an--appropriate--interim--committee~~ THE REVENUE
5 OVERSIGHT COMMITTEE be assigned to perform a comprehensive
6 study of taxation in Montana AND THAT ADEQUATE FUNDS BE
7 PROVIDED TO MAKE THIS STUDY.

8 That the members of the committee be members of the
9 taxation committees of the Senate and the House of
10 Representatives.

11 That the committee in its study:

12 (1) develop an inventory of taxes imposed at the state
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18 knowledge and advice of economists, tax policy experts, and
19 representatives of tax reform coalitions, local governments,
20 small business organizations, large industries, agriculture,
21 the Montana Chamber of Commerce, and the Department of
22 Revenue.

23 THAT THE COMMITTEE COORDINATE, WHEN APPROPRIATE, WITH
24 THE LEGISLATIVE FINANCE COMMITTEE REGARDING BUDGETARY
25 MATTERS.

1 BE IT FURTHER RESOLVED, that the joint interim study
2 committee shall meet several times during the interim to
3 prepare a report to be presented to the Revenue Oversight
4 Committee by September 1, 1992.

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