

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - 1st SPECIAL SESSION**

COMMITTEE ON TAXATION

Call to Order: By Chairman Mike Halligan, on January 14, 1992,
at 8:15 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Fred Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: none

Staff Present: Jeff Martin (Legislative Council)

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: None.

HEARING ON HOUSE BILL 19

Presentation and Opening Statement by Sponsor:

Representative Hal Harper, District 44, said the bill is a legislative referendum on the primary ballot to build a firm base for community infrastructure.

Representative Harper told the Committee he worked with Chuck Brooke, Director, Department of Commerce (DOC) to go as far as possible in adopting the positive provisions of the Governor's bill. He explained that the bill provides for grants of unspecified amounts, and provides for debt retirement assistance, as well as loans. Representative Harper further explained that the bill does not spend permanent coal tax trust fund dollars, and that the interest of the coal tax trust fund provides one in every ten dollars spent in Montana.

Representative Harper advised the Committee that the bill uses "flow, but only spends the interest". He said one-half of the coal tax collections each year go to the coal tax bond fund

to add as security for the water bonds. The Treasure State Endowment Fund then receives one-half of the flow from the coal tax bond fund and the other one-half goes to the permanent fund.

Representative Harper stated that Department of Commerce and Department of Natural Resources and Conservation (DNRC) lists would be merged by the Governor, who would prioritize a list for legislative approval. He said the difference between HB 19 and the Governor's proposal is that it doesn't spend principal; is not temporary; and in ten years would provide \$100 million in projects and twenty years over \$200 million in projects. Representative Harper cautioned that these figures assume coal mining production and prices don't increase, and said Warden Econometrics estimates are always low.

Representative Harper said the prioritized list requires legislative approval, and that this method has worked well for water bonding. He commented that the bill utilizes jump-start bonds of \$10 million to put more money up front in getting projects started, but there is no fiscal impact this biennium. He asked the Committee to let the people vote on this issue and get it started.

Proponents' Testimony:

Evan Barrett, Economic Developer, Butte, explained charts for a 30-year period (Exhibit #1). Mr. Barrett stated that the bill creates an endowment balance of \$200 million at the end of the 20-year period, at which time collections are stopped but the program continues with funding from loan re-payments and interest income.

Mr. Barrett advised the Committee that \$18 million in state funds is available for local infrastructure, which would remain available "essentially forever", as long as the program is in place.

Mr. Barrett also showed 25- and 30-year charts on how the bill relates to the Big Sky Dividend. He explained that the Governor's figures stop after year 10 (Exhibits #2 and #3). He told the Committee he got a crash course in infrastructure last session, and that the Governor needs to be complimented for elevating this issue to the level it's at now. Mr. Barrett said the difference now is on approach and not subject, and that he believes the bill is a long term approach to a long term problem. He commented that a quick fix is not in the best interest of the state.

Mr. Barrett went on to state that eligible applicants users are identified in this bill - cities, counties, and consolidated governments and eligible projects identified, i.e., water, sewer, solid waste, and bridge projects. He said \$400 million in water and sewer needs have been identified in the state now, and that solid waste is a growing financial need in local government. Mr.

Barrett commented that legislative review of project priorities is a good stroke of business.

Mr. Barrett told the Committee that loans don't come out of endowment interest - only matching grants and debt service subsidies. He said he assumed that in 30, 40, and 50 years \$475 million, \$517 million, and \$697 million would be spent respectively.

Alec Hansen, Montana League of Cities and Towns, said he believes the voters should consider that the attractive part of the bill is its permanence. He stated that it fits in perfectly with what cities and towns are doing, and that infrastructure needs are constant. Mr. Hansen told the committee he believes this legislation came along at exactly the right time, as the state is reaching a critical point with water and sewer problems while federal legislation is demanding clean-up of landfills.

Mr. Hansen explained that HB 795 was a compromise in 1991, and was vetoed by the Governor, but he believes HB 19 is a better bill and can have an immediate and good impact. He said it tells the people of the state's interest in moving forward, and that Montana has a future.

Jim Jensen, Montana Environmental Information Center, provided an amendment to the bill (Exhibit #7). He explained that he believes the expertise lies in DNRC, who can be an excellent source of assistance to local governments. Mr. Jensen told the Committee his amendment covers a basic principle of liability, i.e., creating a method of replacement.

Mr. Jensen commented that he heard on national news that the "peace dividend" will be spent on local government infrastructure. He said the bill will reduce money to the general fund next biennium, resulting in either fewer programs or more taxes. Mr. Jensen advised the Committee that a Missoula County commissioner told him there were no capital projects, as there are no dollars.

Senator Joe Mazurek, District 23, told the Committee that HB 19 is similar to former Representative Ramirez' idea, proposed in the 1985 and 1987 sessions. Senator Mazurek stated he co-signed those bills then, and believes HB 19 is a fiscally sound, long term proposal which doesn't cap the coal tax trust. He said the trust needs to grow in order to feed the general fund, and if the same thing happens as with the property tax base, there will be no growth in the taxation system.

Senator Mazurek commented that the legislature has been accused of playing politics with this measure, and it is, but the bill is based on fundamental issues of democratic and republican views on the coal tax trust. He said he believes the drafters have done everything possible to incorporate the Governor's ideas and to broaden them, and that it is similar to a proposal vetoed

last session. He asked that it get before the voters for quick adoption, and stated the bill is a good use of coal tax trust funds.

Senator Tom Towe, District 46, provided a chart of figures in the revenue estimating resolution, which used 5 percent instead of 7 percent as Mr. Barrett did. He explained that bonds are currently selling at 5.75 percent, and that the official numbers are very conservative. Senator Towe advised the Committee that the bill provides for 1) debt retirement of local governments from interest in the coal tax trust fund; 2) matching grants of 25 percent from the state; and 3) bond subsidy - the state would subsidize 3.5 percent of the interest rate (Exhibits #4 and #5).

Senator Towe commented that he hoped there would be very few local governments asking for and getting a 100 percent subsidy. He said the bill expands the water bond program, and is a good deal for local governments, as 6 percent would allow \$17 million in projects, beginning July 1, 1993. Senator Towe explained that the first full year would begin January 1, 1994, and showed amounts available without jump-start bonds - \$6 million available in 3 years. He further commented that HB 19 eliminates the possibility of a "pork barrel".

Don Judge, Executive Director, Montana State AFL-CIO, said the bill would create jobs, and that Montana's infrastructure desperately needs repair or replacement. He stated that the bill shows Montana's long term commitment to upgrade these facilities, and that 29,300 Montanans were out of work in November or 4800 more than in October and 2600 more than last year.

Mr. Judge told the Committee that HB 19 would provide continuing employment in Montana, and that local governments could begin to look at projects as early as October, and bring them to the 1993 Legislature. He stated that the Governor's proposal would not bring projects to the legislature until 1995, and urged bi-partisan approval of the bill (Exhibit #6).

Opponents' Testimony:

There were no opponents of HB 19.

Questions From Committee Members:

Senator Doherty asked Representative Harper if there would be any fiscal impact in this biennium. Senator Towe commented that it is \$1.4 million in the fiscal note, and Representative Harper replied there was none.

Senator Brown asked Don Judge if he would support the Big Sky Dividend proposal if the voters don't pass HB 19. Mr. Judge replied that he would know more in June, after the primaries, and would then make a determination at the convention, based on the

position of the delegates. He also stated that he was concerned about breaking into the trust.

Chairman Halligan asked Representative Harper to respond to the amendment proposed by Jim Jensen. Representative Harper replied it is a good idea, but he could not recommend putting it into the bill as a requirement.

Senator Yellowtail asked the same of Alec Hansen. Mr. Hansen replied that this is already done by good municipal managers, when the dollars are available to do so. He said the current financial environment makes it difficult to do, and that he believes a quick amendment today might create management problems in the future. Mr. Hansen commented that it doesn't seem there has been a need for this in state law.

Senator Yellowtail asked what the impact would be to local taxpayers. Alec Hansen replied there is no amount in the amendment, so he is not sure what it means.

Senator Yellowtail asked if any local governments have such a fund. Alec Hansen replied that most of the larger cities have them.

Senator Thayer asked Representative Harper if he is opposed to putting this issue on the November ballot, and said it doesn't seem right to do it in June, when the Big Sky Dividend will be voted on in November. Representative Harper replied that only one constitutional initiative has made it to the a ballot, and that the Big Sky Dividend is now 30,000 votes short. He commented that this is last session's business and should be untangled from gubernatorial politics in November. Representative Harper projected horrendous problems by 1993 in balancing the budget, and said the Legislature needs to move now.

Senator Thayer asked Senator Towe to comment further on his statement about eliminating the "pork barrel". Senator Towe replied that after the Department of Commerce (DOC) screens, reviews and prioritizes projects, and the Governor does the same, then the Legislature would make the final determination. He commented that there is potential for abuse of prioritization in the Big Sky Dividend proposal.

Senator Thayer asked if the Big Sky Dividend proposal was set up for DOC to make determinations. Senator Towe replied that he only knows that the proposed constitutional initiative doesn't say anything about projects, but prior legislation called for approval by the Governor.

Senator Yellowtail asked Representative Harper to comment on Mr. Jensen's suggestion that the bureaucracy is in place already because of its experience in the water bonding program. Representative Harper replied that on page 7, line 12 of HB 19, the water bonding program would be done by DNRC.

Senator Yellowtail commented that there is no provision for rule-making authority on the fiscal note. Representative Harper replied that the new section on page 6 adopts rules and so that authority is not necessary. Senator Towe commented that, if it is necessary, the next session of the Legislature could implement it. He said his guess is that DOC will still want rule-making authority upon implementation of the new section.

Senator Yellowtail asked if any glitch would hold up applications. Representative Harper replied that might be a good point.

Senator Van Valkenburg asked about that statement that the bill would not preclude privately financed water and solid waste systems from applying for funds. Representative Harper replied that section 6(h) was added to page 8 of the bill to cover this.

Senator Van Valkenburg advised the Committee he was concerned because 10 percent of the population of Montana resides in the Missoula Valley which is served by private water and waste disposal systems. Representative Harper replied this is not an easy issue, and that he could not say no money would be available to private systems. He commented that the drafters tried to balance this issue, but it is a fine line.

Senator Gage asked if DNRC would review water bonding. Representative Harper replied they would, and said DOC would review the other projects. He commented that there is no sense in duplicating that effort. Senator Towe further commented that this allows the Governor to put DNRC and DOC projects into his priority list or offer two priority lists from each department.

Closing by Sponsor:

Representative Harper told the Committee he wanted to get going in a spirit of cooperation.

HEARING ON HOUSE BILL 14

Presentation and Opening Statement by Sponsor:

Representative Bob Gilbert, District 22, said HB 14, is a quarterly tax reporting bill for all but farmers and ranchers, and provided a point sheet (Exhibit #8). He explained that there is no penalty for not reporting now, which creates much of the tax short-fall. Representative Gilbert stated he tried to follow federal law as closely as possible in drafting the bill, and said it covers state retirees.

Representative Gilbert told the Committee there is no tax liability for the previous year, and that it provides the same calendar due dates whether a business is on a calendar or fiscal year. He said an annualization clause was added to the bill, which makes people pay their taxes when income is received, and

not during the quarters when no income is received.

Representative Gilbert explained that DOR will be allowed to promulgate rules for extensions of about one month for time to hold off on payment without incurring a penalty. He said there are three effective dates in the bill, and that DOR regulations are effective upon passage, in July, 1992. Representative Gilbert advised the Committee that taxpayer education applies to the tax year after December 31, 1992, and that he believes it is a fairness issue to taxpayers.

Proponents' Testimony:

Dennis Adams, Director, DOR, told the Committee that SB 461, passed in 1991, was effective for 1992, and that HB 14 would be effective for 1993. He stated the Department needs time for taxpayer education, and for non-resident taxpayers, as well as for planning to cut administrative costs by \$100,000. He further stated that DOR needs time to go through rule-making, printing of forms and distribution, and that he believes the bill is a necessary part of the budget balancing process.

Ed Sheehy, Helena, Retired Federal Employees, said there are 8569 civil service retirees in the state, who receive \$9,628,915 annually. He advised the Committee that, in 1981, retirees got congress to enact withholding of tax from their checks. Mr. Sheehy stated that the retirees are willing to work with DOR on withholding of state tax from their checks.

Opponents' Testimony:

There were no opponents of HB 14.

Questions From Committee Members:

Senator Towe asked Mr. Sheehy why he was opposed to implementation a year early. Mr. Sheehy replied the retirees would be faced with a lump sum payment on April 15.

Senator Doherty said he wondered if the advantages of being a self-employed individual in Montana, might be destroyed by quarterly payments. Representative Gilbert replied that working people have their taxes taken out at the time they are paid, and that HB 14 is an issue of fairness. He commented that the pitfall of annual payments is that people don't save the money, and often must borrow to pay. Representative Gilbert said he believed some people would budget better on a quarterly basis.

Senator Doherty commented that some business owners take these dollars to make more dollars, thus helping the economy during the year, and that HB 14 takes away the opportunity to do this. Representative Gilbert replied that these people still have a quarter to make investments, so it is really not that unfair, especially when federal tax is paid quarterly now.

Senator Eck asked about the impact to farmers. Jeff Miller, Administrator, Income Tax Division, DOR, replied he had no information on the impact to farmers.

Senator Eck asked if it were worth one payment in 1992. Dennis Adams replied, "probably not, as we would lose \$11 million on April 15".

Senator Gage asked Representative Gilbert to explain filing and paying in a quarter. Representative Gilbert replied that the language applies to fourth-quarter payment, and that he did not know why people only pay 90 percent in the first, second and third quarters. Dennis Adams replied that the fourth-quarter penalty can be avoided by filing before January 1.

Senator Doherty asked Representative Gilbert to explain why it is fair for farmers and ranchers to be excluded from the bill. Representative Gilbert replied there are not enough votes in the Legislature to change this, and that the farmers and ranchers believe they are different because they rely on the weather for their crops.

Senator Towe asked if the farm exclusion is the same in federal law. Jeff Miller replied it is not, and said two-thirds of the tax is paid in January. He added that the exclusion for farmers and ranchers in Montana is historic, and has existed since 1955. Mr. Miller explained that farmers and ranchers are now defined for the first time, and must have two-thirds of their income from agricultural endeavors.

Senator Eck asked if the farmers and ranchers are aware of the new change.

Senator Van Valkenburg asked Terry Johnson, Director, Office of the Legislative Fiscal Analyst, about cash flow in the state, and how HB 14 might affect it. Mr. Johnson advised the Committee that Senator Van Valkenburg was referring to reports on the general fund, equalization, and highway accounts. He said Department of Administration (DOA) cash flow reports indicate a deficit of \$34 million at the end of FY 92, which means borrowing from other accounts to pay off \$85 million in tax revenue anticipation notes (TRANS) this year. He said it needs to be determined if borrowing from another account to pay TRANS is appropriate, and that the situation gets worse in FY 93 (projected deficit of \$43 million).

Mr. Johnson further advised the Committee that an estimated \$145 million of TRANS needs to be paid the first part of July to get through FY 93, if HJR 1 passes. He said the estimated deficit at the end of FY 93 is \$44 million, and that there is insufficient cash to borrow then. Mr. Johnson explained that the question is where to get the money to pay off these notes, and if another mechanism of getting that money is needed.

Senator Van Valkenburg asked if three payments in CY92 (April, June, and September), and three in CY93 (January, April, and June) would affect the cash flow situation. Terry Johnson replied that acceleration would generate \$30.4 million in FY92, and a \$2 million difference in FY 93, based on growth rates in HJR 1. He said the general fund foundation program would be used to reduce TRANS for FY93 (a \$32.5 million total impact for this legislation).

Senator Towe asked if passage of the bill meant more money to pay TRANS back before the end of the year. Terry Johnson replied that if \$30 million in revenue were received this FY and was not spent, there would be that much more of a case at the end of the year. He explained that, normally, the low cash point of the year is in November, and that the \$30 million needed for balancing the budget would be expended over the next FY. Terry Johnson further advised the Committee that the Governor's budget proposal includes that \$30.4 million.

Senator Towe asked if it would be better not to do a CY93 effective date because of TRANS.

Senator Van Valkenburg asked if it would be largely unnecessary to borrow from the highway account, if \$30.4 were brought in FY 92. Terry Johnson replied it would.

Senator Van Valkenburg asked if then the highway account would have a greater amount, and could be used for potential "grab bag" dollars. Terry Johnson replied that it could. He said he believes Bill Salisbury, Department of Transportation (DOT) did indicate that this morning to the senate Finance and Claims Committee.

Senator Van Valkenburg asked if there could be then higher short-term earnings in 93. Terry Johnson replied that would be correct.

Senator Van Valkenburg asked if the state would then be in a better position to make argument to a bond rating agency, that it is not engaged in debt financing. Terry Johnson replied that in looking at this situation over the years, the state has never been in this situation before, but would be this year, if HB 14 is not effective this year. He stated that if TRANS can be paid back without borrowing, it would be looked upon favorably.

Senator Eck if there is a legality issue with using highway funds. Terry Johnson replied that the general fund has had to borrow from other accounts regularly throughout the years, but this would be the first time they would go to another account at the end of the year to be cash positive. Mr. Johnson stated he could not answer the legality of this issue.

Senator Thayer asked if doing this before has ever affected the bond rating. Terry Johnson replied that even the federal

government has recognized TRANS for short-term issues, as income doesn't always come in when debt must go out, and that this has been done by a number of stats.

Senator Harp asked about Senator Van Valkenburg's question on moving up the effective date to accelerate taxes, and if DOR could do this. Dennis Adams replied that is a hypothetical question.

Senator Van Valkenburg stated that if DOR wanted to put up roadblocks, they could, and that if they wanted to solve the problem, they could do that, too. He said a rule-making process exemption could cut time processes down considerably. Dennis replied he would oppose such a move, as he believes it is abuse to taxpayers.

Senator Towe asked if DOR could meet a moved up effective date, if the Legislature asked that it do so. Dennis Adams replied DOR could not meet an April 15, 1992 deadline under any scenario, as it must submit bids for printing. He anticipated printing costs at \$34,800, and postage costs at \$69,440, and said he would be willing to look at shortening the time process.

Senator Van Valkenburg asked if about 28,000 taxpayers would be affected. Mr. Adams replied he was not sure, and that there could be more.

Senator Van Valkenburg asked how the cost could be \$2.50 per mailing for 28,000 taxpayers. Mr. Adams replied he would have to mail forms to all taxpayers, as he is not sure which ones this legislation would apply to.

Senator Eck asked if DOR could mail the forms to those who pay federal taxes quarterly. Mr. Adams replied he could not.

Senator Eck asked if DOR and the Governor's attorneys presented information on the legal challenge of not providing a balanced budget at the end of the year. Dennis Adams replied that DOR's attorney has not looked into this, but DOA attorneys have.

Senator Doherty asked why mailings could not be made on the same assumption numbers used for calculations in the bill. Dennis Adams replied he didn't know who would have to pay this year.

Senator Harp asked when this money should come to the state, and said he believes it should be 1993, because it will be needed more then. Senator Towe said he heard a figure the day prior that ten percent of federal filers pay the penalty instead of paying an estimated quarterly tax. Dennis Adams replied he believes there is an eight to ten percent cushion at \$30.4 million. Terry Johnson stated that no investment earnings have been factored in, but will be if the bill is passed for CY92. He

further stated that if this legislation is implemented January 1, 1992, DOR will get the same amount of revenue over the biennium. Mr. Johnson commented that there is no adjustment for individuals not conforming to the new regulations.

Senator Van Valkenburg said he asked the LFA to estimate the effect of moving up the effective date, but this was not reviewed by Terry Cohea. Jim Standaert, LFA, explained that 37,000 retirees would not be affected as the bill stands now, but 11,000 would be affected.

Closing by Sponsor:

Representative Gilbert advised the Committee that this bill has been proposed twice before, and has failed. He said he did not like the bill, and felt as Senator Doherty does. Representative Gilbert asked the Committee to remember the bill is part of the budget-balancing package, and commented that the more changes are made, the longer the Legislature will be here, and the more upset the public will become.

Representative Gilbert stated that early implementation is a slap to the taxpayer, and won't change anything except TRANS in 92 or 93. He said the whole tax system is out of whack, as is spending, and that "when out go exceeds income, one's upkeep will be one's downfall".

Representative Gilbert asked that the Committee pass the bill as it is, and said it is time for tax reform in Montana, to stop what is happening today. He commented that if one category of retirees is exempted, then unfair treatment is given to other retirees. Representative Gilbert advised the Committee that he told Senator Van Valkenburg earlier this month, that if he wanted early implementation he would talk the matter over with the Governor. He stated that if the Governor won't sign the bill, there is still a problem, on which the Legislature is spending \$49,000 a day to stay and discuss. Representative Gilbert urged the Committee to pass the bill as it is.

HEARING ON HOUSE JOINT RESOLUTION 1

Presentation and Opening Statement by Sponsor:

Representative Bob Gilbert, District 22, said the bill was drafted at the request of the Revenue Oversight Committee (ROC). He explained that the Committee made a few changes in revenue estimating for non-farm employment, non-farm wages and salaries, and interest dividend income. He said the ROC looked at a long term interest chart going back to 1969, and that short-term interest rate figures were also changed. Representative Gilbert stated that oil figures might be a little high, and that a change in Montana lottery sales caused a reduction of \$5 million in 1991. He said the ROC increased revenue by \$1 million for liquor bailment.

Representative Gilbert told the Committee that the House Taxation Committee added about \$12.5 million into the estimate, and moved the evening prior on the House floor to increase estimates 10 percent for 92 and 93. He commented that he did not agree they did the right thing, and didn't know if it were really prudent to inflate estimates to balance the budget.

With respect to miscellaneous taxes Representative Gilbert reported that Terry Johnson said he would probably find \$5.6 million in shortfall to offset in other areas, and he recommended that the Committee not touch that \$5.6 million as he believes it may not really be there. He commented that one dollar per barrel of oil affects the general fund school equalization by \$1.6 million.

Proponents' Testimony:

There were none.

Opponents' Testimony:

There were none.

Questions From Committee Members:

Senator Van Valkenburg asked where the resolution was amended to reflect the \$1 million from liquor bailment. Senator Towe replied it is on page 9, line 16.

Senator Van Valkenburg asked about the natural resources tax area, and if the House Taxation Committee looked at individual income and corporate license tax. Representative Gilbert replied they estimated increases of \$5 million in corporate license tax and 4.1 in individual income tax from audits and collections of delinquent taxes. Jerry Foster, Administrator, Natural Resources and Corporations Tax Division, DOR, said he put on more staff for audits in this area.

Senator Van Valkenburg asked if revenue would be gained from natural resources audits. Mr. Foster replied he believed his division was fairly well caught up in natural resources audits, most of which are not general fund dollars, but general dollars for the counties and school foundation program.

Senator Towe asked if only the general fund portion is in this assumption. Terry Johnson replied that on page 6, line 11, and lines 14-15, the difference between the numbers should be about \$5 million for the biennium.

Senator Doherty asked why there is a decrease in liters of wine sold. Representative Gilbert replied that the impact of this to the general fund is so small, it is insignificant, and the ROC did not delve into it.

Senator Doherty asked about platinum and palladium price increases. Representative Gilbert replied that, again, the ROC did not go into those prices, because the changes were so small.

Senator Van Valkenburg asked about TRANS. Terry Johnson replied that \$145 million was indicated during testimony on HB 14.

Senator Van Valkenburg asked how that would affect revenue numbers in this resolution. Terry Johnson replied that issuing \$145 million in TRANS would generate approximately \$200,000 over the biennium in increased revenue for short-term interest earnings. Jeff Miller replied that there is approximately \$19.9 million in uncollected taxes in Montana.

Senator Van Valkenburg asked if this figure is growing. Jeff Miller provided a chart, and said \$4 million in license tax was soon to be litigated by the State Tax Appeals Board (Exhibit #9). He said income tax is growing slightly, and that DOR tries to identify receivables and then go out to collect. Mr. Miller explained that his division cleared accounts greater than two years old, and sent them to the State Auditor or to private agencies for collection.

Senator Van Valkenburg asked if significant inroads into collecting receivables can be expected during the next two years, and why taxes should be increased when some people aren't paying. Jerry Foster replied that ten percent of receivables are in bankruptcy status.

Senator Gage asked what percentage of taxpayers is involved in receivables. Jerry Foster replied there are 19,000 accounts out of about 380,000 taxpayers.

Terry Johnson advised the Committee that early in December the procedures of the ROC were discussed, and the LFA decided to focus on the larger assumption for Miscellaneous Tax of \$5.6 million. He said the ROC knew some smaller sources were coming in stronger than anticipated in HJR 24 (1991), and those were not addressed.

Senator Van Valkenburg asked Steve Bender, Director, Office of Budget and Program Planning, about his projections for FY 92-93, and the major economic assumptions of the LFA for the 93 biennium. He asked if Mr. Bender used the same base as the LFA used. Mr. Bender replied he did.

Senator Van Valkenburg commented that the column of executive estimates does not include the addition of auditors in DOR. Mr. Bender replied it showed as a separate line in the balance sheet.

Senator Gage asked why there was such a large difference between the LFA and the OFT on coal tax interest on investments.

Terry Johnson replied that in FY93, the main difference is that the OFT included \$125 million in TRANS issue in investible balances. He further explained that the interest estimates are higher, but it does show the revenue difference. Mr. Johnson advised the Committee that, in both cases, the permanent trust earnings differed because of slight differences in interest rates used.

Closing by Sponsor:

Representative Gilbert said he believed the Revenue Oversight Committee did a good job with the information before them. He told the Committee that these decisions are tough to make, and often become one's best guess, in estimating future income. Representative Gilbert further stated that he believes HJR 1 is more realistic than previous estimates. He cautioned the Committee not to inflate the numbers, as it could result in their having to return to correct them.

Recess: The Committee recessed at 11:53 a.m.

Reconvene: The Committee reconvened at 4:50 p.m.

EXECUTIVE ACTION ON HOUSE BILL 19

Amendments, Discussion, and Votes:

Senator Towe moved his amendments to HB 19 (Exhibit #11). The motion carried unanimously.

Senator Thayer moved the amendment proposed earlier by Jim Jensen, Montana Environmental Information Center.

Senator Yellowtail said he had the same concerns, but Alec Hansen advised him the smaller communities would be prohibited by this amendment from participating in the program.

Alec Hansen said a "reserve fund" is very ambiguous, and if communities would be required to have a reserve it would double the cost of the project. He added that just having an account doesn't accomplish much, and said every major facility has an operating budget and that most of those have reserve funds. Mr. Hansen stated he would like to take time to do it right, if the Committee decides this is a good idea.

Senator Towe echoed Mr. Jensen's statement, and said section 9 states that the Legislature will evaluate projects next session.

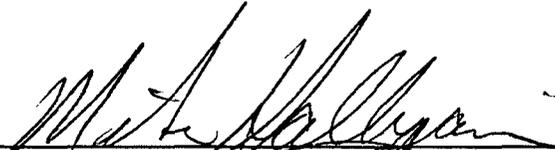
Senator Thayer's motion failed 9-2 (roll call vote attached).

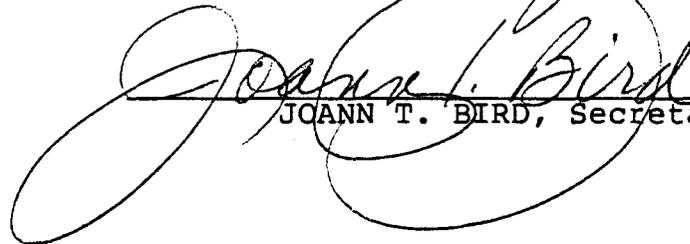
Recommendation and Vote:

Senator Towe moved that HB 19 be concurred in as amended.
The motion carried 8-3 (roll call vote attached).

ADJOURNMENT

Adjournment At: 5 p.m.


MIKE HALLIGAN, Chairman


JOANN T. BIRD, Secretary

MH/jtb

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 1-14-92

52nd LEGISLATIVE SESSION

8:25 am

1st special session

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BOB BROWN	7		
SENATOR STEVE DOHERTY	7		
SENATOR DELWYN GAGE	7		
SENATOR JOHN HARP	7		
SENATOR FRANCIS KOEHNKE	7		
SENATOR GENE THAYER	7		
SENATOR TOM TOWE	7		
SENATOR FRED VAN VALKENBURG	7		
SENATOR BILL YELLOWTAIL	7		
SENATOR DOROTHY ECK, V CHR	7		
SENATOR MIKE HALLIGAN, CHAIR	7		

Each day attach to minutes.

1-17-16
4:50 pm

ROLL CALL

SENATE TAXATION COMMITTEE

DATE _____

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BOB BROWN	7		
SENATOR STEVE DOHERTY	7		
SENATOR DELWYN GAGE	7		
SENATOR JOHN HARP	7		
SENATOR FRANCIS KOEHNKE	7		
SENATOR GENE THAYER	7		
SENATOR TOM TOWE	7		
SENATOR FRED VAN VALKENBURG	7		
SENATOR BILL YELLOWTAIL	7		
SENATOR DOROTHY ECK, V CHR	7		
SENATOR MIKE HALLIGAN, CHAIR	7		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

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January 15, 1992

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 19 (third reading copy -- blue), respectfully report that House Bill No. 19 be amended and as so amended be concurred in:

1. Page 1, line 25.

Insert: "

STATEMENT OF INTENT

A statement of intent is necessary for [this act] because [section 6] delegates rulemaking authority to the department of natural resources and conservation and to the department of commerce. It is the intent of the legislature that in adopting rules to implement the prioritization of projects, the agencies shall use the rules established for determining priorities for water development projects as guidelines. The department of commerce should use its existing procedures for determining the local governments that are eligible for financing as a guide in adopting rules to implement the treasure state endowment program. In adopting rules to implement [this act], the departments shall take into consideration any coordination between [this act] and the coal severance tax school bond contingency loan fund."

2. Page 7, line 2.

Following: "PROCEDURE"

Insert: "-- rulemaking"

3. Page 8, line 17.

Following: line 16

Insert: "(4) The department of natural resources and conservation shall adopt rules to implement the prioritization and recommendation of projects to be financed pursuant to 17-5-701.

(5) Except as provided in subsection (4), the department of commerce shall adopt rules necessary to implement the treasure state endowment program."

4. Page 9, lines 14 and 15.

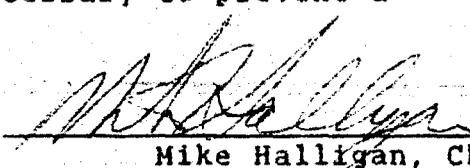
Following: "bonds"

Strike: "to be" on line 14 through "fund" on line 15

5. Page 9, line 16.

Following: "program"

Insert: "and shall take any action necessary to prevent a negative arbitrage consequence"

Signed: 

Mike Halligan, Chair

101-1-15-92
Am. Coord.

83 1-14
Sec. of Senate

TREASURE STATE ENDOWMENT FOR LOCAL INFRASTRUCTURE ASSISTANCE

EX #1
 AB19
 1-14-92

YEAR	ONE-HALF COAL TAX AVAILABLE IS DEPOSITED*	TREASURE STATE ENDOWMENT BALANCE	ENDOWMENT INTEREST EARNINGS AT 9%	INFRASTRUCTURE BONDS ISSUED	TOTAL INFRASTRUCTURE BONDS OUTSTANDING	INFRASTRUCTURE BOND INTEREST PAYMENT AT 7%	INFRASTRUCTURE BOND PRINCIPAL PAYMENT	STATE FUNDS AVAILABLE FOR LOCAL INFRASTRUCTURE
1993	13,750,000	13,750,000	500,000	5,000,000	5,000,000	0	0	5,500,000
1994	7,500,000	21,250,000	1,237,500	5,000,000	10,000,000	350,000	0	5,887,500
1995	7,500,000	28,750,000	1,912,500	0	10,000,000	700,000	0	1,212,500
1996	7,500,000	36,250,000	2,587,500	0	10,000,000	700,000	0	1,887,500
1997	8,750,000	45,000,000	3,262,500	0	9,900,000	700,000	100,000	2,462,500
1998	10,000,000	55,000,000	4,050,000	0	9,550,000	693,000	350,000	3,007,000
1999	10,000,000	65,000,000	4,950,000	0	8,650,000	668,500	900,000	3,381,500
2000	10,000,000	75,000,000	5,850,000	0	7,650,000	605,500	1,000,000	4,244,500
2001	10,000,000	85,000,000	6,750,000	0	6,650,000	535,500	1,000,000	5,214,500
2002	10,000,000	95,000,000	7,650,000	0	5,650,000	465,500	1,000,000	6,184,500
2003	10,000,000	105,000,000	8,550,000	0	4,650,000	395,500	1,000,000	7,154,500
2004	10,000,000	115,000,000	9,450,000	0	3,650,000	325,500	1,000,000	8,124,500
2005	10,000,000	125,000,000	10,350,000	0	2,650,000	255,500	1,000,000	9,094,500
2006	10,000,000	135,000,000	11,250,000	0	1,650,000	185,500	1,000,000	10,064,500
2007	10,000,000	145,000,000	12,150,000	0	650,000	115,500	1,000,000	11,034,500
2008	10,000,000	155,000,000	13,050,000	0	0	45,500	650,000	12,354,500
2009	10,000,000	165,000,000	13,950,000	0	0	0	0	13,950,000
2010	10,000,000	175,000,000	14,850,000	0	0	0	0	14,850,000
2011	10,000,000	185,000,000	15,750,000	0	0	0	0	15,750,000
2012	10,000,000	195,000,000	16,650,000	0	0	0	0	16,650,000
2013	5,000,000	200,000,000	17,550,000	0	0	0	0	17,550,000
2014	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2015	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2016	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2017	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2018	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2019	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2020	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2021	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2022	0	200,000,000	18,000,000	0	0	0	0	18,000,000
TOTAL	200,000,000		344,300,000	10,000,000		6,741,000	10,000,000	337,559,000

* \$10 HILLION
 TRANSFERRED FROM
 CURRENT TRUST
 FUND BALANCE
 ON JULY 1, 1993

316.66H) TREASURE STATE ENDOWMENT FOR LOCAL INFRASTRUCTURE ASSISTANCE

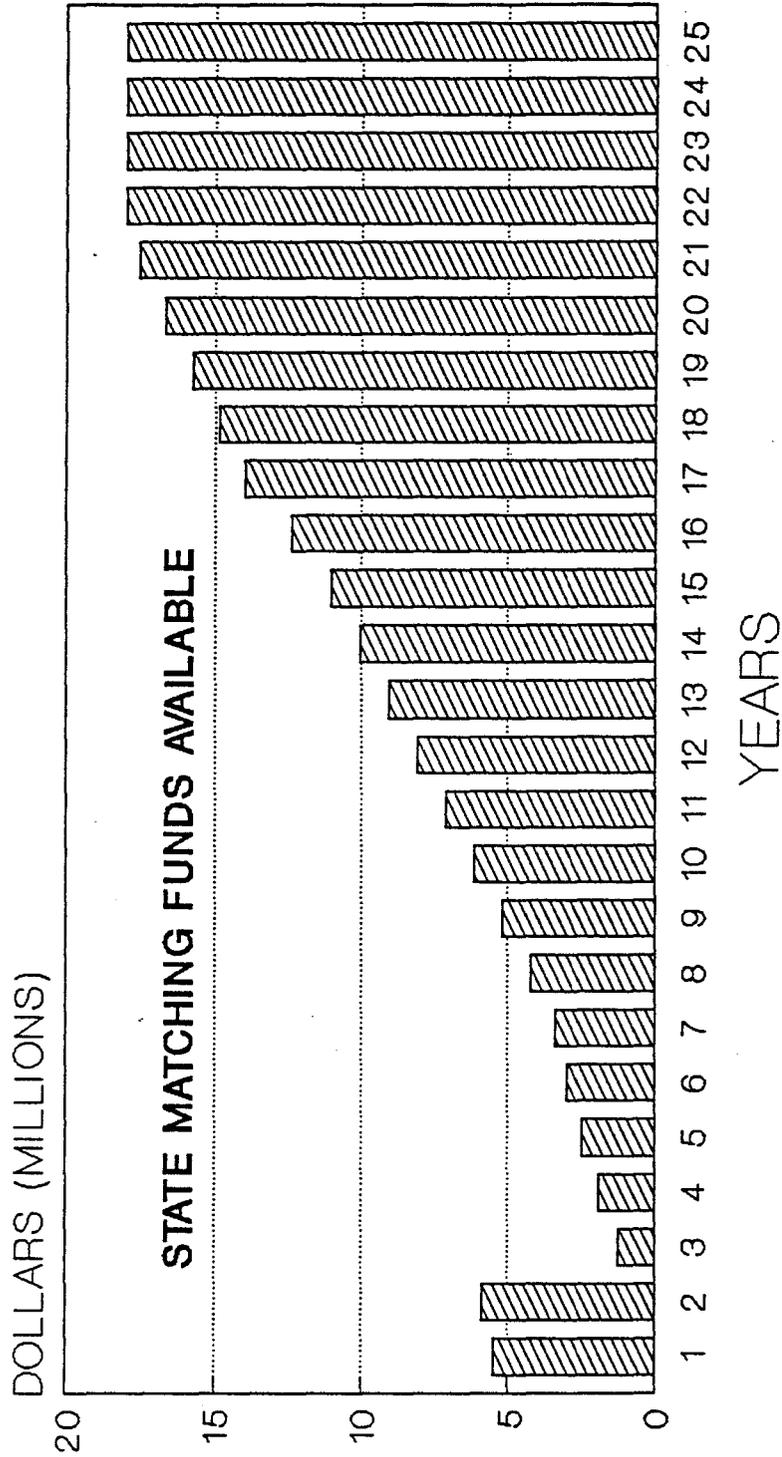
EX#1
 HB19
 1-14-92

YEAR	ONE-HALF COAL TAX AVAILABLE IS DEPOSITED*	TREASURE STATE ENDOWMENT BALANCE	ENDOWMENT INTEREST EARNINGS AT 9%	INFRASTRUCTURE BONDS ISSUED	TOTAL INFRASTRUCTURE BONDS OUTSTANDING	INFRASTRUCTURE BOND INTEREST PAYMENT AT 7%	INFRASTRUCTURE BOND PRINCIPAL PAYMENT	STATE FUNDS AVAILABLE FOR LOCAL INFRASTRUCTURE
1993	13,750,000	13,750,000	500,000	5,000,000	5,000,000	0	0	5,500,000
1994	7,500,000	21,250,000	1,237,500	5,000,000	10,000,000	350,000	0	5,887,500
1995	7,500,000	28,750,000	1,912,500	0	10,000,000	700,000	0	1,212,500
1996	7,500,000	36,250,000	2,587,500	0	10,000,000	700,000	0	1,887,500
1997	8,750,000	45,000,000	3,262,500	0	9,900,000	700,000	100,000	2,462,500
1998	10,000,000	55,000,000	4,050,000	0	9,550,000	693,000	350,000	3,007,000
1999	10,000,000	65,000,000	4,950,000	0	8,650,000	668,500	900,000	3,381,500
2000	10,000,000	75,000,000	5,850,000	0	7,650,000	605,500	1,000,000	4,244,500
2001	10,000,000	85,000,000	6,750,000	0	6,650,000	535,500	1,000,000	5,214,500
2002	10,000,000	95,000,000	7,650,000	0	5,650,000	465,500	1,000,000	6,184,500
2003	10,000,000	105,000,000	8,550,000	0	4,650,000	395,500	1,000,000	7,154,500
2004	10,000,000	115,000,000	9,450,000	0	3,650,000	325,500	1,000,000	8,124,500
2005	10,000,000	125,000,000	10,350,000	0	2,650,000	255,500	1,000,000	9,094,500
2006	10,000,000	135,000,000	11,250,000	0	1,650,000	185,500	1,000,000	10,064,500
2007	10,000,000	145,000,000	12,150,000	0	650,000	115,500	1,000,000	11,034,500
2008	10,000,000	155,000,000	13,050,000	0	0	45,500	650,000	12,354,500
2009	10,000,000	165,000,000	13,950,000	0	0	0	0	13,950,000
2010	10,000,000	175,000,000	14,850,000	0	0	0	0	14,850,000
2011	10,000,000	185,000,000	15,750,000	0	0	0	0	15,750,000
2012	10,000,000	195,000,000	16,650,000	0	0	0	0	16,650,000
2013	5,000,000	200,000,000	17,550,000	0	0	0	0	17,550,000
2014	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2015	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2016	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2017	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2018	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2019	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2020	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2021	0	200,000,000	18,000,000	0	0	0	0	18,000,000
2022	0	200,000,000	18,000,000	0	0	0	0	18,000,000
TOTAL	200,000,000		344,300,000	10,000,000		6,741,000	10,000,000	337,559,000

* \$10 MILLION
 TRANSFERRED FROM
 CURRENT TRUST
 FUND BALANCE
 ON JULY 1, 1993

EX#2
4B19
1-14-99

TREASURE STATE ENDOWMENT STATE FUNDS FOR LOCAL INFRASTRUCTURE FROM 1993-2017, USING JUMPSTART BONDS*



* BONDS = \$5 Million in 1993 & in 1994,
Totally paid off by 2008
YEARS = Calendar years 1993-2017

EX#3
HJR1
1-14-92

MAJOR ECONOMIC ASSUMPTIONS For The 1993 Biennium

As Adopted By the
House of Representatives
On January 13th, 1992

Terry W. Johnson
Principal Fiscal Analyst
Legislative Fiscal Analyst's Office
January 13, 1992



EX # 1
HJR 1
1-14-9

Office of Legislative Fiscal Analyst Revenue Estimate Comparisons

Figures In Millions

State Equalization Account	HJR 24		House		EXEC		LFA		HJR 24		House		EXEC		LFA		HJR 24		House		EXEC		LFA			
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated													
Source of Revenue	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992	FY 1992													
State Revenue																										
Income Tax	94,358,000	88,560,000	89,849,000	90,349,000	96,858,000	88,664,000	90,537,000	92,222,000	191,216,000	177,224,000	180,386,000	182,571,000	31,999,000	30,230,000	30,907,000	30,907,000	30,907,000	33,348,000	33,348,000	33,348,000	33,348,000	33,348,000	33,348,000	33,348,000	33,348,000	
Corporation Tax	15,285,000	14,781,000	14,689,000	15,193,000	15,063,000	16,126,000	15,541,000	16,806,000	16,806,000	16,806,000	15,541,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	16,806,000	
Coal Tax	4,389,000	4,389,000	4,508,000	4,508,000	4,380,000	4,380,000	4,344,000	4,344,000	8,779,000	8,779,000	8,779,000	8,779,000	8,852,000	8,852,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	8,779,000	
Interest & Income	38,110,000	37,881,000	38,063,000	37,897,000	39,340,000	38,667,000	39,293,000	38,808,000	77,450,000	76,548,000	77,356,000	76,705,000	76,705,000	77,356,000	76,548,000	76,548,000	76,548,000	77,450,000	77,450,000	77,450,000	77,450,000	77,450,000	77,450,000	77,450,000	77,450,000	
Us Oil & Gas Royalties	25,527,000	25,017,000	25,527,000	25,005,000	24,916,000	24,490,000	24,916,000	24,395,000	50,443,000	49,507,000	50,443,000	49,400,000	49,400,000	50,443,000	49,507,000	49,507,000	49,507,000	50,443,000	50,443,000	50,443,000	50,443,000	50,443,000	50,443,000	50,443,000	50,443,000	
Education Trust Interest	0,070,000	0,051,000	0,000,000	0,054,000	0,072,000	0,049,000	0,000,000	0,055,000	0,142,000	0,100,000	0,000,000	0,109,000	0,109,000	0,000,000	0,100,000	0,100,000	0,100,000	0,142,000	0,142,000	0,142,000	0,142,000	0,142,000	0,142,000	0,142,000	0,142,000	
SEA Interest	0,375,000	0,279,000	0,445,000	0,290,000	0,000,000	0,000,000	0,072,000	0,000,000	0,375,000	0,279,000	0,000,000	0,290,000	0,290,000	0,000,000	0,279,000	0,279,000	0,279,000	0,375,000	0,375,000	0,375,000	0,375,000	0,375,000	0,375,000	0,375,000	0,375,000	
Permanent Trust Interest	7,773,000	7,576,000	7,418,000	7,606,000	8,018,000	7,712,000	7,648,000	7,788,000	15,791,000	15,288,000	15,791,000	15,404,000	15,404,000	15,791,000	15,288,000	15,288,000	15,288,000	15,791,000	15,791,000	15,791,000	15,791,000	15,791,000	15,791,000	15,791,000	15,791,000	
Lottery	5,901,000	5,025,000	4,000,000	5,025,000	6,381,000	5,047,000	3,480,000	5,048,000	12,282,000	10,072,000	7,480,000	10,073,000	10,073,000	7,480,000	10,072,000	10,072,000	10,072,000	12,282,000	12,282,000	12,282,000	12,282,000	12,282,000	12,282,000	12,282,000	12,282,000	
Statewide 40 Mills	64,074,000	63,003,000	63,030,000	63,003,000	65,232,000	64,161,000	64,200,000	64,161,000	129,308,000	127,164,000	127,230,000	127,164,000	127,164,000	129,308,000	127,164,000	127,164,000	127,164,000	129,308,000	129,308,000	129,308,000	129,308,000	129,308,000	129,308,000	129,308,000	129,308,000	129,308,000
Miscellaneous	0,000,000	14,948,000	14,988,000	14,937,000	8,722,000	8,867,000	8,722,000	8,838,000	17,080,000	23,815,000	23,710,000	23,710,000	23,710,000	17,080,000	23,815,000	23,815,000	23,815,000	17,080,000	17,080,000	17,080,000	17,080,000	17,080,000	17,080,000	17,080,000	17,080,000	
County Levy Surplus	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	
Total State	264,230,000	261,514,000	262,517,000	263,867,000	268,982,000	258,163,000	258,753,000	262,475,000	533,212,000	519,877,000	521,270,000	526,342,000	NA	NA	NA	NA	NA	533,212,000								
Statewide Taxable Valuation	1599,727,000	1572,956,000	1575,636,000	1572,956,000	1628,667,000	1601,896,000	1605,455,000	1601,896,000	NA	NA	NA	NA	NA	NA	NA	NA	NA	1628,667,000								
County Revenue																										
55 Mills	87,985,000	86,513,000	86,660,000	86,513,000	89,577,000	88,104,000	88,300,000	88,104,000	177,562,000	174,617,000	174,960,000	174,617,000	174,617,000	177,562,000	174,617,000	174,617,000	174,617,000	177,562,000	177,562,000	177,562,000	177,562,000	177,562,000	177,562,000	177,562,000	177,562,000	
Elementary Transportation	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000		
Cash Reappropriated	1,116,000	6,718,000	0,000,000	6,718,000	0,339,000	1,134,000	0,000,000	1,190,000	1,455,000	7,852,000	0,000,000	7,837,000	7,837,000	1,455,000	7,852,000	7,852,000	7,852,000	1,455,000	1,455,000	1,455,000	1,455,000	1,455,000	1,455,000	1,455,000		
Forest Funds	1,276,000	1,744,000	1,744,000	1,744,000	1,304,000	1,409,000	1,304,000	1,409,000	2,580,000	3,153,000	3,048,000	3,153,000	3,153,000	2,580,000	3,153,000	3,153,000	3,153,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000		
Taylor Grazing	0,113,000	0,119,000	0,119,000	0,119,000	0,112,000	0,114,000	0,112,000	0,114,000	0,225,000	0,233,000	0,233,000	0,233,000	0,233,000	0,225,000	0,233,000	0,233,000	0,233,000	0,225,000	0,225,000	0,225,000	0,225,000	0,225,000	0,225,000	0,225,000		
Miscellaneous	19,862,000	17,439,000	24,010,000	17,439,000	19,957,000	18,374,000	19,172,000	18,374,000	39,819,000	35,791,000	43,182,000	35,813,000	35,813,000	39,819,000	35,791,000	35,791,000	35,791,000	39,819,000	39,819,000	39,819,000	39,819,000	39,819,000	39,819,000	39,819,000		
High School Tuition	-0,810,000	-0,993,000	-0,993,000	-0,993,000	-0,820,000	-0,899,000	-0,943,000	-0,899,000	-1,630,000	-1,892,000	-1,936,000	-1,892,000	-1,892,000	-1,630,000	-1,892,000	-1,892,000	-1,892,000	-1,630,000	-1,630,000	-1,630,000	-1,630,000	-1,630,000	-1,630,000	-1,630,000		
Total County	109,542,000	111,540,000	111,540,000	111,540,000	110,469,000	108,214,000	107,945,000	108,214,000	220,011,000	219,754,000	219,485,000	219,761,000	NA	NA	NA	NA	NA	220,011,000								
District Revenue																										
Permissive Levy	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000		
Light Vehicle Replacement	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000		
Total District	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000													
Total State Equalization Account	373,772,000	373,054,000	374,057,000	375,407,000	379,451,000	366,377,000	366,698,000	370,696,000	753,223,000	739,431,000	740,755,000	746,103,000	NA	NA	NA	NA	NA	753,223,000								
Grand Total GF. & SEA	861,420,000	835,205,000	842,989,000	845,303,000	876,624,000	831,827,000	843,932,000	851,910,000	1738,044,000	1687,032,000	1686,921,000	1697,213,000	NA	NA	NA	NA	NA	1738,044,000	1738,044,000	1738,044,						

Office of Legislative Fiscal Analyst

Revenue Estimate Comparisons

Figures in Millions

General Fund Source of Revenue	HJR 24	LFA	EXEC	House	HJR 24	LFA	EXEC	House	HJR 24	LFA	EXEC	House
	Estimated FY 1992	Estimated FY 1992	Estimated FY 1992	Estimated FY 1992	Estimated FY 1993							
Individual Income Tax	267,918,000	195,144,000	197,983,000	199,084,000	213,428,000	195,372,000	199,499,000	203,212,000	421,346,000	390,516,000	397,482,000	402,296,000
Corporation License Tax	32,716,000	31,630,000	31,440,000	32,517,000	32,241,000	34,515,000	33,360,000	35,970,000	64,957,000	66,151,000	64,800,000	68,487,000
Coal Severance Tax	5,939,000	5,939,000	6,086,000	6,086,000	5,913,000	5,913,000	5,864,000	5,864,000	11,852,000	11,852,000	11,950,000	11,950,000
Oil Severance Tax	19,428,000	16,615,000	17,211,000	16,486,000	18,528,000	16,225,000	17,791,000	15,908,000	37,957,000	32,840,000	35,002,000	32,374,000
Interest on Investments	22,278,000	16,623,000	18,725,000	17,660,000	25,092,000	15,593,000	18,377,000	20,499,000	47,369,000	32,216,000	37,102,000	38,159,000
Long-Range Bond Excess	43,822,500	41,046,000	42,540,000	42,551,000	44,452,000	42,300,000	43,200,000	43,652,000	88,280,000	84,146,000	85,740,000	86,203,000
Coal Trust Interest Income	4,045,000	42,931,000	42,037,000	43,103,000	45,433,000	43,704,000	43,340,000	44,188,000	89,478,000	86,635,000	85,377,000	87,291,000
Insurance Premiums Tax	18,518,000	18,510,000	18,497,000	18,518,000	17,885,000	17,885,000	19,680,000	17,885,000	36,403,000	36,403,000	38,177,000	36,403,000
Public Institutions Reimb.	13,458,000	13,445,000	13,645,000	13,448,000	13,039,000	13,021,000	13,355,000	13,028,000	26,495,000	26,466,000	26,980,000	26,476,000
Liquor Profits	4,363,000	4,362,000	4,141,000	5,363,000	4,302,000	4,301,000	4,164,000	4,301,000	8,665,000	8,663,000	8,305,000	9,684,000
Liquor Excise Tax	5,710,000	5,710,000	5,548,000	5,710,000	5,691,000	5,691,000	5,571,000	5,691,000	11,401,000	11,401,000	11,119,000	11,401,000
Inheritance Tax	3,704,000	9,704,000	9,704,000	9,704,000	9,969,000	9,969,000	9,969,000	9,969,000	19,673,000	19,673,000	19,673,000	19,673,000
Metal Mines Tax	3,661,000	4,661,000	4,736,000	4,661,000	4,460,000	4,460,000	4,406,000	4,460,000	9,121,000	9,121,000	9,142,000	9,121,000
Electrical Energy Tax	1,239,000	4,239,000	3,984,000	4,239,000	4,241,000	4,241,000	4,055,000	4,241,000	8,480,000	8,480,000	8,039,000	8,480,000
Drivers' License Tax	1,571,000	1,571,000	1,543,000	1,571,000	1,577,000	1,577,000	1,577,000	1,577,000	3,148,000	3,148,000	3,120,000	3,148,000
Telephone License Tax	4,073,000	4,001,000	4,007,000	4,009,000	4,209,000	4,089,000	4,164,000	4,125,000	8,282,000	8,090,000	8,171,000	8,134,000
Beer License Tax	1,272,000	1,272,000	1,225,000	1,272,000	1,280,000	1,280,000	1,226,000	1,280,000	2,552,000	2,552,000	2,451,000	2,552,000
Natural Gas Severance Tax	1,634,000	1,634,000	1,740,000	1,634,000	1,816,000	1,816,000	2,019,000	1,816,000	3,450,000	3,450,000	3,759,000	3,450,000
Freight Line Tax	1,197,000	1,197,000	1,282,000	1,197,000	1,193,000	1,193,000	1,271,000	1,193,000	2,390,000	2,390,000	2,553,000	2,390,000
Wine Tax	0,785,000	0,785,000	0,784,000	0,785,000	0,766,000	0,766,000	0,754,000	0,766,000	1,551,000	1,551,000	1,538,000	1,551,000
Video Gaming Income Tax	8,989,000	6,973,000	7,239,000	6,973,000	7,517,000	7,398,000	7,800,000	7,448,000	14,986,000	14,371,000	15,039,000	14,421,000
Motor Vehicle Account	7,882,000	7,882,000	9,134,000	7,882,000	8,056,000	8,056,000	9,442,000	8,056,000	15,939,000	15,939,000	18,576,000	15,939,000
Vehicle Fees	2,710,000	2,710,000	2,948,000	2,710,000	2,781,000	2,781,000	3,066,000	2,781,000	5,491,000	5,491,000	6,014,000	5,491,000
Public Contractor's Tax	1,070,000	1,070,000	1,070,000	1,070,000	1,067,000	1,067,000	1,067,000	1,067,000	2,137,000	2,137,000	2,137,000	2,137,000
Other Revenue Sources	21,683,000	21,683,000	21,683,000	21,683,000	22,237,000	22,237,000	22,237,000	22,237,000	43,920,000	43,920,000	43,920,000	43,920,000
Total General Fund	487,648,000	462,151,000	468,932,000	469,896,000	497,173,000	465,450,000	477,234,000	481,214,000	984,821,000	927,601,000	946,166,000	951,110,000

1/14/92

Exhibits 5 - 10 were not transmitted with the minutes.

CR 1116
1-14-92
HB 19

Amendments to House Bill No. 19
Third Reading Copy

For the Committee on Taxation

Prepared by Greg Petesch
January 14, 1992

1. Page 1, line 25.

Insert: " STATEMENT OF INTENT
A statement of intent is necessary for [this act] because [section 6] delegates rulemaking authority to the department of natural resources and conservation and to the department of commerce. It is the intent of the legislature that in adopting rules to implement the prioritization of projects, the agencies shall use the rules established for determining priorities for water development projects as guidelines. The department of commerce should use its existing procedures for determining the local governments that are eligible for financing as a guide in adopting rules to implement the treasure state endowment program. In adopting rules to implement [this act], the departments shall take into consideration any coordination between [this act] and the coal severance tax school bond contingency loan fund."

2. Page 7, line 2.

Following: "PROCEDURE"
Insert: "-- rulemaking"

3. Page 8, line 17.

Following: line 16
Insert: "(4) The department of natural resources and conservation shall adopt rules to implement the prioritization and recommendation of projects to be financed pursuant to 17-5-701.
(5) Except as provided in subsection (4), the department of commerce shall adopt rules necessary to implement the treasure state endowment program."

5. Page 9, line 16.

Following: "program"
Insert: "and shall take any action necessary to prevent an negative arbitrage ~~penalty~~ *Consequences.*"

4. Page 9, line 14

Following: "bonds"
Delete through "fund" on line 15.

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION

Date 1-14-97 Bill No. HB 14 Time 11:25 am

NAME	YES	NO
SENATOR BROWN		✓
SENATOR DOHERTY	✓	
SENATOR GAGE		✓
SENATOR HARP	✓	
SENATOR KOEHNKE		✓
SENATOR THAYER		✓
SENATOR TOWE		✓
SENATOR VAN VALKENBURG		✓
SENATOR YELLOWTAIL		✓
SENATOR ECK, VICE CHAIR		✓
SENATOR HALLIGAN, CHAIR		✓
		✓

LINDA CASEY
Secretary

SENATOR MIKE HALLIGAN
Chairman

Motion: Doherty - mot to amend - remove exclusion for farmers + ranchers

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION

Date 1-14-92 Bill No. HB19 Time 4:57pm

NAME <u>Thayer amend</u>	YES	NO
SENATOR BROWN		✓
SENATOR DOHERTY		✓
SENATOR GAGE		✓
SENATOR HARP		✓
SENATOR KOEHNKE		✓
SENATOR THAYER	✓	
SENATOR TOWE		✓
SENATOR VAN VALKENBURG		✓
SENATOR YELLOWTAIL		✓
SENATOR ECK, VICE CHAIR		✓
SENATOR HALLIGAN, CHAIR	✓	
		✓

LINDA CASEY
Secretary

SENATOR MIKE HALLIGAN
Chairman

Motion: Thayer moved MEIC (Jensen)
amend from am. hearing.

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION

Date 1-14-97 Bill No. HB 19 Time 4:58 pm

NAME	YES	NO
SENATOR BROWN	✓	
SENATOR DOHERTY	✓	
SENATOR GAGE		✓
SENATOR HARP		✓
SENATOR KOEHNKE	✓	
SENATOR THAYER		✓
SENATOR TOWE	✓	
SENATOR VAN VALKENBURG	✓	
SENATOR YELLOWTAIL	✓	
SENATOR ECK, VICE CHAIR	✓	
SENATOR HALLIGAN, CHAIR	✓	

Jeanne Bird
~~LINDA CASEY~~
Secretary

SENATOR MIKE HALLIGAN
Chairman

Motion: Time Now BCIAA

