

TAXATION COMMITTEE  
45TH LEGISLATURE

The House Taxation committee was called to order by Rep. E.N. Dassinger, Vice-chairman, at 8:00 a.m., in room 434, Capitol Building, Helena, MT. All members were present with the exception of Rep. Steve Waldron, who was excused.

HOUSE BILL 15 Rep. Robert Marks, sponsor of House Bill 15, explained this is purely a recodification bill with no intended substantive changes. There were no other proponents, and no opponents.

Rep. Robert Marks, sponsor of House Bill 25, stated that this is another recodification bill.

HOUSE BILL 25 Gorham Swanberg, attorney representing the Burlington Northern, Milwaukee, and Union Pacific Railroads, stated this bill would remove several rights the railroads now have in the area of shared information. He objected to the department of revenue having so much power in the area of information provision. There are three values taken into consideration when figuring taxes on railroad property: capitalization of income; value of the property and plant; value of railroad stock as it exists on the stock market, against debts of the corporation. Of that combined value, 17% is applicable to Montana.

Swanberg proposed an amendment in section 1, page 2, line 21, following "is" to strike "not". This will provide for right of discovery.

Ken Morrison, Inter-county Bureau Chief of the Property Assessment Division of the Department of Revenue, advised that on page 2, section 2(2) the word "utility" is apt to cause some problems since there is a list of the properties affected set forth in the same paragraph. Also, in section 2, page 2, line 18, "30" days is allowed following notification by the taxpayer asking for a review of the assessment. The department feels this is too long a time in which a review may be demanded, and suggests 15 to 20 days would be better for the department in order to meet their deadline of July 1.

Also, in section 4, line 19, page 3, he believes 84-711 should be the reference rather than 84-413. Page 3, line 19, beginning with "When" referring to the penalty proposed, he suggests it be left under the old system of 2/3 of 1% as it would be easier for the assessor to figure when preparing the actual tax statement. In section 10, page 14, line 5, following "this state", "or more than one state" should be added. His suggested changes are attached.

Committee meeting adjourned at 8:30 a.m., at which time the committee went into an executive session.

HOUSE BILL 15 - Rep. Edward Lien moved that HB 115 be recommended DO PASS.  
Motion carried unanimously by members present. Rep. Waldron was not present.

The committee discussed whether to allow substantive changes in the recodification bills. Rep. Harrison Fagg moved that the committee do make substantive changes as seen to be advantageous and desirable when the occasion arises. After further discussion, Rep. Fagg tabled his motion until after Diana Bowling, the code commissioner, could be brought before the committee to state her position on the changes required by recodification. The motion to table carried.

Meeting adjourned at 9:00 a.m.

  
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REP. HERB HUENNEKENS, Chairman