

TAXATION COMMITTEE
45TH LEGISLATURE

The meeting was called to order January 13, 1977, by Chairman Rep. Herb Huennekens in room 434, Capitol Building, Helena, MT, at 8:00 a.m. All members were present except Rep. E.N. Dassinger who was excused.

Rep. Melvin Underdal, sponsor of House Bill 93 at the request of the Department of Revenue, explained that since all the express companies have gone bankrupt, there is no more collectible revenue and this tax
HOUSE BILL should be repealed.

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Jim Madison, DOR, stated the recodification process had examined this law, and recommends its repeal.

Rep. Melvin Underdal, sponsor of House Bill 94 at the request of the Department of Revenue, advised that \$561 was collected in 1976 from this tax, and there are only a few telegraph lines left. The Department of
HOUSE BILL Revenue would like to have this license tax repealed.

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Jim Madison expressed the same comments as on HB 93. Elimination of this tax would be beneficial to Montana. Both bills are to clear up the recodification process and are no longer necessary.

Rep. Les J. Hirsch, sponsor of House Bill 99 by request of the Department of Revenue, explained this bill provides a tax on producers and importers of cement and gypsum products; provides a process for filing and
HOUSE BILL payment of tax; reduces penalty for failure to file from 25% to
99 10%; provides for filing of a lien against real property; changes units of measurement from barrels to tons which would expedite handling of this tax in the revenue department. It does not change the amount of tax to be collected, but is for the purpose of revising and processing the tax for easier administration. Field audits would be done every five years. Jim Madison advised the penalty reduction was for standardization purposes.

Rep. Harrison Fagg, sponsor of House Bill 95 by request of the Department of Revenue, advised this bill takes the tax off clay and lowers the tax on some other minerals, and provides for a lien on real property in case
HOUSE BILL of delinquency. The definition of "micaceous mineral" is that it
95 is "hydro silicates".

Jim Madison advised that hydro silicates include all of the clays from the lowest extremes to the highest. This license tax has never been applied to any class of clay and it is not intended to be taxed.

Rep. Dan Harrington, sponsor of HB 100 at the request of the Department of Revenue, advised that the mill levies based on the 12% amt. on delinquent taxes

HOUSE BILL 100 could be reduced slightly by reducing the amount held in an idle fund to 6%, since delinquent taxes do not amount to more than 3 or 4% of the taxes due. This applies only to state levies since local governments cannot set their own levies.

Dennis Burr advised the 12% figure makes for overcollecting. Reducing this to 6% will lower property tax rates slightly. At the present time the amount collected is held in a fund until the next year when it is applied to the allocation for the next year and then another 12% of anticipated delinquency is allowed for and held in reserve. This is unnecessarily too much.

Rep. Verner L. Bertelsen, sponsor of House Bill 104, explained the purpose of this bill is to raise the gross income necessary in order to have to file an income tax return. The rate is raised from \$650 to \$720 for a single person, and from \$1330 to \$1445 for a joint return.

Committee adjourned and proceeded to an executive session.

HOUSE BILL 93 - Rep. Fagg made a motion to recommend HB 93 DO PASS. All members adopted recommendation except Reps. Waldron and Dassinger who were absent.

HOUSE BILL 94 - Rep. W. Jay Fabrega moved that HB 94 DO PASS. Unanimously adopted with Waldron and Dassinger absent.

HOUSE BILL 99 - Rep. Melvin Williams made the motion that HB 99 DO PASS. The motion was adopted unanimously - Rep. Dassinger was absent.

HOUSE BILL 95 - Rep. Melvin Underdal moved that HB 95 DO PASS. Unanimous adoption - Rep. Dassinger was absent.

HOUSE BILL 100 - Rep. Dan Harrington made the motion that HB 100 DO PASS. The motion was adopted unanimously - Rep. Dassinger was absent.

HOUSE BILL 104 - Rep. Verner Bertelsen made a motion recommending HB 104 DO PASS. Motion adopted unanimously by all members except Rep. Dassinger who was absent.

HOUSE BILL 98 - Considered and postponed action.

HOUSE BILL 102 - After discussion, Rep. Fagg made the motion that action on HB 102 be postponed indefinitely. All members voted for recommendation except Rep. Waldron who voted No. Rep. Dassinger was absent.

Meeting adjourned at 9:30 a.m.


REP. HERB HUENNEKENS, Chairman