

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Chairman Chase Hibbard, on January 28, 1997,
at 8:00 a.m., in Room 437.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. John C. Bohlinger (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (D)
Rep. Dan W. Harrington (D)
Rep. Rick Jore (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Richard D. Simpkins (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Jack Wells (R)

Members Excused: None.

Members Absent: None

Staff Present: Lee Heiman, Legislative Services Division
Donna Grace, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJR 2 (Discussion Continued)

Executive Action: HJR 2 Do Pass as Amended

HEARING ON HJR 2 (Continued from January 27)Issue: Corporation Tax

Terry Johnson, Legislative Fiscal Division (LFD). {Tape: 1; Side: A; Approx. Time Count: 2.3.}

Steve Bender, Office of Budget and Program Planning (OBPP).
EXHIBIT 1. {Tape: 1; Side: A; Approx. Time Count: 13.6.}

Judy Paynter, Department of Revenue (DOR). EXHIBIT 2. {Tape: 1; Side: A; Approx. Time Count: 15.6.}

From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 25.3.}

Motion/Vote:

Rep. Ream moved to accept all areas where there was agreement. On a voice vote, the motion passed 20 - 0. {Tape: a; Side: A; Approx. Time Count: 41.8.}

Motion:

Rep. Harrington moved to accept the DOR growth rate percentages on corporation tax. {Tape: 1; Side: B; Approx. Time Count: 13.9.}

Vote:

The motion failed 11 - 9. {Tape: 1; Side: B; Approx. Time Count: 22.0.}

The HJR 2 recommendations were accepted and the LFD will recalculate the figures.

Issue: Individual Income Tax

Terry Johnson, LFD. EXHIBITS 3 and 4. {Tape: 1; Side: B; Approx. Time Count: 32.8.}

Steve Bender, OBPP. {Tape: 2; Side: A; Approx. Time Count: 0.1.}

Mary Bryson, DOR. {Tape: 2; Side: A; Approx. Time Count: 2.0.}

Dick Dodge, Economic Consultant, under contract to DOR. {Tape: 2; Side: A; Approx. Time Count: 5.9.}

Questions/Discussion from Committee Members:

EXHIBIT 5. {Tape: 2; Side: A; Approx. Time Count: 9.7.}

Judy Paynter, DOR. {Tape: 2; Side: A; Approx. Time Count: 16.0.}

Mary Bryson, DOR. {Tape: 2; Side: A; Approx. Time Count: 20.9.}

Clayton Schenck, LFD. {Tape: 2; Side: A; Approx. Time Count: 23.5.}

Motion:

Rep. Carey moved to accept the DOR recommendations. {Tape: 2; Side: A; Approx. Time Count: 25.5.}

Substitute Motion:

Rep. Orr moved to accept the original HJR figures. {Tape: 2; Side: A; Approx. Time Count: 32.0.}

Vote:

On a roll call vote, the Orr motion failed, 11 - 9, with Reps. Story, Orr, Arnott, Rose, Wells, Jore, Bankhead, Taylor and Raney voting yes. {Tape: 2; Side: B; Approx. Time Count: 0.1.}

Motion:

Rep. Story moved to reduce the growth rate to 6%. {Tape: 2; Side: B; Approx. Time Count: 3.9.}

Vote:

On a roll call vote, the Story amendment failed, 12 - 8, with Reps. Story, Orr, Arnott, Wells, Jore, Bankhead, Taylor and Raney voting yes. {Tape: 2; Side: B; Approx. Time Count: 16.6.}

Vote:

On a roll call vote, the Carey amendment passed 12 - 8, with Reps. Story, Orr, Arnott, Wells, Jore, Bankhead, Taylor and Raney voting no. {Tape: 2; Side: B; Approx. Time Count: 18.2.}

Closing by Sponsor:

Rep. Ream closed.

Motion/Vote:

Rep. Harrington moved that HJR 2, as amended, do pass. **EXHIBIT 6.** On a roll call vote, the motion passed 15 - 5, with Reps. Orr, Arnott, Wells, Jore and Raney voting no. {Tape: 2; Side: B; Approx. Time Count: 20.8.}

Copies of the agenda for the utilities deregulation informational meeting with distributed and discussed.

HOUSE TAXATION COMMITTEE

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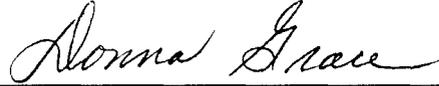
{Tape: 2; Side: B; Approx. Time Count: 33.8; Comments: Adjourn.}

ADJOURNMENT

Adjournment: 10:45 a.m.



REP. CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/DG