

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 1, 1977

The fifteenth meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capitol Building by Chairman Mathers at 8:10 a.m.

ROLL CALL: Roll call found all of the members present.

The following witnesses were present:

Edward W. Nelson	Mont. Taxpayers Assoc.
Donald W. Larson	Helena Property Owners
Gregg L. McCurdy	Mont. Assoc. of Counties
R. W. Corcoran	Dept. of Rev.
Norris Nichols	"
Wm. Groff	"
Glen Drake	League of Cities & Towns

CONSIDERATION OF SENATE BILL 137: Sen. Mathers presented his bill which changes requirements for a diesel fuel user and permits users who use less than \$100 per year, to escape filing monthly reports to the Department of Revenue. Present law requires those using less than \$10 a month and this legislation would simplify matters for those who use such vehicles for perhaps several months of each year only. Mr. Nichols supported Sen. Mathers' testimony and said that there are many persons who use the fuel for limited times, during harvest, etc., and the legislation would cause the Department no problems. There should be no revenues lost and everyone must still post the bond if they use the diesel fuel.

The Chairman called for other proponents or opponents and there being none, permitted questions from the committee. Following a brief discussion, the committee agreed to move the bill.

DISPOSITION: Sen. Towe Moved SB137 Do Pass. The motion was seconded by Sen. Turnage and carried unanimously.

CONSIDERATION OF SENATE BILL 145: Sen. Lockrem, Dist. 32, presented his bill and said so many individuals had spent substantial amounts in appealing tax decisions and this legislation would require the Department of Revenue to pay their attorney's fees for such court costs, should they be successful in these appeals. Mr. Groff next spoke concerning this legislation and said such legislation could be very costly to the state, citing cases which were pending, some of them for long periods and involving numerous attorneys and thus very large fees. He said the courts will allow some costs at present, where the taxpayer wins his suit. Mr. Corcoran also spoke briefly, saying there are many cases where the Department arrives at a compromise with the taxpayer and that there are many different taxable commodities and thousands of taxing statutes, so it would be very likely that an individual or corporation could win such suits on disputing of appraisals of real property.

Chairman Mathers asked for other proponents or opponents of the bill and there being none, Sen. Lockrem made his closing statement, saying the thrust of his bill was meant to aid the individual home owner or small farmer or rancher. Questions were then permitted from the committee. Following discussion, Sen. Lockrem said he didn't want to open up the legislation for large corporations. The Chairman asked for other questions and there being none, closed the hearing on SB145.


CONSIDERATION OF SENATE BILL 150: Sen. Dunkle, Dist. 15, presented his bill which he said was similar to SB145 but the county would be liable for attorney's fees and the interest would begin from the time the taxes are paid. Mr. Larson said he represented a group that had incurred considerable expense in just such a suit and thought the legislation was needed. Mr. Nelson also spoke in support of the bill and said they had done audits on tax levies and often found errors. Thus, if the taxpayer had paid his tax from the first assessment notice, he should be able to draw interest on the over-payment.

The Chairman then permitted opponents of the bill to speak and Mr. Groff stated he was speaking merely to makeplain some points the proposed legislation addressed. Mr. Corcoran also said the Department would have no way to keep up with such reimbursements where some very large amounts would have to be paid. It was also brought out that some funds paid under protest may not by law be invested to produce interest while litigations are underway. Thus the funds are not bearing interest and the Department would then have to pay the interest. Also, the bill mentioned a figure of 6% interest, while some of the shorter investment moneys would draw only 5%. This amendment was also discussed. Mr. McCurdy said he thought the individual had the right to be reimbursed, however, he thought this bill does not address the other side of the issue. Mr. Drake opposed the bill and thought the courts would be over-crowded with such cases.

A discussion followed and committee members asked a number of questions with Sen. Dunkle permitted to close his presentation. It was pointed out that there is a State Unified Investment Fund which was set up about 3 years ago to take care of the investment of taxes paid under protest to the state.

Following this discussion the Chairman concluded the hearing on SB150 and asked for a motion to adjourn.

ADJOURN: Sen. Roskie Moved the Meeting Adjourn. Motion was seconded by Sen. Brown, and carried.



WILLIAM MATHERS

CHAIRMAN

STANDING COMMITTEE REPORT

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MR. PRESIDENT

We, your committee on TAXATION

having had under consideration SENATE Bill No. 137

Respectfully report as follows: That SENATE Bill No. 137

DO PASS

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