

MINUTES

MONTANA SENATE
51st LEGISLATURE - SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on June 28,
1989, at 2:00 p.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator
Norman, Senator Eck, Senator Bishop, Senator Halligan,
Senator Walker, Senator Harp (did not arrive until 2:45
p.m.), Senator Gage, Senator Severson, Senator Mazurek,
Senator Crippen

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary
Jeff Martin, Legislative Council

Announcements/Discussion: None

DISPOSITION OF SENATE JOINT RESOLUTION 1

Discussion: See Following

Amendments and Votes:

Senator Mazurek MOVED to amend the resolution as per
amendments #1 and #2 on the attached standing committee
report (Exhibit #1).

The motion CARRIED with Senator Hager voting no.

Recommendation and Vote:

Senator Gage MOVED SJR 1 Do Pass As Amended.

The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL 25

Discussion: See Following

Amendments and Votes:

Senator Walker MOVED to amend the bill to coordinate SB 25 to SB 26.

Senator Gage said if SB 26 dies, this bill will also if they are tied together. He felt SB 25 should be independent.

The motion FAILED with Senators Halligan and Walker voting yes.

Recommendation and Vote:

Senator Gage moved SB 25 Do Pass.

The motion CARRIED with Senators Eck, Norman, Walker, and Mazurek voting no.

DISPOSITION OF SENATE BILL 27

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Crippen MOVED SB 27 Be Tabled.

The motion CARRIED with Senators Eck and Halligan voting no.

DISPOSITION OF SENATE BILL 14

Discussion: See Following

Amendments and Votes:

Senator Crippen MOVED to reconsider action on SB 14.

The motion CARRIED unanimously.

Senator Crippen MOVED to amend the bill as per the attached Exhibit #2.

The motion CARRIED unanimously.

Senator Halligan moved to amend SB 14 to allocate \$20 million to workers compensation to deal with the unfunded liability.

Senator Crippen said he could go for some of the money being allocated, but not all of it.

Senator Bishop felt it is the loss of jobs versus the loss of buildings at this point.

Senator Crippen said it is short term versus long term.

Senator Hoffman noted the Labor Committee had determined if they could get \$12 million for the workers compensation fund they would not have to raise the rates.

The motion to allocate \$20 million to workers compensation CARRIED on a roll call vote (Exhibit #3).

Senator Halligan moved to amend the language from his OB bill (SB 21) into this bill and allocate \$4 million for that provision.

The motion FAILED on a roll call vote (Exhibit #4).

Recommendation and Vote:

Senator Crippen MOVED SB 14 Do Pass As Amended.

The motion CARRIED on a roll call vote Exhibit #5).

DISPOSITION OF SENATE BILL 21

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Halligan MOVED SB 21 Be Tabled.

The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL 24

Discussion: None

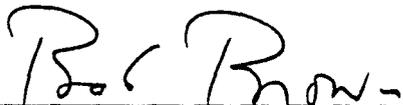
Amendments and Votes: None

Recommendation and Vote:

Senator Eck MOVED SB 24 Be Tabled.

The motion CARRIED on a roll call vote (Exhibit #6).
ADJOURNMENT

Adjournment At: 3:15 p.m



SENATOR BOB BROWN, Chairman

BB/jdr

MIN628B.jdr

ROLL CALL

TAXATION

COMMITTEE

51ST LEGISLATIVE SESSION -- 1989

Date 6/28/89
2:15 pm

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP		X Int - 2:45 pm	
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

DATE 6/28/89
DABHT NO SJR 1
JUNE 29, 1989
BILL NO _____

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SJR 1 (first reading copy -- white), respectfully report that SJR 1 be amended and as so amended do pass:

1. Page 1, line 14.

Strike: "are"

Insert: "may be"

2. Page 1, line 25.

Strike: "includes"

Insert: "may include"

DO PASS AS AMENDED

Signed: _____

Bob Brown
Bob Brown, Chairman

J.C.
6/29/89
9:14

SENATE STANDING COMMITTEE REPORT

June 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SB 25 (first reading copy -- white), respectfully report that SB 25 do pass.

DO PASS

Signed: _____

Bob Brown

Bob Brown, Chairman

*H.C.
6/24/89
9:00 am*

SENATE STANDING COMMITTEE REPORT

June 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SB 14 (first reading copy -- white), respectfully report that SB 14 be amended and as so amended do pass:

1. Title, line 9.
Following: line 8
Insert: "INTEREST"

2. Title, line 9.
Following: "UNDERPAYMENT;"
Insert: "TO ALLOCATE \$20 MILLION TO THE WORKERS' COMPENSATION TAX ACCOUNT;"

3. Title, line 12.
Following: "15-31-101,"
Strike: "AND"
Following: "15-31-502,"
Insert: "AND 39-71-2504,"

4. Page 2, line 8.
Following: "(6)"
Insert: "and (7)"

5. Page 2, line 19.
Strike: "subsection (6)"
Insert: "subsections (8) and (9)"

6. Page 3.
Following: line 12
Insert: "(6) From the money collected under 15-30-242 after [the effective date of this act] estimated tax payments for the taxable periods described in subsection (7), \$20 million is allocated to the workers' compensation tax account under 39-71-2504."

7. Page 3, line 13.
Strike: "(6)"
Insert: "(7)"
Strike: "One-quarter of all"
Insert: "After the allocation provided by subsection (6), the remaining"

8. Page 3, line 15.
Following: line 14
Strike: "1989,"
Insert: "1990, and"
Following: "June 15,"

Strike: "1989"
Insert: "1990"

9. Page 3, lines 15 and 16.

Strike: "September 15" on line 15 through "1990," on line 16

10. Page 3, line 18.

Strike: "One-quarter of all"

Insert: "After the allocation provided by subsection (6), the remaining"

11. Page 3, line 20.

Following: the first "months"

Strike: "1"

Insert: "and"

Strike: ", 8 1/2 months, and 12 1/2 months"

12. Page 3.

Following: line 24

Insert: "(8)(a) Beginning July 1, 1989, and ending June 30, 1990, 16% of all money received under 15-31-502 from the collection of corporation license and income taxes must be credited to the university system capital projects account created in [section 8].

(b) Beginning July 1, 1990, and ending June 30, 1991, 28% of all money received under 15-31-502 from the collection of corporation license and income taxes must be credited to the university system capital projects account created in [section 8].

(9) Corporation license taxes remaining after the allocations provided by subsection (8) are distributed as provided by subsection (3)."

13. Page 7, line 18.

Strike: "penalty and"

Following: "interest"

Insert: "penalty"

14. Page 10, lines 16 through 18.

Strike: "a" on line 16 through "and" on line 18

Insert: "an"

15. Page 10, line 18.

Following: "interest"

Insert: "penalty"

Strike: "9%"

Insert: "20%"

16. Page 10, line 20.

Following: "for"
Insert: "the"
Following: "interest"
Insert: "penalty"

17. Page 10, line 23.
Strike: "penalty and"

18. Page 10, line 24.
Following: "interest"
Insert: "penalty"

19. Page 11, line 2.
Strike: "penalty and"
Following: "and interest"
Insert: "penalty"

20. Page 11, line 3.
Strike: "penalty and"
Insert: "the"
Following: "interest"
Insert: "penalty"

21. Page 11, line 9.
Strike: "Penalty or"
Insert: "The"
Following: "interest"
Insert: "penalty"

22. Page 11, line 17.
Strike: "Penalty or"
Insert: "The"
Following: "interest"
Insert: "penalty"

23. Page 15, line 22.
Following: "payments --"
Insert: "interest penalty --"

24. Page 15, line 23.
Strike: "penalties"
Insert: "penalty"

25. Page 16, line 1.
Following: "underpayment"
Insert: "interest"

26. Page 16, line 10.
Following: "the"

Insert: "interest"

27. Page 17, line 23.
Following: "the"
Insert: "interest"

28. Page 19, line 20.
Strike: "(6)"
Insert: "(7) and (8)"

29. Page 20.

Following: line 18

Insert: "Section 9. Section 39-71-2504, MCA, is amended to read:
"39-71-2504. (Temporary) Workers' compensation tax account.
(1) There is ~~an~~ a workers' compensation tax account in the
state special revenue fund. The account consists of:
(a) ~~All~~ all collections of the tax and, including interest
and penalties on the tax must be deposited in the account and
are; and
(b) \$20 million allocated to the account under 15-1-501(6).
(2) All money in the tax account is statutorily appropriated,
as provided in 17-7-502, to the department to be used to
reduce the unfunded liability in the state fund. (Terminates
June 30, 1991--sec. 10, Ch. 664, L. 1987.)"

Renumber: subsequent sections

DO PASS AS AMENDED

Signed: _____


Bob Brown, Chairman

SENATE STANDING COMMITTEE REPORT

Exp. # 1
DATE 6/28/89
DABHT NO. SJR 1
BILL NO. June 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SJR 1 (first reading copy -- white), respectfully report that SJR 1 be amended and as so amended do pass:

1. Page 1, line 14.

Strike: "are"

Insert: "may be"

2. Page 1, line 25.

Strike: "includes"

Insert: "may include"

DO PASS AS AMENDED

Signed: Bob Brown
Bob Brown, Chairman

J.C.
6/29/89
9:15

Amendments to Senate Bill No. 14
First Reading Copy

Requested by Senator Crippen
For the Committee on Taxation

Prepared by Jeff Martin
June 27, 1989

1. Title, line 9.
Following: line 8
Insert: "INTEREST"
2. Page 2, line 19.
Strike: "(6)"
Insert: "(7)(a), (7)(b), and (8)"
3. Page 3, line 13.
Strike: "One-quarter of all"
Insert: "All"
4. Page 3, line 15.
Following: line 14
Strike: "1989,"
Insert: "1990, and"
Following: "June 15,"
Strike: "1989"
Insert: "1990"
5. Page 3, lines 15 and 16.
Strike: "September 15" on line 15 through "1990," on line 16
6. Page 3, line 18.
Strike: "One-quarter of all"
Insert: "All"
7. Page 3, line 20.
Following: the first "months"
Strike: ","
Insert: "and"
Strike: ", 8 1/2 months, and 12 1/2 months"
8. Page 3.
Following: line 24
Insert: "(7)(a) Beginning July 1, 1989, and ending June 30, 1990, 16% of all money received under 15-31-502 from the collection of corporation license and income taxes must be credited to the university system capital projects account created in [section 8].
(b) Beginning July 1, 1990 and ending June 30, 1991, 28% of all money received under 15-31-502 from the collection of corporation license and income taxes must be credited to the university system capital projects account created in [section 8].
(8) Corporation license taxes remaining after the allocations provided by subsection (7) are distributed as

provided by subsection (3)."

9. Page 7, line 18.
Strike: "penalty and"
Following: "interest"
Insert: "penalty"

10. Page 10, lines 16 through 18.
Strike: "a" on line 16 through "and" on line 18
Insert: "an"

11. Page 10, line 18.
Following: "interest"
Insert: "penalty"
Strike: "9%"
Insert: "20%"

12. Page 10, line 20.
Following: "for"
Insert: "the"
Following: "interest"
Insert: "penalty"

13. Page 10, line 23.
Strike: "penalty and"

14. Page 10, line 24.
Following: "interest"
Insert: "penalty"

15. Page 11, line 2.
Strike: "penalty and"
Following: "and interest"
Insert: "penalty"

16. Page 11, line 3.
Strike: "penalty and"
Insert: "the"
Following: "interest"
Insert: "penalty"

17. Page 11, line 9.
Strike: "Penalty or"
Insert: "The"
Following: "interest"
Insert: "penalty"

18. Page 11, line 17.
Strike: "Penalty or"
Insert: "The"
Following: "interest"
Insert: "penalty"

19. Page 15, line 22.
Following: "payments --"

Insert: "interest penalty --"

20. Page 15, line 23.

Strike: "penalties"

Insert: "penalty"

21. Page 16, line 1.

Following: "underpayment"

Insert: "interest"

22. Page 16, line 10.

Following: "the"

Insert: "interest"

23. Page 17, line 23.

Following: "the"

Insert: "interest"

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 3

DATE 6/28/89

BILL NO. SB 14

SENATE COMMITTEE TAXATION

Date 6/28/89 Senate Bill No. 14 Time 2:45

NAME	YES	NO
SENATOR BROWN		X
SENATOR BISHOP	X	
SENATOR CRIPPEN		X
SENATOR ECK	X	
SENATOR GAGE	X	
SENATOR HAGER		X
SENATOR HALLIGAN	X	
SENATOR HARP	X	
SENATOR MAZUREK	X	
SENATOR NORMAN	X	
SENATOR SEVERSON	X	
SENATOR WALKER	X	

Gill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Halligan to amend
\$20 million to the workers compen-
sation fund.

Carried

ROLL CALL VOTE

SENATE TAXATION
EXHIBIT NO. 4
DATE 6/28/89
BILL NO. SB 14

SENATE COMMITTEE TAXATION

Date 6/28/89 Senate Bill No. 14 Time 2:50

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP		X
SENATOR CRIPPEN		X
SENATOR ECK	X	
SENATOR GAGE	X	
SENATOR HAGER		X
SENATOR HALLIGAN	X	
SENATOR HARP		X
SENATOR MAZUREK	X	
SENATOR NORMAN		X
SENATOR SEVERSON		X
SENATOR WALKER		X

Gill Roberts
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Halligan, to amend
\$4 million and the OB language
from SB21 into SB14.
Failed

ROLL CALL VOTE

SENATE TAXATION
EXHIBIT NO. 5
DATE 6/28/89
BILL NO. SB14

SENATE COMMITTEE TAXATION

Date 6/28/89 Senate Bill No. 14 Time 2:56

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP		X
SENATOR CRIPPEN	X	
SENATOR ECK	X	
SENATOR GAGE	X	
SENATOR HAGER	X	
SENATOR HALLIGAN	X	
SENATOR HARP	X	
SENATOR MAZUREK	X	
SENATOR NORMAN	X	
SENATOR SEVERSON	X	
SENATOR WALKER	X	

Jill Cochran
Secretary

SENATOR BOB BROWN
Chairman

Motion: My Senator Crippen that SB14
Do Pass As Amended

Carried

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 6

DATE 6/28/89

BILL NO. 5534

SENATE COMMITTEE TAXATION

Date 6/28/89 Senate Bill No. 74 Time 3:00

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP	X	
SENATOR CRIPPEN	X	
SENATOR ECK	X	
SENATOR GAGE	X	
SENATOR HAGER	X	
SENATOR HALLIGAN		X
SENATOR HARP		X
SENATOR MAZUREK		
SENATOR NORMAN		
SENATOR SEVERSON		X
SENATOR WALKER		X

Jill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Eck to table SB34

Carried