

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on March 17, 1993, at
8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chair (R)
Rep. Mike Foster, Vice Chair (R)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Tom Nelson (R)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: Rep. Dan Harrington

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Louise Sullivan, Transcriber

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

Committee Business Summary:

Hearing: SB 412, HB 608, HB 680, and HB 671
Executive Action: None

HEARING ON SB 412Opening Statement by Sponsor:

SEN. GARY AKLESTAD, SD 6, Galata, said the bill would provide a tax exemption for public use of property owned by statutory port authorities. The three port authorities in the state are in Billings, Butte and Shelby. The purpose of a port authority is to promote, stimulate and advance the economic development and prosperity of the community and the state.

Proponents' Testimony:

Myrl Raph, representing Toole County, submitted written testimony in support of SB 412. EXHIBIT 1

Bill Fogarty, Marketing and Traffic Manager for the Port of Montana at Butte, submitted written testimony in support of SB 412. EXHIBIT 2

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. RANEY asked what the private entities do if the port authorities have buildings they can lease or rent to private entities. SEN. AKLESTAD said they have no buildings in Shelby, but they do have a loading facility which is being used by a trucking company.

REP. HARPER wondered why a private user running a for-profit business should receive a tax exemption. SEN. AKLESTAD said they would be taxed if they were the sole user of that facility.

Closing Statement by Sponsor:

SEN. AKLESTAD closed.

HEARING ON HB 680Opening Statement by Sponsor:

REP. BOB REAM, HD 54, Missoula, said HB 680 would eliminate the tax credit to utilities for the no-interest, or low interest, loans they make to consumers for installation of energy efficient equipment. He said he was a strong supporter of the program but the bill provides those credits should become part of the rate base. He said the state has given too many tax credits. Tax indexing is costing the state \$70-80 million per year. He said tax credits are the worst expenditures because they come right

off the top of the tax that is due the state. This tax credit amounts to \$355,000 per year. The utilities have the option of taking the credit against their electrical energy producers' tax or the corporation license tax. The bill provides a phase-out for current loans and would build new loans into the rate base through the Public Service Commission (PSC). The program encourages conservation of energy as the consumers expending the most energy should be the ones providing the credit for no-interest or low interest loans. This is a cost-effective way of conserving energy for the future rather than building new power plants.

Proponents' Testimony: None.

Opponents' Testimony:

John Alke, Helena attorney representing Montana-Dakota Utilities Company (MDU), appeared in mild opposition to the bill. MDU's energy efficiency assistance program is winding down and no new loans are being made. He said the passage of this bill would have no impact on MDU. Their opposition is based on the fact that the results wouldn't be known for a year or two. He said within the last year the PSC and the Legislature have enacted a comprehensive new way for utilities to look at acquiring resources through HB 390. A significant element of that new approach is to put conservation on an equal footing with generation resources. He said HB 680 may be the proper approach but that remains to be seen until HB 390 is fully implemented, and until the PSC's rules of integrated least-cost planning are implemented. He asked the Legislature to give them two years to work through the collaborative processes needed to examine the questions that HB 680 raises. He said that perhaps in two years HB 680 should be enacted into law but asked for a do not pass at this time.

Mike Pichette, Montana Power Company (MPC), echoed the comments of Mr. Alke because the impact on the conservation loan program is unknown. He asked that the Committee not pass the bill at this time. SB 225, which has been passed by the Legislature, would also be a good place to look at all of the impacts.

Questions From Committee Members and Responses:

REP. BOHLINGER said he was concerned that the program would be abolished, the funds would disappear and energy efficiency would be eliminated. **REP. REAM** said the bill would not eliminate the program. Many utilities are already doing this because it's a way of investing in energy resources. If the utilities save 40% of their energy, that is 40% they do not have to generate or buy. The PSC could distribute \$335,000 over all ratepayers in the system. The program would not disappear but the ratepayers would be subsidizing the program rather than the taxpayers.

REP. BOHLINGER asked if the utilities would make the loans available if there was no tax credit. **REP. REAM** said Great Falls Gas and Electric is doing it without a tax credit. Out-of-state utilities are also doing it.

REP. FOSTER said he feared the bill would ultimately result in increased utility rates. He asked what incentive the utilities would have to promote the conservation-type loans. Currently, they get the full tax credit for the year as opposed to the provisions of this bill which affect their rate base. **REP. REAM** said one incentive is that it is the least costly way of investing in energy resources.

Bob Anderson, Chairman, Public Service Commission (PSC), said the Commission recently adopted rules requiring utilities to submit least cost integrated resource plans that would address conservation programs. Utilities must be provided with the right kind of incentives to make these least cost investments. The PSC will determine what incentives to offer.

Closing Statement by Sponsor:

REP. REAM said those consumers who are striving toward energy efficiency should be rewarded at the expense of those who are using energy foolishly. Two policies are addressed in the bill; the energy policy and the tax policy. The bill provides that the \$355,000 could be garnered from the ratebase by the rulemaking authority of the PSC. He said it could be done right now and there is no need to wait two years as suggested by the opponents.

HEARING ON HB 608

Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, HD 17, Glasgow, said the bill was introduced as a result of a legislative request to combine the Water Development and Renewable Resource Development Programs. These grants have been administered as one program for the past four bienniums. The bill does not expand either eligible projects or eligible applicants. The Long-Range Planning Subcommittee stated its intent was to establish minimum funding levels for the grant programs in HB 6. For the past several bienniums grant funding has decreased and at the same time revenues flowing to these accounts has increased. Appropriations to the natural resource agencies account for the increases. This bill establishes minimum funding levels for the Renewable Resource Grant and Loan programs and the Reclamation Development Grant Programs. He said the intent of the legislation is to ensure that grants are funded first and the bureaucracy second. This bill is an attempt to address some of the economic needs of the state with the grant and loan program.

Proponents' Testimony:

Mark Simonich, Director, Department of Natural Resources and Conservation (DNRC), expressed support for the bill. He said it is an important bill for programs which the Legislature directed DNRC to develop and implement. He said over the years more of the agency functions have been funded out of RITT interest proceeds and less has been available for grants. The bill is important because it elevates the grants program above the agency. There will be a minimum amount of money available for grants for rural development.

Ray Beck, Administrator, Resource and Conservation Development Division, DNRC, submitted written testimony in support of the bill. EXHIBIT 3

John Tubbs, Bureau Chief, Water Development Bureau, DNRC, explained page 4, EXHIBIT 3, which gave an overview of HB 608 including amendments. This would put into statute what has been done for the past three bienniums. He illustrated what would happen if some of the projects are not funded, e.g., the Whites Gulch Placer Mine Reclamation in Broadwater County where there would be a potential for losing the West Slope Cutthroat Trout population because of erosion. Water Development and Renewable Resource Development Programs on page 6 of the exhibit could all be funded with HB 608.

John Metropoulos, Flathead Joint Board of Control, said the Board is comprised of three irrigation districts and serves about 2000 irrigators. They support HB 608 primarily because of the minimum funding levels which would be established. He said because urban growth has been so rapid, grants have assisted agriculture in more efficient and clean use of water. He said without the assurance of a minimum funding level each year neither the applications or the projects funded by the state will be as good as they could be.

Max Maddox, irrigator in the Milk River Valley and Vice President of the Montana Water Resources Association, said they need the grants in the Milk River area. He said they have an old system but because it was built by the irrigators themselves, the Bureau of Reclamation has deemed they are not eligible for loans or assistance. They have assessed their users \$1 million to update the system. They have been recipients of grants in the past which allowed them to address desperately needed projects. The grants stretch their local tax dollars and help local businesses and contractors. He said they are also involved with projects on three Indian reservations so they need these services. Minimum funding levels would be a great advantage to the Milk River area.

John Bloomquist, Montana Stockgrowers Association, expressed support for HB 608. He urged the Committee to pass the bill.

Clint Peck, Editor of the Montana Farmer Stockman Magazine, Billings, agreed with the previous testimony. He said in his travels throughout the state he sees many benefits to the rural communities because of these grant programs.

Lorna Frank, representing the Montana Farm Bureau, expressed support for HB 608.

Mike Molenski, Montana Conservation Districts, wholeheartedly supported improvements in grant funding in Montana. It is money well spent and stimulates the local economy. He urged a do pass recommendation.

Jo Brunner, Executive Director, Montana Water Resources Association, submitted written testimony and asked for a do pass recommendation. **EXHIBIT 4**

Stan Bradshaw, representing Trout Unlimited, said another part of this program is reclamation of previously disturbed land. He said there are three projects that are the heart of the reclamation program that may not receive funding. This bill stabilizes the grants program and it is the right thing to do.

Karen Fagg, representing the Racicot Administration, said the Administration totally supports of HB 608. The Legislature has to decide whether or not it will maintain a grant program. She expressed concern over diverting this money to general government and into other non-appropriated activities. Previous testimony indicated the monies available to the grant programs over the last 4-5 bienniums have been substantially reduced because the monies have been diverted into local government. If the grant project is retained, then it must be elevated above general government so the grant program would be guaranteed minimum funding before appropriations are made to general government. In order to do that, it is necessary to divert some of the proceeds. That is also a concern, but not precedent setting because of **REP. DRISCOLL'S** bill which diverts 14.5% of the proceeds of the RITT for groundwater investigation throughout Montana. HB 608 diverts another 40% of the proceeds which will delay the capping of the trust by about three years. The Administration want to remain consistent with the Constitution by capping the trust fund when it reaches \$100 million. If HB 608 passes, that will occur about 1999, rather than 1996. It is also the intent that those monies be used the way they were originally intended, that is, for reclamation and improvement and enhancement of natural resources. That is the reason the grants were moved to the top, and why the \$2.4 million was assigned to the reclamation activities and \$1.6 assigned to the water development renewable resource program.

Ms. Fagg pointed out the concern has been that money has been going to the agricultural area. She said in the agricultural area, the tradition of the program has been to require substantial matching dollars in order to receive any of the

monies available through the RITT program. She said Yellowstone County had asked for \$100,000 grant and received a \$50,000 grant matched by \$393,000 in local dollars. There were no federal dollars, the matching funds were private. The Committee must ask themselves if they are going to maintain the intent of the RIT tax. If so, they must maintain the grant program because the grant programs will be eliminated within three years before the trust is capped because legislative actions will take more of the RITT money for general government. She said there had been a bill introduced by the General Government Subcommittee recommending that \$812,000 of this biennium's RITT money be diverted to the Crow coal tax litigation account. In that bill, the Legislature is looking at using the existing obligated grant monies to fund a litigation account. The Administration believes that is an inappropriate use of RITT revenues. That is why there must be a minimum amount established and the grants must be elevated above general government. If the Legislature decides to maintain the grant program, it must be funded. She said the downside would be that they would have to take proceeds to stabilize the grant program.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. DRISCOLL asked **Ms. Fagg** how much of the \$17.6 million interest earnings last biennium was diverted to non-grant programs. **Ms. Fagg** said about \$11 million was diverted into general government, e.g., DNRC, water court for adjudication program, Environmental Quality Council (EQC), Department of State Lands (DSL) to operate the reclamation unit, etc. Some of it goes to Superfund activities. It is spread out in state government in natural resource areas.

REP. DRISCOLL asked how much would be diverted this biennium. **Ms. Fagg** said it would increase by about \$2.3 million because of actions taken by the Appropriations Committee. It would require a diversion of proceeds to accomplish the prioritization of the grants program, also.

REP. HARPER, referring to the chart, said he had introduced a bill in 1985 (Governor Schwinden's Legacy Program) that would have established funding levels for the RITT. He said the Legislature rejected that program, but the intent was very clear that the administration should get the RITT money out of general programs and into the grant program. In 1987 the grant program went up substantially in relation to the RITT earnings and then there was a relapse into the old patterns of general government funding. This bill was submitted to the full Appropriations Committee and the general fund money to fund these agencies was taken from RITT, but the money was replaced from the flow into the trust, not from the interest. That is why the grant money is almost gone.

REP. HARPER asked if the grant programs could be fully funded if the Legislature raised the \$2.2 million general fund dollars to provide funding for the agencies without diverting money from the proceeds of the trust fund. **Ms. Fagg** said they would still have to divert a certain percentage which she estimated to be closer to 15% than 40%. The policy has always been to fund the agencies first and the grants second.

Ms. Fagg said the Long-Range Subcommittee had recommended establishing a minimum amount of money for the grant programs because they thought it was unfair that they were dealing with applicants throughout the state for needy projects, only to find out Appropriations had spent the money. They have raised the question the past several sessions.

Gary Amestoy, Administrator, Reclamation Division, Department of State Lands (DSL), said the Division is the state regulatory authority for administration and enforcement of Montana's mine lands reclamation statutes. He said they are also responsible for the administration of the Abandoned Mine Reclamation Program. He said their programs currently are funded by federal funds, state special revenues from the RITT, and general fund monies. The abandoned mine program is 100% federally funded, the coal program is a combination of 76% federal and 24% RIT funds. The open cut program and hard rock program are funded by RIT and general funds. He said HB 608 would impact the general fund dollars now going into the open cut and hard rock programs and they would then be funded 100% by RIT money.

REP. FELAND asked if the reclamation projects were funded out of the interest. **Ms. Fagg** said if HB 608 dies, the monies available would fund the first project and one-half of the second project shown on page 4 of **EXHIBIT 3**

REP. FELAND asked where the \$18 million in interest would go. **Ms. Fagg** said the remainder of the money would be used as matching money for Superfund projects. It would also fund the Water Court, Compact Commission, the adjudication program at DNRC, and the reclamation unit at DSL.

REP. FELAND said the grant program was originally set up to pay for reclamation. The oil industry pays for approximately 62% of this fund. He asked why are the projects on page 5 are funded by this grant if they do not have anything to do with oil and gas or mining. **Ms. Fagg** said the other programs, e.g., agricultural activates, were specifically designated by the 1981 Legislature for that purpose. Also, in 1981 the Legislature decided to fund water projects. The Legislature determined that was consistent with the intent of RITT because the RITT specified money should be used for reclamation and general natural resource enhancement, and water projects are considered to be natural resource enhancement projects. On page 4 of **EXHIBIT 3**, the top projects are oil and gas projects and all requests for oil and gas, abandoned wells, capping or enhancement, were funded because the

agency recognized the oil and gas industry paid a significant portion of this tax and felt those monies should go to the oil and gas industry. All of the money requested by the oil and gas industry was granted.

Closing Statement by Sponsor:

REP. BERGSAGEL said the reason for the bill is to ensure the money paid by resource industries is used for reclamation of land and natural resources. He said REP. FELAND's the Long-Range Planning Subcommittee took a hard look at the projects and they specified the money should be spent on reclamation projects and environmental concerns. When the Subcommittee members discovered RITT money was used for lawsuits and the operation of general government they decided to introduce this bill. He encouraged a favorable recommendation by the Committee.

CHAIRMAN GILBERT RELINQUISHED THE CHAIR TO VICE CHAIRMAN FOSTER IN ORDER TO PRESENT HB 671

HEARING ON HB 671

Opening Statement by Sponsor:

REP. BOB GILBERT, HD 22, Sidney, said he and REP. JIM ELLIOTT are co-sponsors of the bill. He said they would both present portions of the bill. This is a bipartisan income tax bill resulting from a long and arduously negotiated compromise. He said none of the sponsors were overly enamored with the bill but an agreement had to be reached in order to fund the 1994-95 budget. He said it was not wise political action to set a budget and then hope the public would pass a tax reform policy to fund it. If the tax reform proposal fails, the Legislature would have to meet in special session. He said HB 671 attempts to raise approximately \$58-60 million from income tax adjustments and increases.

REP. GILBERT said the bill would not be used to raise additional dollars above the \$99 million under any circumstances. Pet projects will not be funded by attempts to amend HB 671. He said the bill contains a 7.5% flat tax, it changes the exemptions and deductions, and includes a one time tax credit provision for those who might sell their business or farm because the bill has eliminated federal deductibility and there is no longer a capital gains provision. He said they wanted to have some way of lessening the tax burden on those people.

REP. JIM ELLIOTT, HD 51, Trout Creek, said he, **REP. GILBERT, and SPEAKER MERCER** had worked on the bill and realized that differing parties and political philosophies would disagree on some issues and agree on others, but would reach a compromise to the benefit of the state of Montana. He said there were two basic components to the bill: 1) the corporate income tax, and 2) the individual income tax. Previously, when the state has been in financial trouble and the Legislature has applied income tax surcharges, they have been applied equally to corporations and individuals. He said Subchapter S Corporations' filing fees will be raised from \$10 to \$25; C Corporations would have their minimum fee increased from \$50 to \$100, corporations with a taxable income under \$500,000 would see no change in their taxable rate, and corporations with taxable income over that amount would be charged at a rate of 7.25%. Those provisions in HB 671 are expected to raise \$2.7 million annually, or \$5.4 million in the biennium.

The individual income tax portion of the bill is the 7.5% flat tax on Montana adjusted gross income and is based on the income tax portion of the sales tax bill, SB 235. The individual deduction is \$5,000, married \$10,000, head-of-household \$7500, and each exemption is \$3500. There is a new two-earner deduction of 10% of the Montana adjusted gross income up to \$3000. There are no itemized deductions. They felt the high level standard deduction makes up for that, especially in the lower income brackets. The bill contains a tax credit for the sale of a business to offset the loss of the federal deductibility. That is a maximum one-time tax credit of \$24,750 up to \$1 million net gain. This begins to phase out at \$1 million and by \$3 million it is completely gone under the two for one phase-out.

REP. ELLIOTT said it is important to point out the great difference between the revenue the bill will bring to the state and what it will cost the citizens of the state. In calendar year 1993 (the bill is retroactive to January of 1993) there would be an increase to the state of \$29.4 million. This includes part-year residents and other non-traditional taxpayers. At the same time, there is a tax increase to full-time Montana residents of \$17.8 million. The reason for that difference, which amounts to \$11.6 million or 36% of the total revenue raised for the state, is that the federal government will be paying that tax. They pay that tax through what is known as the federal offset which is an instrument that is discussed very little, but an important concept to remember. The federal offset is the refund or the lowering of federal taxes due to the increase in the amount of Montana taxes deductible from federal income. Montana taxpayers can deduct Montana state income taxes from federal taxes which lowers the Montana taxable income on the federal scale. A tax increase in the state of Montana will increase the amount of income that can be deducted from federal taxes. As the amount of income that can be deducted from

federal taxes is increased, the federal tax is decreased. The net result of that federal offset is what the Montana taxpayer will pay. The sales tax does not offer that same mechanism to the taxpayer.

REP. ELLIOTT also discussed the rate of the proposed tax. The rate of the tax is the amount of tax an individual pays divided by gross income. He said they figured this rate to the rate of tax paid, less the federal offset, so the real amount of increase to the Montana taxpayer is divided by that taxpayer's gross income. He said the current effective rate is 4.4% and with HB 671 it would raise to 5.06%.

REP. ELLIOTT said the bill has been a bipartisan effort and is still subject to change. The negotiations on the bill are very delicate and he hoped that histrionics and partisanship on the part of opponents would not be evident. If so, it would be a great disservice to the state of Montana.

Proponents' Testimony:

Denis Adams, former Director of the Department of Revenue (DOR), read his written testimony. **EXHIBIT 5**

Verbatim Testimony of Rick Hill, representing the Governor's Office, follows:

Mr. Chairman, Members of the Committee, for the record my name is Rick Hill and I'm here as a representative of the Governor's Office.

Mr. Chairman, the Governor applauds the efforts of this committee and of the House of Representatives in trying to fashion a permanent and lasting solution to the budget situation and the 99/99 solution as it is being discussed. The Administration has worked hard, I think, with the House of Representatives to try to help fashion solutions to the problems, both dealing with the spending side and the revenue side of the equation. However, in the process, as well, the Administration has reserved the right to express its concern and reservations if it felt as though its input was advised. We do support the income tax as part of the 99/99 solution and we do not have a quarrel with the amount of income tax that we're trying to generate to balance the budget.

However, the Administration does have some reservations about the structure of the proposal that is before you and has prepared an alternative concept for you to consider and I would like to pass those out if I could. **EXHIBIT 6**

Again, I would like to respond to **REP. ELLIOTT'S** comments in regard to the sensitivity of the issue and the Administration is very sensitive to the fact that it is going to take bipartisan cooperation to work ourselves through this. However, we would like this alternative considered.

I will just recap, briefly, what those changes would be to the current proposal and then the Director of the Department of Revenue is here if you have any questions about that.

What we would propose is the following changes: the tax rate, instead of being 7.5%, would be 6.9%. We would propose that the standard deduction be phased in as a percent - 30% - of adjusted gross income, subject to the same caps that are in the current bill. And also, at the upper end, beginning at \$130,000 continuing on to \$200,000 the standard deductions and the standard exemptions would be phased out.

With that, Mr. Chairman, I conclude my testimony.

Opponents' Testimony:

Dennis Burr, representing the Montana Taxpayers Association, asked the Committee to consider some concerns regarding changes in personal and corporate income tax. In Montana there are extremely high marginal rates that are offset by the federal tax deductibility. To a certain extent, this bill changes that. The fact that Montana does not allow deductions for federal taxes paid has a significant effect on corporate taxes. If corporate income taxes must be raised, this bill does it the correct way, by raising the rate and not getting involved with deductions. In Montana, the only place to go for state tax increases of any appreciable amount is the personal income tax. He said 47% of the people would gain and 48% would lose under the provisions of HB 671. People with high itemized deductions would end up paying more. Two-income families would also be hit harder than they are currently. He said in order to raise the needed dollars, he would prefer an income surcharge of approximately 10%. If it has to be a permanent increase, the rate should be raised 10% in each bracket. This would maintain the income tax system. He said SB 235 does about what HB 671 does but with lower rates. SB 235 reduces income taxes approximately \$50 million, HB 671 increases income taxes about \$30 million. He said both bills also eliminate income taxes for large number of Montanans. With SB 235 imposing a sales tax, we are broadening the number of people who would be paying tax under that proposal while reducing the number significantly under HB 671. The Montana taxpayer is also subject to county and school district taxes. He said the legislature had only cut \$39 million in the school foundation program, which simply pushes those additional costs on to school districts. He said the legislature has gone a long way towards the \$99 million in increased taxes and this could put them over that amount.

Questions From Committee Members and Responses:

REP. ELLIOTT said the dollar figure raised by this bill is not used as a base for the 7% solution. He said there would be an amendment presented to address this.

REP. McCAFFREE asked **REP. ELLIOTT** to briefly address the Montana Consumer Price Index (CPI). **REP. ELLIOTT** said the Montana CPI would be a fraction of the federal CPI. He said they felt they needed to get away from the federal CPI because costs in Montana do not rise with the national average, but at about 50% of the national average.

REP. REAM asked if HB 671 would be hitting single taxpayers harder than they were previously.

REP. ELLIOTT said in general, single taxpayers under age 65 with no dependents would have a tax increase. At an income level of approximately \$14,000 there would be a slight increase which would rise commensurately with income. The head-of-household exemption remains at \$7500, is not subject to the lower deduction, and would also have the added exemption for children.

REP. REAM said currently the individual income tax brings in about \$300 million per year and the corporation tax about \$66 million. HB 671 does not contain a proportionate increase in the corporation license tax.

Closing Statement by Co-Sponsors:

REP. GILBERT thanked **REP. ELLIOTT** for his efforts and also thanked the other people who worked on HB 671. He thanked DOR for their extraordinary efforts to accommodate the sponsors requests for information.

He said they were aware of the Governor's proposal presented by **Rick Hill**, and said they were willing to look at it but it has some serious problems. He said he respected **Mr. Burr's** position and recognized that **Mr. Burr** would like to see tax reform; they would all like to see tax reform. Unfortunately, there are different interpretations of tax reform and there wasn't time to discuss them. This bill was not intended to be tax reform, but to get the state funded for the next two years in the event that tax reform is not a reality. He said the bill is not pretty, but it is real. The legislature has to work for tax reform, but in the meantime there must be something in place.

REP. ELLIOTT responded to some issues that had been raised during the hearing. In response to **REP. REAM'S** concerns regarding the single filer, he said the single filers in Montana account for 42% of the tax returns. As a class, their tax, after the federal offset, would increase \$7.6 million. At the same time, 45% of single filers would see a decrease in their tax and 22% would see no change under this proposal.

REP. ELLIOTT pointed out that Montana ranks below the national average in corporate taxes with a 6.75 rate, and well below some of the surrounding states. He said in the past 10 years, the corporate income tax expressed as a percentage of personal income tax declined by 24%, while during that same time, the personal

income share of Montana taxation had risen by 22%. At the same time, the overall total tax share in the state on individuals declined by .08%.

REP. ELLIOTT said he and REP. GILBERT felt the surcharge was not the way to go because, while it raises everyone's taxes by the same proportion, it raises low and middle income taxes disproportionately to the increase in upper level income taxes. In the past, Montana has been bailed out by low and middle income Montanans. He said HB 671 changes that pattern.

He said he and REP. GILBERT found they were incredibly close philosophically in some areas; they did not want to hurt the little guy and they did not think it was unduly burdensome for the wealthy Montanans to pay a little more. He said there were portions of the bill that neither of them liked but he hoped their efforts would not be in vain.

CHAIRMAN GILBERT REASSUMED THE CHAIR.

ADJOURNMENT

Adjournment: The meeting adjourned at 11:00 a.m.


REP. BOB GILBERT, Chairman


JILL ROHYANS, Secretary

The minutes were written by Louise Sullivan and edited and proofed for content by Jill Rohyans.

BG/jdr/lis

TO: Senate Appropriations Committee
FROM: Toole County, Montana
DATE: March 8, 1993
RE: SENATE BILL NUMBER 412

EXHIBIT 1
DATE 3/17/93
SB 412

A BILL TO EXEMPT FROM TAXATION
THE BENEFICIAL USE OF PROPERTY
HELD BY A STATUTORY PORT AUTHORITY.

INTRODUCTION

This bill has been introduced to provide for the tax exempt status of property held by statutory port authorities that allow public use of its facilities. The following is a question and answer format to provide you with information and address the issues.

1. What is a statutory port authority?

Port authorities are creatures of statute. The 1985 Montana legislature enacted Title 7, Chapter 14, Part 11 which provides that any county or municipality may create a public body, corporate and politic, to be known as a port authority. Additionally, two or more local governments may create a regional port authority.

The statutes specifically provide that the purpose of a port authority is to promote, stimulate, develop, and advance the general welfare, commerce, economic development, and prosperity of its jurisdiction and of the state and its citizens. The legislature also provided these authorities with other powers to generate business.

Several communities such as Billings and Butte, as well as Toole County, have created port authorities.

2. As corporate and politic public bodies, aren't they already exempt from taxation?

No. While the 1985 legislature specifically provided in Montana Code Annotated §7-14-1137 for tax exempt status of port authorities, the Department of Revenue has taken the position that any private use of these facilities is subject to the beneficial use tax located at Montana Code Annotated §15-24-1203. Thus, the port, as long as it is inactive will not be taxed; however, when a private company uses the facility it is taxed for the entire value of the facility. For instance, the Toole County Port Authority (known as the Northern Express Transportation Authority) has an operating agreement that provides a share of the use of its facility to a private trucking firm. This firm does not utilize the facility to capacity and the port authority is attempting to market the remaining capacity to other users. The Department of

market the remaining capacity to other users. The Department of Revenue has levied a tax against the private trucking company for the full value of the facility. This bill would exempt partial users of the property but if a private user leased the entire facility to the exclusion of the public, then the beneficial tax would apply.

3. If a private user benefits from the facility why shouldn't they be taxed for that use?

The answer is quite simple; if the private user has exclusive control over the facility they should pay the tax. However, if the facility remains open to the public to use, no taxation is proper. The 1985 legislature provided for tax exempt status to create new business and boost local economies. This bill simply "cleans up" the beneficial use tax and brings it in line with the original intent of the authors of the original bill to create port authorities.

4. Are there other exemptions to the beneficial use tax?

Yes. Port authorities were created with tax exempt status and yet the legislature did not add it to the list of other exemptions from the beneficial use tax which include:

- A. airport buildings owned by public entities; and
- B. farm, timber, mineral or grazing leases of public land; and
- C. electric lines of less than 500 kilovolts; and
- D. certain railroad rights of way.

Each of these exemptions were created for a purpose but it appears that none of the exemptions were intended to create jobs in communities with declining industry. The port authority statutes were enacted to assist communities in creating more commerce and thus, more jobs and an expanded tax base, at the slight expense of the property taxation.

5. What about the loss of taxation of this property?

The loss of beneficial use taxation is minimal when the increased taxation of employees and business are considered. It is well known that in Montana, you have to spend money on the feed for the ewes in the fall to have wool and lambs in the spring. The users of port authority property will pay their share of Montana taxes. They pay employee taxes, their own property taxes, and business taxes. Montana needs the jobs. Montana needs new business.

CONCLUSION

This bill simply clarifies the tax exempt status of public port authorities.

EXHIBIT 2
DATE 3/17/93
SB 412

PORT OF MONTANA

P.O. Box 3641 Butte, Montana - 59702 Phone: 406-723-4321 Fax: 406-782-8510

Testimony SB 412

March 9, 1993

Mr. Chairman. Members of the Committee, my name is Bill Fogarty. I am the Marketing and Traffic Manager for the Port of Montana at Butte. I am also representing Jack Lynch, Chief Executive, Butte-Silver Bow who is in Washington D.C. this week. We are in support of SB 412.

As you are aware, the Port of Montana and the Port of Shelby were both established as public port authorities under Chapter 14, Title 7 of the Montana code. The Port of Montana is governed by a five member board who are appointed by the Chief Executive of Butte-Silver Bow. The board hires and supervises the General Manager and the Marketing Manager. The other office staff and yard personnel are hired by either of the two managers named above. The Port of Montana leases the grain terminal operation to a private company. This company has the exclusive use and management responsibility for this facility and pay taxes accordingly. The remainder of the Port of Montana facilities are operated by the Port of Montana as a public port authority. The services and facilities operated by the port management include warehousing, distribution and transloading services, primarily for bulk commodities such as forest products, minerals, ores and fertilizer.

The Ports were created to enhance Montana's Transportation system and aid in economic development. The port's have enhanced the ability of Montana's shippers and producers to compete more effectively in the market place by offering intermodal services access to new markets and competitive rates.

Even though Dick Irvin Inc. is the operator for the Port of Shelby, the trucking firm hauls commodities regularly from and to the Port of Montana. The two ports are working actively on joint efforts particularly in the marketing area. This will be a plus for all Montana businesses. Dick Irvin Inc. is the Port of Shelby operator, but must service all customers whether they are competitors or not.

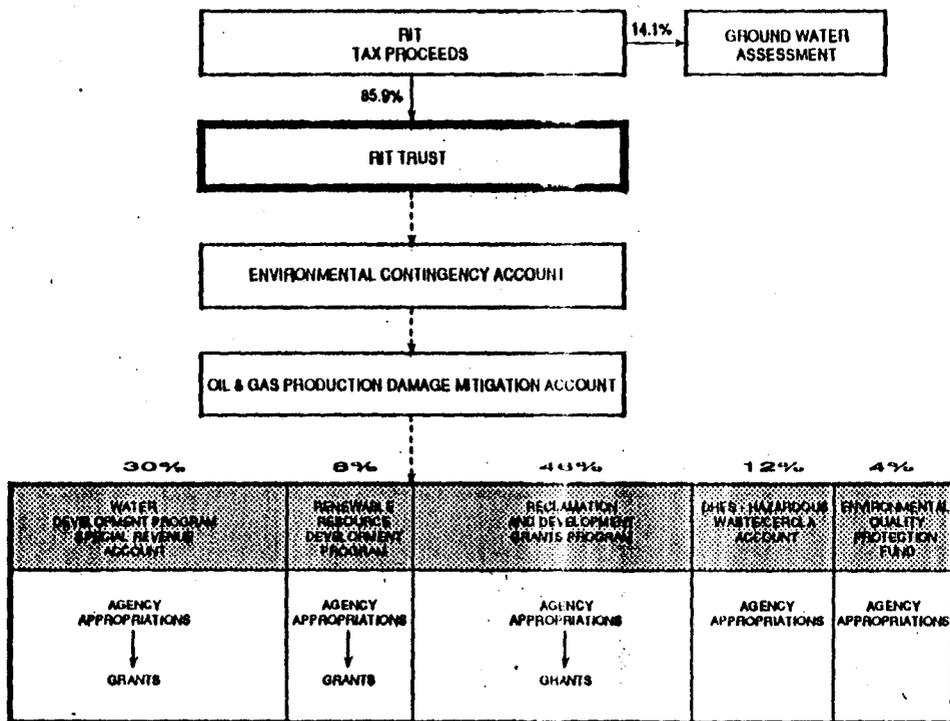
Adding unnecessary cost burdens to the ports makes it more difficult to attain the goals they were created for: to offer cost effective transportation services and enhance economic development.

HOUSE BILL NO. 608

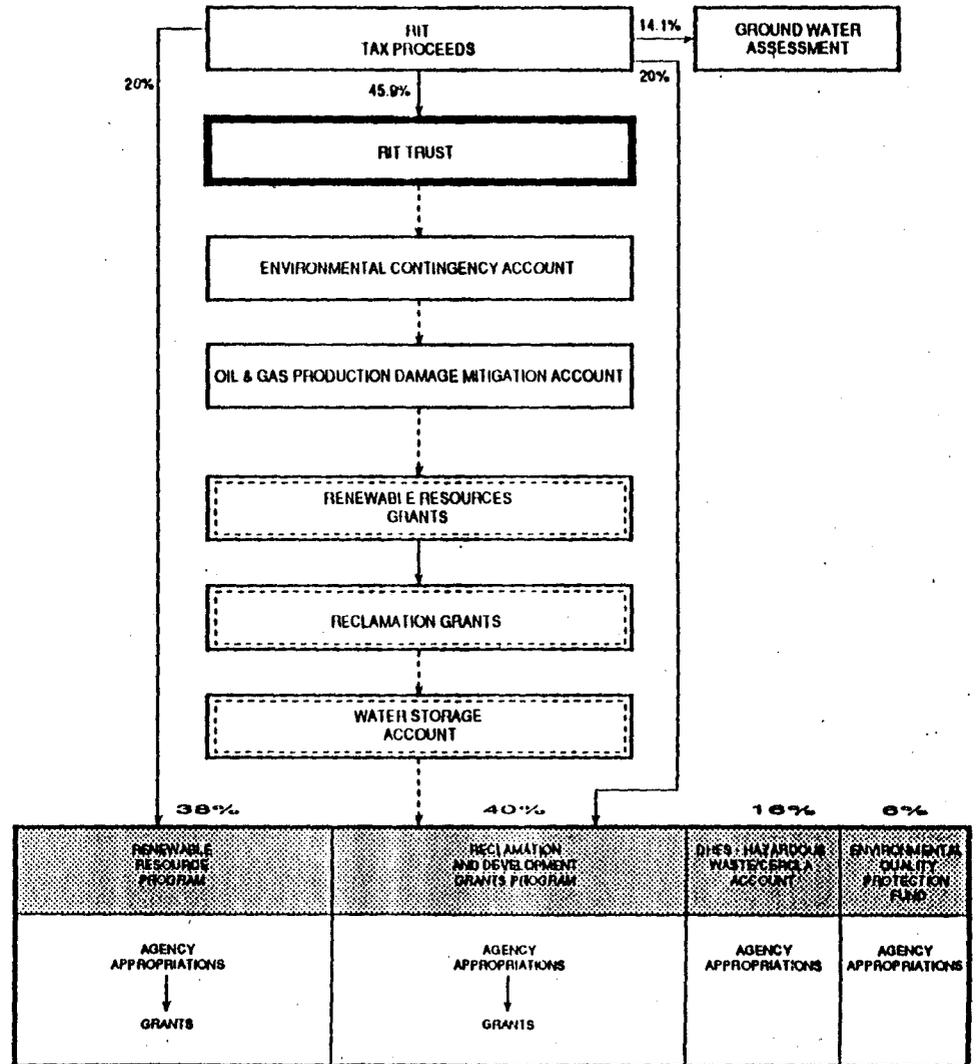
- **The RIT's original intent was to provide funding for reclamation projects, to protect and enhance the natural resources of the state, and to support projects that benefit the economy of the state. HB 608 elevates the RIT grant programs above agency appropriations. By giving priority to the grant programs the legislature is preserving the original intent of the RIT.**
- **The legislature must decide either to fund these grant programs or not. Without HB 608 agency appropriations will leave only \$727,852 for grants. Session after session the agency appropriations have taken larger and larger shares of these revenues. The time has come to either fund viable grant programs that assists local governments throughout the state or to only fund agencies.**
- **RIT will continue to fund natural resource agencies. With or without HB 608, House Bill No. 2 provides \$20,838,545 of RIT revenue for agency appropriations. These RIT revenues fund programs and projects in DNRC, DSL, DHES, Water Courts, EQC, State Library, the Reserved Water Rights Compact Commission, and the Montana Salinity Control Association.**
- **The grant programs invest money in local projects and provide needed matching funds. For example, the 1991 legislature provided a \$300,000 grant to design the WASTEC center located in Silver-Bow County. This has led to a \$14 million investment from the U.S. Department of Energy and the EPA. \$400,000 in grant funds were awarded to irrigation districts along the Milk River. Over a million dollars in local match was raised for these projects. In the next biennium grants, a \$300,000 grant to fund the DHES non-point pollution control program along with 9 reclamation grants, provide the required state match. The federal cost share would be as high as \$2.6 million for pollution prevention, if these grants are funded. There are no other programs that can provide this match to leverage these federal dollars.**
- **The grants programs fund needed improvements and provide one of the only sources of funds to reclaim lands that have been impacted by mining and mineral development. Grants this biennium provide funding to:**
 - Plug 29 abandoned oil wells that are listed as the highest priority by the Board of Oil and Gas
 - Reclaim 2 placer mines on two streams that provide important habitat for fisheries. One protects the only remaining west slope cutthroat population in the Big Belt mountains. The other reclaims a tributary to the Big Blackfoot and would restore needed spawning beds.
 - Provide funding for eight small rural water and wastewater systems. These small systems have an very difficult time affording the EPA mandated system improvements without assistance.

CURRENT LAW

15-38-106, 15-38-202



HB 608 AS AMENDED

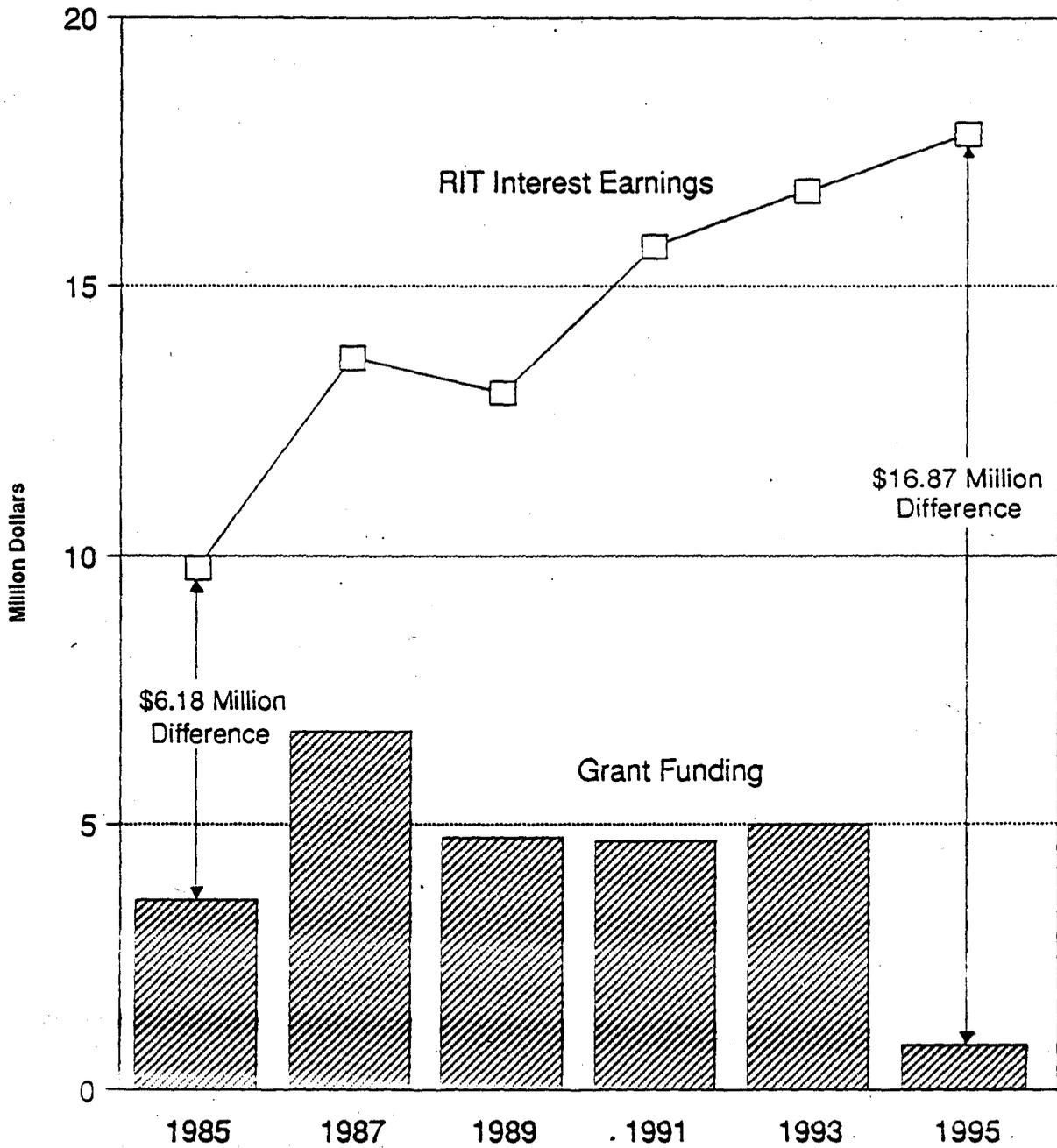


PROCEEDS

INTEREST

Funding for RIT Grants DNRC

EXHIBIT #3
DATE 3-17-93
HB-608



Based on June 30, 1992 Cash Flow Sheets and March 15, 1993 Income Estimates

HOUSE BILL NO. 608 -- OVERVIEW
with amendments

Section 1: (page 4, line 8 through page 6, line 17)

This section allocates RIT proceeds to the Renewable Resource State Special Account (20%) and Reclamation and Development (20%). These funds mitigate the impact of funding grants first (10%) and provide for general fund replacement (30%).

Section 2: (page 6, line 18 through page 9, line 13)

This section allocates the RIT interest for minimum grant funding for the FY 94/95 biennium. The minimum grant funding levels are \$1.6 million for renewable resources, \$2.4 million for reclamation and development, and \$400,000 for water storage.

Section 3: (page 9, line 14 through page 12, line 12)

This section allocates the RIT interest for minimum grant funding for the FY 96/97 biennium and into the future. The minimum grant funding levels are \$2 million for renewable resources, \$3 million for reclamation and development, and \$500,000 for water storage.

Sections 4 through 31 (page 12, line 13 through 52, line 7)

These sections combine the water development and renewable resource development programs. These programs have been administered as one for the past 3 bienniums. These sections simply combine the programs statutorily. The type of applicants and the type of projects that were eligible for these grants under existing statute are not changed when the programs are combined.

RECLAMATION AND DEVELOPMENT GRANTS

Fiscal Years 1994-95

Applicant	Project Name	Recommended Funding	Comm. Action	Cumulative Over/(Under)	Comm. Recommends
1 Board of Oil & Gas Conservation	Kevin-Sunburst Plugging & Reclamation	\$299,000	\$299,000	\$299,000	\$
2 Board of Oil & Gas Conservation	Cat Creek Plugging & Reclamation	214,810	214,810	513,810	
3 Governor/Lt. Governor's Office	The Montana Office of Public Policy	127,667	127,667	641,477	
4 Town of Walkerville	Walkerville Reclamation Project	75,569	50,000	691,477	(25,500)
5 Dept. of State Lands	Well Assessment & Abandonment	211,800	0	691,477	(211,800)
6 Broadwater Conservation Dist.	Whites Gulch Placer Mine Reclamation	296,300	296,300	987,777	
7 Toole County	North Toole County Oil Field Rec. ^{25,000+}	298,284	273,284	1,261,061	(25,000)
8 Dept. of Fish, Wildlife, & Parks	Elk Creek Placer Mined Channel Reconst.	72,850	72,850	1,333,911	
9 Town of Columbus	Waste Stream Reduction	41,172	41,172	1,375,083	
10 Montana Salinity Control Assoc.	Soil & Water Nonpoint Source Controlling on H&L	172,250	172,250	1,547,333	
11 Carbon Cons. District	RC&D's Affecting Change	300,000	300,000	1,847,333	
12 DHES	Nonpoint Source Pollution Control	300,000	300,000	2,147,333	
13 Bureau of Mines & Geology	Acid - mine drainage prevention in March	148,623	148,623	2,295,956	(150,000)
14 Jefferson Valley Cons. District	Crystal Mine Remediation Tech.	150,000	0	2,295,956	(17,700)
15 Deer Lodge Valley Cons. District	Developing Acid/Heavy Metal - Tolerant Cultivars	137,700	120,000	2,415,956	(17,700)
16 Glacier County Cons. District	Comprehensive Evaluation of Groundwater Conta	214,059	150,000	2,565,956	(64,000)
17 Valley County	Fort Peck Reservoir	300,000	100,000	2,665,956	(200,000)
18 DNRC	Arsenic Transport & Mobility	50,000	50,000	2,715,956	
19 Ravalli County	A Lake for Better Water Quality	300,000	300,000	3,015,956	
20 Butte - Silver Bow	Mitigation of Mining/Smelting damage	150,000	150,000	3,165,956	
21 Town of Hot Springs	Camas Therapy Center	150,000	150,000	3,315,956	
TOTAL					(\$694,000)

ending

12/14/93

car

12.4 million if 608

EXHIBIT # 3
DATE 3-17-93
HB-608

WATER DEVELOPMENT & RE-NEWABLE RESOURCE DEVELOPMENT PROGRAMS

Fiscal Years 1994-95

Applicant	Project Name	DNRC		Comm. Action	Cumulative	Comm. Over/(Under)	Loans
		Recommended Funding	Recommended				
1 Malta Irrigation Dist.	Water use efficiently improvements	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$50,000
2 Richland County	Dam evaluation and design	60,300	60,300	60,300	110,300	\$0	\$0
3 DNRC - Water Resources Div	Characteristics of extreme precip.	100,000	100,000	100,000	210,300	\$0	\$0
4 Town of RyeGate	Water system improvement	33,750	33,750	50,000	260,300	\$16,250	150,000
5 Yellowstone County	Yellowstone River project	100,000	100,000	50,000	310,300	(\$50,000)	\$0
6 Stockell/Cascade Water & Sewer	Sewer system	50,000	50,000	0	310,300	(\$50,000)	\$0
7 MSU, Water Course	Innovative water resource education	94,900	94,900	0	310,300	(\$94,900)	\$0
8 Butte - Silver Bow Local Govt.	Municipal compost production	50,000	50,000	50,000	360,300	\$0	49,884
9 Darby School Dist. #9	School park project	25,300	25,300	0	360,300	(\$25,300)	\$0
10 State Lands	Reforestation projects on state lands	21,974	21,974	60,000	420,300	\$38,026	\$0
11 Huntley Water & Sewer Dist.	Water system rehabilitation	50,000	50,000	50,000	470,300	\$0	50,000
12 Ruby Valley Cons. District	Upper Ruby riparian area improvements	100,000	100,000	100,000	570,300	\$0	\$0
13 Butte - Silver Bow Local Govt.	Blacktail Creek restoration project	100,000	100,000	0	570,300	(\$100,000)	\$0
14 MT Bureau of Mines & Geology	Groundwater protection/education	94,184	94,184	0	570,300	(\$94,184)	\$0
15 Town of Winnett	Sewer reconstruction	50,000	50,000	50,000	620,300	\$0	50,000
16 Fort Peck Rural Water Dist.	Water engineering study	40,000	40,000	40,000	660,300	\$0	\$0
17 Town of Daulton	Water system improvement	50,000	50,000	0	660,300	(\$50,000)	\$0
18 Petroleum County	Crooked Creek recreation center	50,000	50,000	0	660,300	(\$50,000)	\$0
19 East Glacier Water & Sewer Dist.	Midvale diversion structure <i>delete out of approval</i>	25,905	25,905	25,905	686,205	\$0	76,537
20 Town of Nashua	Water storage system improvements	50,000	50,000	50,000	736,205	\$0	\$0
21 Carbon County	Water system improvements	50,000	50,000	0	736,205	(\$50,000)	100,000
22 Chinook Div. Irrigation Assoc.	Repair of Lohman Dam	34,217	34,217	34,217	770,422	\$0	65,783
23 Chinook Div. Irrigation Assoc.	Irrigation water measuring devices	36,173	36,173	36,173	806,595	\$0	63,827
24 Liberty County Cons. Dist.	Sweetgrass Hills groundwater eval.	100,000	100,000	0	806,595	(\$100,000)	\$0
25 Custer County	County recycling project	4,725	4,725	4,725	811,320	\$0	\$0
26 Town of Circle	Water quality improvement project	15,000	15,000	36,000	847,320	\$21,000	\$0
27 Eastern Sanders Cons. Dist.	Accelerate soil survey on forestlands	99,000	99,000	99,000	946,320	\$0	\$0
28 MT Institute of Tourism	Study of the impact of tourism	35,494	35,494	0	946,320	(\$35,494)	\$0
29 Town of Hot Springs	Camas Therapy Center	100,000	100,000	0	946,320	(\$100,000)	\$0
30 Glasgow Irrigation Dist.	Installation headgate measuring devices	50,000	50,000	50,000	996,320	\$0	50,000
31 Hiller County Water & Sewer Dist.	Sewage and collection treatment facilities	50,000	50,000	50,000	1,046,320	\$0	50,000
32 Valley County	Fort Peck breakwater	100,000	100,000	0	1,046,320	(\$100,000)	\$0
33 Mile High Conservation Dist.	Radon assessment of Montana's aquifers	99,812	99,812	0	1,046,320	(\$99,812)	\$0
34 DNRC - Water Resources	Flathead Valley Coop. Groundwater Study	100,000	100,000	100,000	1,146,320	\$0	\$0
35 Missoula Urban Transp. Dist.	Alternative fuels initiative	56,185	56,185	0	1,146,320	(\$56,185)	\$0
36 Little Beaver Cons. Dist.	Water reservations implementation	47,318	47,318	47,318	1,193,638	\$0	\$0
37 Ravalli County	Groundwater vulnerability <i>251,000</i>	88,340	88,340	70,672	1,264,310	(\$17,668)	\$0
38 Yellowstone County	Rural water system development <i>151,000/10/50/5</i>	85,000	85,000	75,000	1,339,310	(\$10,000)	\$0
39 MSU	Guide to Montana water law	31,740	31,740	0	1,339,310	(\$31,740)	\$0
40 Hill County	Salinity control project	50,000	50,000	50,000	1,389,310	\$0	50,000
41 Roosevelt County Cons. Dist.	Recreational enhancement of Missouri River	7,000	7,000	7,000	1,396,310	\$0	\$0
42 Fort Shaw Irrigation Dist.	"A" System diversion	50,000	50,000	0	1,396,310	(\$50,000)	\$0
43 Dodson Irrigation Dist.	Water use efficiency improvements	31,569	31,569	31,569	1,427,879	\$0	31,328
44 Fort Shaw Irrigation Dist.	Rehabilitation & betterment study	50,000	50,000	0	1,427,879	(\$50,000)	\$0
45 Flathead Joint Board of Control	Fish friendly irrigation	44,500	44,500	44,500	1,472,379	\$0	54,500
46 Whitefish County Water & Sewer	Protection of Swift Creek pilot project	13,921	13,921	0	1,472,379	(\$13,921)	\$0

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ASSUMES HB 608 DOES NOT PASS

EXHIBIT #3
DATE 3-17-93
HB-608

RIT PROCEEDS PROJECTIONS				Ending
	RIT Proceeds	To RIT Trust	Trust Balance	
FY 93	5,012,489	5,012,489	87,502,387	
FY 94	4,563,683	3,920,204	91,422,591	
FY 95	4,854,850	3,998,516	95,421,107	

RIT TRUST INTEREST EARNINGS PROJECTION		FY94	FY95	TOTAL
		8,724,950	9,102,853	17,827,803

TOTAL 1995 BIENNIUM ALLOCATION OF RIT INTEREST EARNINGS		17,827,803
FIRST TIER DISTRIBUTION		
Environmental Contingency Account		\$175,000
Oil and Gas Production Damage Mitigation Account		\$50,000
TOTAL FIRST TIER BIENNIAL APPROPRIATIONS		225,000
AMOUNT AVAILABLE FOR FURTHER DISTRIBUTION		17,602,803

Distribution of Remaining Interest Earnings
"Second Tier" Distribution to Five Accounts

Account	Water Development	Renewable Resources	Reclamation & Development	Hazardous Waste/CERCLA	Environmental Quality Protection	TOTAL
Percent of RIT Interest	30%	8%	46%	12%	4%	100%
Beginning Balances	\$890,367	\$0	\$0	\$1,169,906	\$915,135	\$2,975,408
Revenues:						
RIT Interest	\$5,280,841	\$1,408,224	\$8,097,289	\$2,112,336	\$704,112	\$17,602,802
Coal Tax	391,053	391,053				782,106
Loan Repayments	1,186,651	152,180				1,338,831
NR Damage Repayment						0
Interest (STIP)				100,000	110,000	210,000
Administrative Fees	10,000					10,000
State Owned Proj. Rev.	538,604					538,604
Total Funds Available	\$8,297,516	\$1,951,457	\$8,097,289	\$3,382,242	\$1,729,247	\$23,457,751
Appropriation:						
Bond Debt Service	\$1,400,373	\$433,900	\$0	\$0	\$0	\$1,834,273
DNRC Centralized Services Division	443,411	713,708	311,576			1,468,695
DNRC CARD	661,332	427,253	996,475			2,085,060
DNRC Water Resources Division	1,943,544		2,724,302			4,667,846
Reserved Water Rights Compact Comm	326,747		674,341			1,001,088
DNRC State Water Projects	1,785,000					1,785,000
State Project Ownership Transfer	125,088					125,088
Missouri River Reservation	273,051					273,051
Montana Salinity Control Association			200,000			200,000
DSL Reclamation Div			2,534,319			2,534,319
DSL Central Management			63,592			63,592
DH&ES Environmental Division				2,295,218	1,040,262	3,335,480
Water Courts	1,046,712					1,046,712
State Library		207,470	183,615			391,085
Environmental Quality Council			27,256			27,256
Northern Montana College Pay Plan						
Total Appropriations	\$8,005,258	\$1,782,331	\$7,715,476	\$2,295,218	\$1,040,262	\$20,838,545
Projected Available for Grants	\$219,184	\$129,846	\$381,813			\$727,852
Projected Available for Water Storage	\$73,065	\$42,262				\$115,347
Projected Biennium Ending Balance	\$0	\$0	\$0	\$1,087,024	\$688,985	\$1,776,009

ASSUMES HB 608 DOES PASS

RIT PROCEEDS PROJECTIONS

	RIT Proceeds	To RIT Trust	Ending Trust Balance
FY 93	5,012,489	5,012,489	87,502,387
FY 94	4,563,683	2,094,730	89,597,117
FY 94	4,654,850	2,136,576	91,733,694

RIT TRUST INTEREST EARNINGS PROJECTIONS

	FY94	FY95	TOTAL
	8,715,992	8,940,752	17,656,744

TOTAL 1995 BIENNIUM ALLOCATION OF RIT INTEREST EARNINGS

17,656,744

FIRST TIER DISTRIBUTION

Environmental Contingency Account	175,000		
Oil & Gas Production Damage Mitigation Account	50,000		
Renewable Resource Grant & Loan Program	1,600,000		
Reclamation & Development Grants	2,400,000		
Water Storage Account	400,000		
TOTAL FIRST TIER BIENNIAL APPROPRIATIONS			4,625,000
AMOUNT AVAILABLE FOR FURTHER DISTRIBUTION			13,031,744

Distribution of Remaining Interest Earnings

SECOND TIER DISTRIBUTION TO FOUR ACCOUNTS

Account	Renewable Resource	Reclamation & Development	Hazardous Waste/ CERCLA	Environmental Quality Protection	TOTAL
Percent of RITT Interest	38%	40%	16%	6%	100%

Beginning Balance	\$890,367	\$0	\$1,169,906	\$915,135	\$2,975,408
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Revenues					
RIT Interest	\$4,952,063	\$5,212,698	\$2,085,079	\$781,905	\$13,031,745
RIT Tax Proceeds	1,843,707	1,843,707			\$3,687,414
Coal Tax	782,106				782,106
Loan Repayments	1,338,831				1,338,831
NR Damage Repayment					0
Interest (STIP)			100,000	110,000	210,000
Administrative Fees	10,000				10,000
State Owned Proj. Rev.	538,804				538,804

Total Funds Available	\$10,355,678	\$7,056,405	\$3,354,985	\$1,807,040	\$22,574,108
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Appropriation					
Bond Debt Service	\$1,834,273	\$0	\$0	\$0	\$1,834,273
DNRC Centralized Services Division	1,157,119	311,576			1,468,695
DNRC CARD	1,088,585	996,475			2,085,060
DNRC Water Resources Division	1,943,544	2,724,302			4,667,846
Reserved Water Rights Compact Comm	326,747	674,341			1,001,088
DNRC State Water Projects	1,785,000				1,785,000
State Project Ownership Transfer	125,088				125,088
Missouri River Reservation	273,051				273,051
Montana Salinity Control Association		200,000			200,000
DSL Reclamation Div		2,534,319			2,534,319
DSL Central Management		63,592			63,592
DH&ES Environmental Division			2,295,218	1,040,262	3,335,480
Water Courts	1,046,712				1,046,712
State Library	207,470	183,615			391,085
Environmental Quality Council		27,256			27,256
Northern Montana College					
Pay Plan					

Total Appropriations	\$9,787,589	\$7,715,476	\$2,295,218	\$1,040,262	\$20,838,545
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Projected Biennium Ending Balance	\$568,089	(\$659,071)	\$1,059,767	\$766,778	\$1,735,563
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March 17, 1993 - House Taxation Committee P 4

HB 608 -

support x

EXHIBIT 4
DATE 3/17/93
HB 608

Mr. Chairman, members of the committee for your information I am the Executive Director of the Montana Water Resources Association.

For many years a strongly supported resolution within the Montana Water Resources Association policy is to support increase of fundings for projects that will not only conserve our states waters but that will provide economic benefits at the local levels, which in return provides a greater tax return to the state of Montana.

Over the years the funding for local reclamation, conservation and rehabilitation projects for RIT and WATER Development funds has diminished greatly. To us it seems as if the shell of our programs are being maintained with less funding available for the actual on site work.

To many of our people, other rehab and conservation programs would not be available without this ^{program} funding. I think specifically of the Tongue River project, of the Hammond and Haidle projects who received Pick-Sloan help, and of the Lake Como rehab project.

Look at this committee how common sense

In this time of drought, and an increased uses for our water it is more and more important that we able to address those problems. Each time a project is funded, the ripple affect goes out to many other interests. Consider the Lima Reservoir ^{rehab} program, which will allow more water into Clark Canyon Reservoir, which will provide better fisheries there and in the stream, and will help out the irrigators, which in turn will benefit the community and the state.

We appreciate the source of this funding. And the frustration of those who are dedicated to using the monies for mining and other mineral rehabilitation programs. We believe that using this help for other natural resource industries is beneficial not only to agriculture and our rural communities, but to the state as a whole through providing rejuvenation and savings to the grass roots taxpayers.

of projects

We ask that you do pass HB608.

Jo Brunner

EXHIBIT 5
DATE 3/17/93
HB 671

H.B. 671 - REVISING INCOME TAX LAWS
TESTIMONY BEFORE HOUSE TAXATION COMMITTEE
March 17, 1993

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. FOR THE RECORD MY NAME IS DENIS ADAMS. THIS BILL CAN BEST BE CHARACTERIZED AS THE MOST DESIRABLE OPTION FROM A NUMBER OF UNDESIRABLE OPTIONS. I HAVE NEVER BEEN KNOWN AS AN ADVOCATE OF INCREASED RELIANCE ON INCOME TAXES TO FUND STATE GOVERNMENT. I STILL DO NOT ADVOCATE THAT POSITION. BUT I AM A REALIST. I DO NOT EXPECT THE LEGISLATURE TO MAKE GREATER CUTS THAN PROPOSED BY THE HOUSE. THAT MEANS THERE IS A NEED FOR ADDITIONAL REVENUE. AT THIS TIME I AM VERY SKEPTICAL THAT A SALES TAX WILL PASS A VOTE OF THE PEOPLE ON JUNE 8. SO WHAT ARE THE OPTIONS. WHAT BACKUP PLAN WILL BECOME LAW IF THE SALES TAX IS NOT PASSED. THE BACKUP PLAN IS EXTREMELY IMPORTANT. I HAVE LOOKED AT THE VARIOUS BACKUP PLANS DISCUSSED TO DATE AND I CONSIDER HOUSE BILL 671 TO BE THE MOST ACCEPTABLE.

WITHOUT A SALES TAX, THERE ARE ONLY TWO POTENTIAL SOURCES OF REVENUE WHICH CAN GENERATE ENOUGH MONEY TO ALLEVIATE A LARGE PORTION OF THE SHORTFALL - PROPERTY TAXES AND INCOME TAXES. PROPERTY TAXES CAN BE RULED OUT VERY QUICKLY. OUR BUSINESS PROPERTY TAXES, WHICH INCLUDE NATURAL RESOURCE TAXES, ARE ALREADY AMONG THE HIGHEST IN THE COUNTRY AND CANNOT TAKE ANY MORE INCREASE AND, IN FACT, SHOULD BE REDUCED. ANY PROPOSED INCREASES IN RESIDENTIAL PROPERTY TAXES ENCOUNTER A REAL BUZZ SAW BECAUSE OF THE IMPACT ON LOW INCOME AND FIXED INCOME TAXPAYERS.

SO THAT BRINGS US TO INCOME TAXES. IN THE LAST TWO SPECIAL SESSIONS AND THE LAST REGULAR SESSION OF THE LEGISLATURE, THERE WERE MANY PROPOSALS TO REVISE INCOME TAX LAWS. THE DEBATES ON THOSE PROPOSALS WERE VERY HEATED AT TIMES. HOUSE BILL 671 IS A NEW APPROACH TO TAXING INCOME IN MONTANA AND REMOVES THE DEBATE FROM SOME OF THE MORE CONTENTIOUS ISSUES OF PRIOR SESSIONS.

I WILL NOW DISCUSS SOME OF THE REASONS I CONSIDER THIS BILL

TO BE MORE ACCEPTABLE THAN SOME OF THE PRIOR PROPOSALS:

1. THERE IS NO DOUBT THAT THE MOST DIVISIVE ISSUE RELATING TO INDIVIDUAL INCOME TAXES RELATES TO THE FEDERAL INCOME TAX DEDUCTION. THERE HAVE BEEN PROPOSALS TO CAP THE FEDERAL INCOME TAX DEDUCTION AT SOME LEVEL SUCH AS \$10,000 OR TO LIMIT THE DEDUCTION TO A CERTAIN PERCENTAGE OF THE FEDERAL TAX PAID SUCH AS 50%. BOTH OF THOSE PROPOSALS ARE STOP GAP MEASURES AND FUTURE LEGISLATURES WILL CONTINUE TO CHIP AWAY AT THOSE CAPS UNTIL THE DEDUCTION IS ELIMINATED WITHOUT MAKING ANY STRUCTURAL CHANGES IN THE SYSTEM. THE ELIMINATION OF THE FEDERAL INCOME TAX DEDUCTION WITHOUT ANY CHANGES IN THE RATE REALLY SKEWS THE TAX BURDEN AT THE UPPER END. HOUSE BILL 671 ELIMINATES ALL ITEMIZED DEDUCTIONS AND ELIMINATES THE TAX BRACKETS. THESE CHANGES AVOID THE UNDESIRABLE RESULTS OF CAPPING OR LIMITING THE FEDERAL INCOME TAX DEDUCTIONS.

2. THIS BILL AVOIDS THE PROBLEM OF BEING TIED EVEN MORE CLOSELY TO THE FEDERAL TAX SYSTEM. THE STATE OF MONTANA RECEIVED A WINDFALL OF TAX REVENUES FROM THE TAX REFORM ACT OF 1986 - THIS WAS IN EXCESS OF \$150 MILLION AS THE LAW WAS FULLY IMPLEMENTED. THE STATE WAS ON THE UPSIDE OF A ROLLER COASTER. IF THE FEDERAL TAX INCREASES PROPOSED BY PRESIDENT CLINTON BECOME LAW, I ANTICIPATE THAT THE STATE WILL LOSE BETWEEN \$15 AND \$20 MILLION DURING THE NEXT BIENNIUM UNDER OUR PRESENT SYSTEM. THIS IS THE DOWN SIDE OF A ROLLER COASTER. ANOTHER PROPOSAL HAS BEEN TO MAKE THE STATE'S INCOME TAX A PERCENT OF THE FEDERAL TAX. IF OUR TAX WERE A PERCENT OF FEDERAL TAX, THEN UNDER PRESIDENT CLINTON'S PROPOSED INCREASES, THE STATE WOULD RECEIVE ANOTHER WINDFALL - PROBABLY \$20 TO \$30 MILLION A YEAR IN THE NEXT BIENNIUM. HOUSE BILL 671 ELIMINATES MANY OF THE UPS AND DOWNS RESULTING FROM FEDERAL ACTION. IT GIVES THE STATE A MORE STABLE TAX SYSTEM WHICH RESPONDS TO CHANGES IN THE STATE'S ECONOMY.

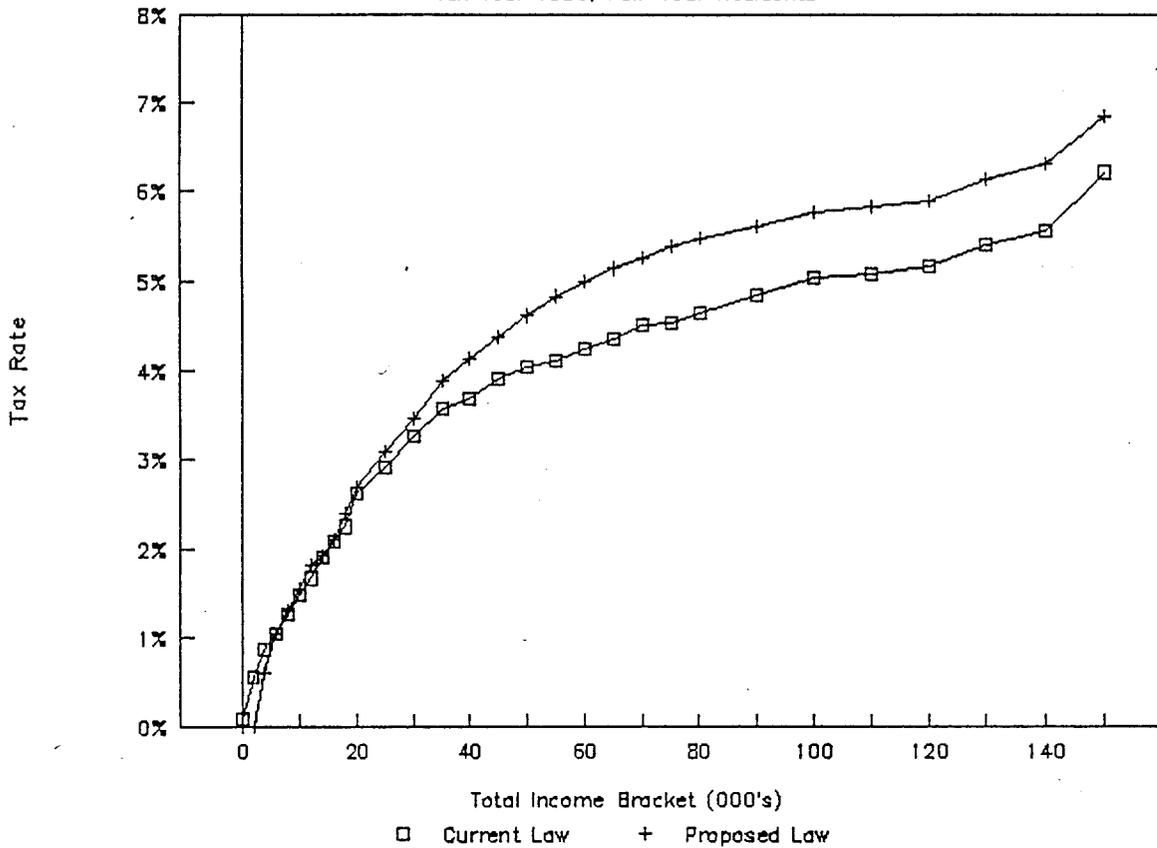
EXHIBIT # 5
DATE 3-17-93
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3. THIS BILL RESOLVES ANOTHER ISSUE - UPPER INCOME TAXPAYERS WHO PAY NO MONTANA INCOME TAX BECAUSE OF ITEMIZED DEDUCTIONS. THE SCHEDULES PREPARED BY THE DEPARTMENT OF REVENUE SHOW THAT 59 TAXPAYERS WITH INCOMES IN EXCESS OF \$65,000 WHO PAY NO TAX UNDER CURRENT LAW WILL BE PAYING TAX UNDER THE PROPOSED LAW. SURTAXES DO NOT ADDRESS THIS ISSUE.

IF I HAD DRAFTED THIS BILL, I WOULD HAVE MADE ADDITIONAL CHANGES. BUT THIS IS STILL A BILL I CAN SUPPORT. I ENCOURAGE THE COMMITTEE GIVE THIS BILL AS AMENDED A "DO PASS" RECOMMENDATION.

AVERAGE INCOME TAX RATES

Tax Year 1993, Full-Year Residents



Tax Rate: 6.9%

Revenue (FTR): \$33.2 million } TY93
 Revenue (All): \$34.9 million }

Phaseout PE/SD between \$130-200K

Gainers: 120,897

Losers: 143,504

No Tax - CL: 47,998

" " - PL: 93,104

45,106

Surtax needed to get \$14.28 million:

4.3%

BX	Total Income	No. of Hshlds.	CL Tax	PL Tax	Tax Rates:	
					CL Tax Rate	PL Tax Rate
<0	(177,674,310)	5,184	0	0		
0	23,447,880	20,088	19,232	0	0.08%	0.00%
2	64,597,176	21,546	354,476	742	0.55%	0.00%
4	91,868,580	18,468	790,733	547,607	0.86%	0.60%
6	118,638,918	17,010	1,243,131	1,238,066	1.05%	1.04%
8	168,044,544	18,630	2,114,651	2,190,753	1.26%	1.30%
10	177,124,148	16,080	2,620,894	2,734,194	1.48%	1.54%
12	185,140,662	14,286	3,106,182	3,384,377	1.68%	1.83%
14	210,896,380	14,056	4,018,768	4,076,779	1.91%	1.93%
16	222,094,204	13,088	4,634,040	4,699,608	2.09%	2.12%
18	229,927,114	12,170	5,173,542	5,525,571	2.25%	2.40%
20	593,473,538	26,368	15,470,682	15,974,413	2.61%	2.69%
25	624,388,966	22,800	18,125,786	19,303,611	2.90%	3.09%
30	598,717,404	18,468	19,507,246	20,757,944	3.26%	3.47%
35	594,872,990	15,890	21,311,526	23,035,519	3.58%	3.87%
40	609,335,472	14,368	22,467,884	25,116,844	3.69%	4.12%
45	548,067,225	11,559	21,385,542	24,001,052	3.90%	4.38%
50	487,935,610	9,300	19,726,673	22,470,743	4.04%	4.61%
55	352,685,907	6,146	14,444,387	17,012,844	4.10%	4.82%
60	322,605,008	5,178	13,681,746	16,071,841	4.24%	4.98%
65	236,497,873	3,508	10,265,345	12,146,903	4.34%	5.14%
70	182,095,246	2,516	8,192,697	9,589,687	4.50%	5.27%
75	143,952,442	1,862	6,471,111	7,755,514	4.50%	5.39%
80	210,822,610	2,496	9,788,614	11,542,657	4.64%	5.48%
90	149,339,708	1,579	7,216,387	8,387,367	4.83%	5.62%
100	109,524,438	1,045	5,516,416	6,319,849	5.04%	5.77%
110	87,782,390	765	4,462,671	5,118,556	5.08%	5.83%
120	76,534,589	613	3,954,002	4,510,188	5.17%	5.89%
130	60,543,348	449	3,274,359	3,725,147	5.41%	6.15%
140	52,931,376	366	2,943,886	3,347,977	5.56%	6.33%
150	785,647,268	2,526	48,882,946	53,781,793	6.22%	6.85%
Totals	8,141,858,704	318,408	301,165,555	334,368,146	3.70%	4.11%
Change in Tax				33,202,591		

HOUSE #16
DATE 3-17-93
48671

15444-93

House Tax Income Tax Proposal -- All Households -- Calendar Year 1993

Income Bracket	Current Law		Proposed Law		Current to Proposed		No Tax Liability		Percentage of		Effective Tax Rates		Percent of Total State Liability		Dollars Change in Avg. Liability
	Number of Households	Total Income	Tax	Tax After Fed. Offset	Number of Gainers	Number of Losers	Change	Current Law	Proposed Law	Gainers	Losers	Current Law	Proposed Law	Current Law	
0 - 2,000	20,068	23,447,680	19,232	19,232	0	0	19,440	15,228	20,068	3.23%	0.00%	0.08%	0.01%	0.00%	(1)
2,000 - 4,000	21,546	84,597,176	354,476	354,476	742	742	6,318	15,228	5,346	21.22%	0.00%	0.55%	0.01%	0.12%	(16)
4,000 - 6,000	18,468	91,660,500	790,733	790,733	5,477	5,477	5,832	5,022	6,424	57.89%	0.53%	0.86%	0.26%	0.16%	(13)
6,000 - 8,000	17,010	118,639,918	1,243,131	1,243,131	1,238,096	1,238,096	5,194	4,212	6,194	24.76%	44.76%	1.06%	0.41%	0.37%	(10)
8,000 - 10,000	16,000	188,044,544	2,113,980	2,113,980	6,966	8,424	3,240	3,240	4,800	37.39%	45.22%	1.26%	0.70%	0.62%	(4)
10,000 - 12,000	16,060	177,174,148	2,600,954	2,600,954	7,080	6,898	2,102	1,818	5,610	44.03%	42.90%	1.57%	0.87%	0.82%	(7)
12,000 - 14,000	14,288	185,140,862	3,108,162	3,108,162	5,740	7,334	1,212	1,616	3,988	40.18%	51.34%	1.67%	1.03%	1.01%	(9)
14,000 - 16,000	12,086	201,866,360	4,076,779	4,076,779	6,168	6,862	1,006	1,726	3,988	43.88%	48.96%	1.89%	1.30%	1.22%	(14)
16,000 - 18,000	13,086	222,094,204	4,634,440	4,634,440	5,892	6,240	1,046	1,046	3,128	44.33%	47.83%	2.06%	1.54%	1.41%	(15)
18,000 - 20,000	12,170	229,927,114	5,041,728	5,041,728	5,684	6,084	862	684	2,104	42.43%	54.26%	2.21%	1.72%	1.59%	(19)
20,000 - 24,000	10,486	251,401,814	5,457,862	5,457,862	6,194	6,194	862	1,194	1,818	47.38%	54.48%	2.89%	2.03%	1.77%	(15)
24,000 - 28,000	22,800	438,968,966	18,125,746	18,125,746	10,780	11,058	870	792	2,102	43.78%	54.62%	3.03%	2.17%	1.77%	(15)
28,000 - 32,000	18,468	598,117,404	18,165,662	18,165,662	8,066	10,068	294	434	266	43.78%	54.62%	3.03%	2.17%	1.77%	(15)
32,000 - 40,000	15,800	594,972,960	21,311,528	21,311,528	9,848	9,184	338	184	162	39.55%	63.62%	3.37%	2.46%	2.06%	(18)
40,000 - 45,000	14,368	690,235,472	22,467,884	22,467,884	6,294	5,184	250	294	242	34.34%	63.92%	3.37%	2.46%	2.06%	(18)
45,000 - 50,000	11,500	548,967,225	21,134,367	21,134,367	3,256	2,104	162	162	0	28.17%	70.53%	3.47%	2.72%	2.32%	(16)
50,000 - 55,000	9,300	487,245,610	18,465,426	18,465,426	2,089	7,121	90	37	0	22.46%	76.57%	3.82%	6.55%	6.72%	(295)
55,000 - 60,000	6,148	352,885,007	14,444,337	14,444,337	1,254	4,862	30	22	0	20.40%	79.11%	3.87%	4.80%	5.09%	(418)
60,000 - 65,000	5,178	322,605,008	13,681,748	13,681,748	915	4,248	15	0	0	17.67%	82.04%	3.37%	4.54%	4.81%	(462)
65,000 - 70,000	3,508	236,497,873	10,265,346	10,265,346	513	2,996	22	44	0	14.60%	84.78%	3.40%	3.41%	3.63%	(536)
70,000 - 75,000	2,516	182,095,246	8,192,697	8,192,697	412	2,074	7	0	0	16.41%	83.31%	3.55%	2.72%	2.87%	(555)
75,000 - 80,000	1,862	143,952,442	6,471,111	6,471,111	269	1,584	9	5	0	14.45%	85.07%	3.52%	2.15%	2.22%	(690)
80,000 - 90,000	2,496	210,822,610	9,768,614	9,768,614	416	2,074	6	5	0	16.67%	83.09%	3.61%	3.25%	3.45%	(703)
90,000 - 100,000	1,579	149,339,708	7,216,387	7,216,387	270	1,306	3	5	0	17.10%	82.71%	3.76%	2.40%	2.51%	(742)
100,000 - 110,000	1,045	109,324,438	5,516,418	5,516,418	6,319,849	4,779,585	3	3	0	20.38%	79.33%	3.82%	1.83%	1.99%	(769)
110,000 - 120,000	815	91,534,569	4,337,961	4,337,961	4,118,556	3,625,135	1	2	0	22.35%	77.52%	3.86%	1.46%	1.55%	(907)
120,000 - 130,000	449	67,443,530	3,267,359	3,267,359	3,375,143	2,735,008	1	0	0	20.71%	78.65%	3.97%	1.09%	1.11%	(1,004)
130,000 - 140,000	366	52,931,378	2,943,968	2,943,968	3,347,977	2,569,636	2	0	0	19.85%	79.23%	4.17%	4.74%	4.74%	(1,104)
140,000 - 150,000	366	52,931,378	2,943,968	2,943,968	3,347,977	2,569,636	2	0	0	19.85%	79.23%	4.17%	4.74%	4.74%	(1,104)
150,000 - & Above	2,626	785,667,268	48,892,948	48,892,948	53,781,793	38,749,354	5	31	0	20.19%	79.61%	4.48%	16.23%	16.03%	(1,939)
TOTALS	313,224	8,319,533,014	301,165,955	301,165,955	334,368,146	280,906,431	48,823	42,814	87,920	38.65%	45.82%	3.08%	100.00%	100.00%	106

Decile Group	Current Law		Proposed Law		Current to Proposed		No Tax Liability		Percentage of		Effective Tax Rates		Percent of Total State Liability		Dollars Change in Avg. Liability
	Number of Households	Total Income	Tax	Tax After Fed. Offset	Number of Gainers	Number of Losers	Change	Current Law	Proposed Law	Gainers	Losers	Current Law	Proposed Law	Current Law	
1	31,560	52,374,152	164,224	164,224	0	0	22,516	17,620	31,560	28.72%	0.00%	0.31%	0.05%	0.00%	(5)
2	30,842	142,378,378	1,173,220	1,173,220	18,306	3,240	3,386	6,120	19,116	28.16%	10.47%	0.63%	0.38%	0.21%	(15)
3	31,426	255,079,286	2,827,320	2,827,320	3,086	14,064	1,692	3,572	16,176	43.18%	40.53%	1.18%	0.86%	0.65%	(9)
4	31,306	369,371,730	4,591,468	4,591,468	13,582	15,560	3,374	3,184	4,176	43.78%	48.81%	1.56%	3.38%	3.13%	(9)
5	31,306	505,573,432	10,176,881	10,176,881	14,366	14,802	2,334	2,684	7,668	43.73%	48.81%	2.44%	5.54%	5.17%	(9)
6	31,376	668,110,916	16,669,768	16,669,768	14,366	15,800	1,208	1,570	5,832	47.04%	50.37%	2.63%	5.54%	5.17%	(9)
7	31,644	866,668,314	25,574,014	25,574,014	14,790	15,662	992	854	914	47.04%	49.61%	2.63%	8.49%	8.16%	(54)
8	31,256	1,159,438,992	36,622,948	36,622,948	12,816	17,830	610	596	646	41.00%	67.05%	3.18%	12.79%	12.39%	(84)
9	31,248	1,459,658,972	56,260,240	56,260,240	9,222	21,682	444	442	242	29.42%	69.17%	3.41%	18.68%	18.90%	(221)
10A	10,643	2,845,652,130	143,823,703	109,530,489	5,687	25,350	109	121	0	18.26%	69.17%	3.89%	47.76%	49.28%	(670)
10B	10,643	610,569,510	29,533,462	20,334,987	3,933	45	45	0	0	20.51%	79.06%	3.87%	8.36%	8.28%	(410)
10C	10,217	60,727,440	36,412,375	28,531,825	1,961	8,621	34	48	0	18.89%	80.82%	3.46%	10.24%	10.85%	(547)
10D	10,327	1,571,780,205	87,805,851	64,814,249	98,597,088	73,007,640	30	51	0	15.81%	80.82%	4.13%	29.16%	29.55%	(1,067)
TOTAL	312,224	8,319,533,014	301,165,957	301,165,957	334,368,146	280,906,434	48,823	42,814	87,920	38.65%	45.82%	3.08%	100.00%	100.00%	106

House Tax Income Tax Proposal -- Single Filers -- Calendar Year 1993

Income Bracket	Number of Households	Current Law		Proposed Law		Current to Proposed Law		No Tax Liability		Percentage of Gainers/Losers		Effective Tax Rates		Percent of Total State Liability		Dollar Change in Avg. Liability
		Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losers	Current	Proposed	Gainers	Losers	Current Law	Proposed Law	Current Law	Proposed Law	
0 - 2,000	17,920	13,435	0	0	0	486	0	17,334	13,122	17,820	0.00%	0.00%	0.02%	0.00%	(1)	
2,000 - 4,000	17,658	329,613	742	656,994	656,994	14,256	0	3,402	2,754	17,334	0.60%	0.60%	0.60%	0.00%	(14)	
4,000 - 6,000	14,580	721,663	513,285	1,234,968	1,234,968	9,234	1,620	3,726	2,916	17,000	1.00%	1.00%	1.31%	0.77%	(19)	
6,000 - 8,000	11,016	1,066,233	836,233	1,802,466	1,802,466	1,762	7,128	2,106	1,762	2,754	1.52%	1.52%	1.93%	1.26%	38	
8,000 - 10,000	10,368	1,482,854	1,125,854	2,608,708	2,608,708	1,468	8,100	810	1,468	2,106	1.68%	1.68%	2.87%	2.16%	38	
10,000 - 12,000	9,164	1,908,937	1,485,937	3,394,874	3,394,874	2,220	6,378	566	444	1,092	2.43%	2.43%	3.43%	3.52%	75	
12,000 - 14,000	7,420	2,350,633	1,833,633	4,184,266	4,184,266	1,126	6,132	162	606	324	2.14%	2.14%	3.73%	3.92%	75	
14,000 - 16,000	6,244	2,845,734	2,229,734	5,075,468	5,075,468	1,002	5,082	160	160	160	1.60%	1.60%	4.45%	4.31%	67	
16,000 - 18,000	4,862	3,395,316	2,429,316	5,824,632	5,824,632	480	4,280	202	242	162	1.62%	1.62%	4.36%	4.41%	105	
18,000 - 20,000	5,244	3,908,964	3,007,964	6,916,928	6,916,928	440	4,642	162	244	324	3.04%	3.04%	5.57%	5.24%	119	
20,000 - 25,000	8,764	5,177,360	4,163,360	9,340,720	9,340,720	560	7,860	324	444	324	3.49%	3.49%	12.59%	12.58%	169	
25,000 - 30,000	5,136	6,170,945	4,546,945	10,717,890	10,717,890	412	4,802	132	84	0	15.60%	15.60%	11.18%	11.73%	283	
30,000 - 35,000	3,982	7,273,950	5,179,950	12,453,900	12,453,900	220	3,358	162	228	162	17.42%	17.42%	9.19%	9.82%	349	
35,000 - 40,000	2,424	8,579,992	6,175,992	14,755,984	14,755,984	188	2,020	164	184	162	9.08%	9.08%	6.72%	7.08%	417	
40,000 - 45,000	1,474	10,090,352	7,276,352	17,366,704	17,366,704	92	1,176	100	100	0	13.43%	13.43%	5.03%	5.23%	353	
45,000 - 50,000	778	11,867,864	8,583,864	20,451,728	20,451,728	52	588	32	0	0	17.68%	17.68%	4.96%	4.96%	486	
50,000 - 55,000	450	13,819,916	10,101,916	23,921,832	23,921,832	170	592	32	0	0	3.88%	3.88%	3.79%	3.98%	549	
55,000 - 60,000	352	16,226,517	11,984,517	28,211,034	28,211,034	30	255	0	0	0	0.00%	0.00%	1.30%	1.37%	522	
60,000 - 65,000	255	19,195,405	14,290,405	33,485,810	33,485,810	10	182	0	0	0	0.00%	0.00%	4.95%	5.19%	549	
65,000 - 70,000	202	22,627,910	17,022,910	39,650,820	39,650,820	10	182	0	0	0	0.00%	0.00%	1.30%	1.37%	549	
70,000 - 75,000	167	26,185,033	19,888,033	46,073,066	46,073,066	12	155	0	0	0	7.19%	7.19%	1.07%	1.12%	957	
75,000 - 80,000	104	30,038,073	22,884,073	52,922,146	52,922,146	15	87	2	0	0	14.42%	14.42%	0.60%	0.77%	957	
80,000 - 90,000	210	37,874,322	28,557,322	66,431,644	66,431,644	45	164	1	0	0	21.43%	21.43%	1.59%	1.54%	733	
90,000 - 100,000	119	47,132,956	35,923,956	83,056,912	83,056,912	23	96	0	2	0	19.33%	19.33%	4.49%	4.06%	988	
100,000 - 110,000	91	54,874,811	41,509,811	96,384,622	96,384,622	19	72	0	0	0	20.85%	20.85%	4.87%	4.87%	973	
110,000 - 120,000	47	63,733,821	48,543,821	112,277,642	112,277,642	11	36	0	0	0	23.40%	23.40%	4.60%	4.50%	798	
120,000 - 130,000	54	74,444,153	56,334,153	130,778,306	130,778,306	9	45	0	0	0	16.67%	16.67%	0.53%	0.64%	994	
130,000 - 140,000	34	84,853,579	63,743,579	148,597,158	148,597,158	12	35	1	0	0	15.00%	15.00%	0.83%	0.83%	994	
140,000 - 150,000	24	97,445,416	72,335,416	169,780,832	169,780,832	7	25	1	0	0	16.67%	16.67%	0.69%	0.69%	1,170	
150,000 - & above	259	1,723,501	1,288,501	3,012,002	3,012,002	75	183	1	25	25	28.96%	28.96%	8.21%	7.81%	1,845	
TOTALS	130,409	1,709,996,275	1,288,501	3,012,002	3,012,002	35,282	65,690	29,437	24,065	47,584	27.05%	27.05%	100.00%	100.00%	88	

Decile Group	Number of Households	Current Law		Proposed Law		Current to Proposed Law		No Tax Liability		Percentage of Gainers/Losers		Effective Tax Rates		Percent of Total State Liability		Dollar Change in Avg. Liability
		Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losers	Current	Proposed	Gainers	Losers	Current Law	Proposed Law	Current Law	Proposed Law	
1	27,702	46,280,322	152,881	152,881	0	6,586	0	19,116	14,580	27,702	0.00%	0.00%	0.28%	0.00%	(6)	
2	23,976	104,910,890	1,054,536	2,109,072	656,994	15,714	2,754	5,508	4,374	12,798	65.54%	11.49%	0.97%	0.98%	(17)	
3	19,116	134,126,690	2,843,520	5,687,040	2,843,520	2,916	13,446	2,754	2,430	4,536	15.25%	70.34%	1.55%	4.32%	(24)	
4	17,032	198,893,954	4,031,514	8,063,028	4,031,514	3,348	12,958	728	1,010	1,416	19.65%	76.08%	2.00%	7.30%	60	
5	12,966	208,907,514	5,889,262	11,778,524	5,889,262	1,602	11,002	362	442	322	12.36%	84.65%	2.78%	3.40%	60	
6	11,248	237,655,104	7,912,995	15,825,990	7,912,995	640	9,922	466	486	486	7.47%	86.21%	3.25%	4.23%	144	
7	8,208	225,101,886	8,707,915	17,415,830	8,707,915	1,040	7,036	132	146	0	12.67%	85.72%	3.63%	4.54%	289	
8	5,240	189,565,054	6,696,026	13,392,052	6,696,026	618	4,458	348	390	324	11.37%	82.25%	3.90%	4.43%	405	
9	2,842	122,129,339	3,715,384	7,430,768	3,715,384	15	2,324	0	15	0	12.04%	87.95%	3.98%	4.95%	515	
10	2,069	217,955,608	11,650,749	23,301,498	11,650,749	304	1,790	5	32	0	14.48%	85.28%	4.10%	4.74%	686	
10A	35	12,424,424	1,856,863	3,693,726	1,856,863	67	547	0	0	0	10.91%	89.09%	3.68%	3.04%	749	
10B	50	14,560,755	2,122,164	4,244,328	2,122,164	34	565	0	0	0	5.67%	94.17%	4.19%	5.00%	749	
10C	585	111,832,452	7,892,026	15,784,052	7,892,026	203	578	4	31	0	22.84%	78.61%	4.17%	3.62%	1,197	
TOTAL	130,409	1,709,996,275	1,288,501	3,012,002	3,012,002	35,282	65,690	29,437	24,065	47,584	27.05%	50.37%	2.91%	3.48%	88	

House Tax Income Tax Proposal - Head of Household - Calendar Year 1993

DATE 3-17-93
 71 4B-671

Income Bracket	Number of Households	Total Income		Current Law		Proposed Law		Tax After Fed. Offset		Current to Proposed Law		No Tax Liability		Percentage of Gainers/Losses		Effective Tax Rates		Percent of Total State Liability		Dollars Change in Avg. Liability
		Income	Households	Tax	Fed. Offset	Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losses	Change	Current Law	Proposed Law	Current Law	Proposed Law	Current Law	Proposed Law		
0 - 2,000	810	1,142,262	0	0	0	0	0	0	0	0	0	810	810	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0
2,000 - 4,000	648	1,863,000	2,824	0	0	0	0	0	0	0	0	486	548	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	(4)
4,000 - 6,000	1,296	6,445,656	26,323	26,323	0	0	0	0	0	0	0	324	1,296	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	(20)
6,000 - 8,000	1,620	10,967,174	105,603	105,603	105,603	64,513	64,513	64,513	64,513	486	324	324	1,134	0.98%	0.59%	0.59%	0.85%	0.85%	0.55%	(25)
8,000 - 10,000	2,040	20,804,132	263,259	263,259	263,259	90,813	90,813	90,813	90,813	2,106	1,620	1,620	1,134	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	(75)
10,000 - 12,000	1,968	21,936,574	323,164	323,164	323,164	117,523	117,523	117,523	117,523	1,848	840	40	644	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	(77)
12,000 - 14,000	1,080	14,259,500	293,015	293,015	293,015	265,571	265,571	265,571	265,571	840	240	40	644	2.05%	1.86%	1.86%	2.47%	2.47%	2.47%	(25)
14,000 - 16,000	1,280	18,866,280	386,026	386,026	386,026	344,593	344,593	344,593	344,593	800	480	0	160	2.02%	3.01%	3.01%	3.01%	3.01%	3.01%	(26)
16,000 - 18,000	1,440	24,544,320	628,251	628,251	628,251	618,841	618,841	618,841	618,841	1,040	360	40	0	2.22%	2.53%	2.53%	2.48%	2.48%	2.48%	(6)
18,000 - 20,000	920	17,549,520	401,948	401,948	401,948	422,572	407,801	407,801	407,801	600	320	0	0	2.33%	2.23%	2.23%	3.36%	3.36%	3.36%	(23)
20,000 - 25,000	2,442	54,447,344	1,480,362	1,480,362	1,480,362	1,518,284	1,456,282	1,456,282	1,456,282	1,600	640	202	162	2.72%	2.67%	2.67%	12.86%	12.95%	12.95%	(3)
25,000 - 30,000	1,768	47,950,898	1,905,144	1,905,144	1,905,144	1,910,156	1,839,684	1,839,684	1,839,684	1,000	604	162	162	3.22%	3.22%	3.22%	13.54%	13.74%	13.74%	(3)
30,000 - 35,000	836	26,523,750	1,104,251	1,104,251	1,104,251	1,104,589	1,045,048	1,045,048	1,045,048	462	374	0	0	3.95%	3.94%	3.94%	9.31%	9.47%	9.47%	7
35,000 - 40,000	638	23,830,678	1,094,399	1,094,399	1,094,399	1,095,463	1,011,064	1,011,064	1,011,064	308	330	0	0	4.28%	4.18%	4.18%	4.24%	4.24%	4.24%	188
40,000 - 45,000	330	13,850,862	634,714	634,714	634,714	636,865	592,621	592,621	592,621	86	242	0	0	3.95%	3.95%	3.95%	5.35%	5.94%	5.94%	188
45,000 - 50,000	284	13,372,342	640,797	640,797	640,797	639,065	560,358	560,358	560,358	105	179	0	0	3.95%	3.95%	3.95%	5.47%	5.96%	5.96%	177
50,000 - 55,000	97	5,121,065	242,041	242,041	242,041	244,204	206,108	206,108	206,108	15	82	0	0	3.74%	3.74%	3.74%	4.00%	4.25%	4.25%	177
55,000 - 60,000	60	2,995,240	139,510	139,510	139,510	149,485	122,488	122,488	122,488	15	30	0	0	4.58%	4.58%	4.58%	1.81%	1.81%	1.81%	222
60,000 - 65,000	37	2,234,380	39,878	39,878	39,878	71,933	56,887	56,887	56,887	0	37	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	866
65,000 - 70,000	35	2,243,941	107,200	107,200	107,200	128,885	97,566	97,566	97,566	4	31	0	0	11.43%	8.57%	8.57%	3.48%	3.48%	3.48%	616
70,000 - 75,000	22	1,996,275	82,178	82,178	82,178	96,916	72,582	72,582	72,582	7	14	1	1	31.82%	33.04%	33.04%	1.75%	1.75%	1.75%	216
75,000 - 80,000	12	3,249,519	167,166	167,166	167,166	193,517	151,317	151,317	151,317	11	0	0	0	6.35%	31.67%	31.67%	3.58%	4.51%	4.51%	658
80,000 - 85,000	31	1,892,112	109,881	109,881	109,881	169,569	131,786	131,786	131,786	16	22	0	0	4.71%	4.71%	4.71%	4.78%	4.78%	4.78%	481
85,000 - 90,000	24	1,892,112	109,881	109,881	109,881	169,569	131,786	131,786	131,786	16	22	0	0	13.05%	76.19%	76.19%	4.11%	4.11%	4.11%	467
90,000 - 100,000	24	1,892,112	109,881	109,881	109,881	169,569	131,786	131,786	131,786	16	22	0	0	13.05%	76.19%	76.19%	4.11%	4.11%	4.11%	354
100,000 - 110,000	16	1,716,752	109,870	109,870	109,870	115,950	82,935	82,935	82,935	3	13	0	0	18.74%	81.25%	81.25%	3.85%	4.45%	4.45%	940
110,000 - 120,000	16	1,822,921	98,659	98,659	98,659	113,894	81,162	81,162	81,162	3	13	0	0	18.74%	81.25%	81.25%	3.85%	4.45%	4.45%	487
120,000 - 130,000	12	1,495,032	76,011	76,011	76,011	96,758	65,912	65,912	65,912	3	6	0	0	33.33%	66.67%	66.67%	0.74%	0.74%	0.74%	380
130,000 - 140,000	10	1,335,747	60,011	60,011	60,011	79,812	55,070	55,070	55,070	4	6	0	0	30.00%	70.00%	70.00%	4.12%	4.12%	4.12%	1,096
140,000 - 150,000	8	1,156,294	48,040	48,040	48,040	72,484	54,872	54,872	54,872	2	6	0	0	25.00%	75.00%	75.00%	0.62%	0.62%	0.62%	51
150,000 - & Above	52	19,876,458	1,419,448	1,419,448	1,419,448	1,452,095	998,453	998,453	998,453	19	33	0	0	36.54%	63.46%	63.46%	5.08%	5.07%	5.07%	11,976
TOTALS	20,049	365,574,091	11,856,373	10,623,359	11,856,373	11,722,898	10,340,935	10,340,935	10,340,935	12,842	4,655	2,511	6,270	100.00%	100.00%	100.00%	2.91%	2.83%	2.83%	100,000%

Decile Group	Number of Households	Total Income		Current Law		Proposed Law		Tax After Fed. Offset		Current to Proposed Law		No Tax Liability		Percentage of Gainers/Losses		Effective Tax Rates		Percent of Total State Liability		Dollars Change in Avg. Liability
		Income	Households	Tax	Fed. Offset	Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losses	Change	Current Law	Proposed Law	Current Law	Proposed Law	Current Law	Proposed Law		
1	1,296	2,389,824	2,824	2,824	0	0	0	0	0	0	0	1,134	1,296	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	(2)
2	1,762	9,974,430	52,329	52,329	16,889	16,889	16,889	16,889	16,889	1,134	162	466	1,620	63.64%	9.09%	9.09%	0.18%	0.14%	0.14%	(20)
3	3,076	24,744,204	291,463	291,463	403,819	403,819	403,819	403,819	2,038	344	466	466	1,620	73.64%	10.33%	10.33%	0.42%	0.35%	0.35%	(81)
4	3,374	38,776,500	697,560	697,560	1,143,883	1,143,883	1,143,883	1,143,883	3,084	240	40	40	868	81.70%	7.11%	7.11%	1.06%	1.10%	1.10%	(68)
5	3,120	50,048,880	1,047,360	1,047,360	1,143,883	1,047,360	1,047,360	1,047,360	2,800	1,000	202	162	1,020	69.67%	32.07%	32.07%	2.28%	2.56%	2.56%	(12)
6	2,842	55,768,824	1,267,135	1,267,135	1,410,765	1,267,135	1,267,135	1,267,135	1,680	500	202	162	1,020	59.07%	34.07%	34.07%	2.55%	2.55%	2.55%	(12)
7	2,706	73,987,816	2,058,682	2,058,682	2,531,732	2,058,682	2,058,682	2,058,682	1,620	222	162	162	1,020	61.07%	44.98%	44.98%	3.49%	4.27%	4.27%	31
8	1,078	38,946,810	1,645,477	1,645,477	1,802,721	1,645,477	1,645,477	1,645,477	556	576	162	162	1,020	81.00%	15.18%	15.18%	4.11%	4.11%	4.11%	188
9	1,620	27,322,174	1,175,703	1,175,703	1,394,279	1,175,703	1,175,703	1,175,703	449	464	0	0	0	71.25%	35.71%	35.71%	3.43%	4.65%	4.65%	388
10A	371	44,728,729	2,692,321	2,692,321	2,948,826	2,692,321	2,692,321	2,692,321	130	768	2	1	0	33.33%	66.67%	66.67%	4.42%	4.70%	4.70%	220
10B	102	5,004,465	361,130	361,130	361,130	361,130	361,130	361,130	68	80	0	0	0	11.78%	87.25%	87.25%	3.07%	3.79%	3.79%	641
10C	178	6,870,520	288,689	288,689	334,131	288,689	288,689	288,689	12	119	1	1	0	11.78%	87.25%	87.25%	3.07%	3.79%	3.79%	641
10D	172	32,851,714	2,182,422	2,182,422	2,224,668	2,182,422	2,182,422	2,182,422	59	119	1	1	0	32.98%	66.68%	66.68%	4.72%	4.72%	4.72%	349
TOTAL	20,049	365,574,091	11,856,373	10,623,359	11,856,373	10,340,935	10,340,935	10,340,935	12,842	4,655	2,511	6,270	100.00%	100.00%	100.00%	2.91%	2.83%	2.83%	100,000%	

House Tax Income Tax Proposal -- Married Filing Joint -- Calendar Year 1993

15-MAR-93

Tax	Current Law		Proposed Law		Current to Proposed Law		No Tax Liability		Percentage of		Effective Tax Rates		Percent of Total State Liability		Dollar Change in Ann. Liability	
	Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losers	Current Law	Proposed Law	Gainers	Losers	Current Law	Proposed Law	Current Law	Proposed Law		
1	5,797	5,797	0	0	162	0	1,134	1,296	12,50%	0.00%	0.52%	0.00%	0.01%	0.00%	(6)	
2	6,006	6,006	0	0	324	0	2,106	1,944	13.33%	0.00%	0.07%	0.00%	0.01%	0.00%	(4)	
3	4,139	4,139	0	0	324	0	1,782	2,106	15.38%	0.00%	0.04%	0.00%	0.01%	0.00%	(2)	
4	55,778	55,778	0	0	1,296	0	7,782	2,592	32.00%	0.00%	0.20%	0.00%	0.08%	0.00%	(14)	
5	212,277	212,277	69,146	69,146	3,240	162	1,944	4,536	70.87%	3.21%	0.47%	0.14%	0.31%	0.10%	(27)	
6	275,699	275,699	90,888	90,888	2,652	120	970	3,100	60.67%	0.22%	0.64%	0.14%	0.40%	0.14%	(49)	
7	474,782	474,782	247,057	239,934	2,928	360	930	2,859	69.47%	3.44%	0.87%	0.37%	0.69%	0.37%	(55)	
8	742,211	742,211	469,265	459,252	3,204	640	806	886	68.90%	13.76%	1.06%	0.65%	1.03%	0.71%	(63)	
9	892,999	892,999	510,936	500,862	3,082	520	764	2,968	70.59%	19.91%	1.48%	0.87%	1.30%	0.77%	(80)	
10	1,056,256	1,056,256	602,936	583,012	2,722	802	240	362	72.32%	21.31%	1.20%	1.22%	1.54%	1.00%	(70)	
11	1,361,137	1,361,137	802,936	763,012	6,048	1,680	240	802	76.01%	20.99%	2.09%	1.67%	5.96%	4.73%	(91)	
12	1,729,250	1,729,250	4,353,371	4,149,217	4,082	1,982	588	546	63.17%	28.40%	2.49%	2.18%	7.05%	6.60%	(76)	
13	1,936,841	1,936,841	4,729,196	4,449,517	3,548	1,542	66	206	62	31.71%	3.71%	3.11%	2.67%	7.83%	7.17%	(41)
14	2,567,048	2,567,048	5,428,277	4,988,683	2,900	1,140	22	0	71.39%	28.06%	3.73%	3.25%	8.76%	8.23%	(168)	
15	3,504,137	3,504,137	9,591,134	5,402,633	2,492	1,098	164	272	66.07%	29.06%	4.63%	3.98%	9.12%	8.99%	(103)	
16	5,000,411	5,000,411	4,099,339	4,099,339	1,607	774	37	162	66.49%	32.01%	4.02%	3.58%	7.35%	6.95%	(211)	
17	2,864,979	2,864,979	3,379,864	2,768,813	846	516	0	0	62.11%	37.89%	4.01%	3.90%	4.97%	5.13%	(48)	
18	3,014,628	3,014,628	2,949,313	2,969,816	632	501	0	22	55.78%	44.22%	3.74%	3.63%	4.35%	4.47%	(58)	
19	2,291,159	2,291,159	2,901,489	2,246,159	585	322	15	0	64.83%	34.92%	3.99%	3.91%	4.23%	4.40%	(46)	
20	1,714,081	1,714,081	2,378,256	1,823,796	285	421	18	41	38.38%	56.15%	3.52%	3.15%	3.21%	3.61%	213	
21	1,419,528	1,419,528	1,934,652	1,419,528	184	109	2	0	13.39%	21.02%	1.12%	1.07%	2.07%	2.08%	317	
22	1,469,150	1,469,150	1,934,652	1,419,528	184	109	3	0	13.39%	21.02%	1.12%	1.07%	2.07%	2.08%	317	
23	1,235,732	1,235,732	1,136,726	1,034,548	185	270	0	0	40.30%	54.86%	3.85%	4.16%	2.65%	3.01%	529	
24	1,009,939	1,009,939	1,687,532	1,263,478	129	198	2	1	39.21%	60.18%	3.98%	4.13%	2.36%	2.65%	224	
25	1,009,939	1,009,939	1,394,606	1,041,103	109	116	0	0	40.07%	51.98%	4.25%	4.35%	1.95%	2.12%	197	
26	834,404	834,404	1,248,989	896,213	76	104	0	0	48.23%	51.78%	4.03%	4.34%	1.85%	1.69%	477	
27	743,612	743,612	1,024,218	743,612	66	70	0	0	48.53%	51.47%	4.12%	4.40%	1.39%	1.55%	465	
28	617,072	617,072	853,297	655,041	43	66	0	0	35.42%	65.55%	4.16%	4.48%	1.25%	1.42%	537	
29	655,041	655,041	883,473	655,041	34	66	2	0	35.42%	65.55%	4.16%	4.48%	1.22%	1.35%	477	
30	7,826,906	7,826,906	11,700,852	8,294,093	171	458	2	0	78.49%	71.21%	4.52%	4.98%	15.32%	17.14%	1,852	
31	59,046,056	59,046,056	65,944,690	54,964,709	44,477	14,286	14,615	15,017	60.61%	19.47%	2.96%	2.75%	100.00%	100.00%	(46)	

Tax	Current Law		Proposed Law		Current to Proposed Law		No Tax Liability		Percentage of		Effective Tax Rates		Percent of Total State Liability		Dollar Change in Ann. Liability	
	Tax	Fed. Offset	Tax	Fed. Offset	Number of Gainers	Number of Losers	Current Law	Proposed Law	Gainers	Losers	Current Law	Proposed Law	Current Law	Proposed Law		
32	5,797	5,797	0	0	162	0	1,782	1,944	8.33%	0.00%	0.20%	0.00%	0.02%	0.00%	(3)	
33	14,436	14,436	0	0	972	0	3,402	3,240	4.37%	0.00%	0.07%	0.00%	0.02%	0.00%	(3)	
34	234,904	234,904	53,350	53,350	3,726	162	4,374	7,614	45.10%	1.98%	0.75%	0.08%	0.34%	0.08%	(22)	
35	767,919	767,919	342,957	337,451	5,906	440	1,860	6,082	71.97%	5.39%	0.39%	0.11%	1.11%	0.52%	(52)	
36	1,900,707	1,900,707	1,153,928	1,153,928	7,206	1,360	1,852	5,698	69.17%	13.05%	1.12%	0.69%	2.74%	1.80%	(84)	
37	4,043,284	4,043,284	3,292,724	3,179,486	7,244	2,202	400	772	79.57%	22.36%	1.92%	1.51%	5.94%	4.99%	(64)	
38	6,961,512	6,961,512	6,021,301	5,754,306	6,018	2,698	568	672	64.68%	29.00%	2.57%	2.25%	9.17%	9.13%	(164)	
39	10,116,300	10,116,300	9,476,096	8,743,229	5,902	2,196	88	206	62	72.10%	26.83%	3.48%	3.01%	15.61%	14.37%	(164)
40	13,274,811	13,274,811	11,035,897	10,362,987	4,502	2,098	221	434	66.07%	30.74%	4.05%	3.42%	19.23%	18.77%	(138)	
41	23,707,062	23,707,062	12,379,811	12,379,811	2,839	3,132	48	83	47.17%	52.04%	3.89%	4.36%	45.22%	50.33%	309	
42	34,111,152	34,111,152	15,168,899	14,111,152	1,128	763	13	22	59.14%	40.07%	3.83%	3.75%	7.57%	7.84%	309	
43	4,956,969	4,956,969	6,677,964	5,167,966	659	1,024	23	40	45.07%	53.73%	3.79%	3.95%	9.20%	10.13%	158	
44	15,427,814	15,427,814	13,344,052	13,344,052	854	1,345	10	16	38.68%	68.69%	4.65%	4.96%	23.45%	32.37%	739	
45	59,046,056	59,046,056	65,944,689	54,964,709	44,477	14,286	14,615	15,017	60.61%	19.47%	2.96%	2.75%	100.00%	100.00%	(46)	

DATE 3-17-93

House Tax Income Tax Proposal - Married Filing Separate - Calendar Year 1993

Table with 10 columns: Income Bracket, Total Income, Current Law, Tax After Eff. Offset, Proposed Law, Tax After Eff. Offset, Current to Proposed Law, No. Tax Liability, Percentage of Gainers/Losers, Effective Tax Rates, Current Law, Proposed Law, Percent of Total State Liability, Dollar Change in Tax Liability.

Table with 10 columns: Decile Group, Total Income, Current Law, Tax After Eff. Offset, Proposed Law, Tax After Eff. Offset, Current to Proposed Law, No. Tax Liability, Percentage of Gainers/Losers, Effective Tax Rates, Current Law, Proposed Law, Percent of Total State Liability, Dollar Change in Tax Liability.

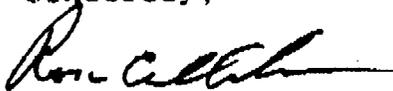
FROM: HUNTLEY PROJECT IRRIGATION DISTRICT
P.O. Box 61
Ballantine, MT 59006
967-3400

Information

TO: MONTANA WATER RESOURCES ASSOC.
442-9666

We feel HB608 is important to Reclamation Projects as well as Rural Economic Development and to improve Montana's economy.

Sincerely,



Ron Callahan
Manager

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

COMMITTEE _____

BILL NO. 608

DATE _____ SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>John Brunner</i>	<i>MURA</i>	<i>608</i>	
<i>Ona Madaya</i>	<i>@hinook Division MWRRA Irrigation Assoc</i>	✓	
<i>Clint Peck</i>	<i>MT FARMER-STOCKMAN</i>	✓	
<i>Gen Metropoulos</i>	<i>Flathead Joint Board Control</i>	✓	
<i>John Tubbs</i>	<i>DNR</i>	✓	
<i>Kay Beck</i>		✓	
<i>Stan Brackman</i>	<i>MT. T.U.</i>	✓	
<i>MARK Simonich</i>	<i>DNR</i>	✓	
<i>John Eloangvist</i>	<i>MT. Stock ^{Stock}graves Assn.</i>	✓	
<i>KAREN LAGG</i>	<i>Gov's Office</i>	✓	
<i>Lorna Crank</i>	<i>MT. Farm Bureau</i>	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

