

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 10, 1977

The thirty-eighth 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 8:05 a.m.

ROLL CALL: Roll call found all the members present but Sen. Brown, who was excused.

The following witnesses were present:

George T. Bennett	ASARCO
Edward Nelson	Mont. Taxpayers Assoc.
Bill Sternhagen	Anaconda
Jack Canavan	"
Dean Neary	"
John Clemma	"
Robert H. Radley	School Dist #9, E. Helena
Rod Wilson	Blgs. Chamb. of Comm.
Dean Zennicker	Mont. Assoc. of Co's.
Don Allan	Mont. Pet. Assoc.
Jim Swartz	Exxon, Billings
Bob Blomeyer	Conoco, Blgs.
Les Loble	Mont.-Dak. Util. Co.
Ray Williams	City Council, E. Helena
William Olson	Mont. Contractors Assoc.
Steve Turkiewica	Mont. Assoc. of Counties
Bob Holding	Mont. Wood Products Assoc.
Avis Ann Tobin	Mont. Hdwe. & Impl. Assoc.
Tom Winsor	Mont. C. of C.
Lloyd Crippin	Anaconda Co.
Eugene C. Tidball	"
Laureen France	Mont. Mining Assoc.
Jim Mockler	Mont. Coal Council
Dennis Shea	Anaconda Co.
Neil J. Lynch	Mont. Mining Assoc.
Ward Shanahan	Drayer Bros. Inc.
Wes Banta	Kaiser Cement

CONSIDERATION OF HOUSE BILL 98: Rep. Fabrega, Dist. 44, said the bill had been introduced at the request of the Department of Revenue and provides for a 25% penalty on the tax when reporting for that portion of inventories that have been under-reported and also provides for the penalty to be waived if the Department finds there was justification for the under-reporting. He said as far as he knew the bill had the support of the business communities. Others to appear in support of the bill were Mr. Wilson and Mr. Groff. There were no opponents to the bill and no questions from the committee so the Chairman closed the hearing on this bill.

CONSIDERATION OF HOUSE BILL 591: This bill was also presented by Rep. Fabrega and deals with the definition of inventories, and would update the present law. Inventories would be assessed on the cost to the person who files the inventory tax. The Chairman called for other proponents or opponents, and there being none, concluded the hearing.

DISPOSITION: Sen. Turnage Moved HB591 Be Concurred In. The motion was carried unanimously.

Sen. Turnage then Moved HB98 Be Concurred In. This motion was also carried unanimously.

Note for the record the absence at this time of Sens. Towe, Brown and Norman during this voting.

CONSIDERATION OF HOUSE BILL 412: Rep. Meloy, Dist. 29, said a bill had been passed in the House and Senate in 1975 which reduced the tax classification on business inventories from 33 1/3% to 7%. There was no Fiscal Note at that time as they thought there would be no substantial impact. Instead, he said, the impact of this legislation in some communities has been considerable. He quoted figures from some of the areas, mentioning East Helena had sustained a valuation loss for taxation of \$1.67 million. The mill levy there had gone to the limit just to fund the prior year's budget. He cited similar losses in Billings, Columbia Falls and Laurel, and this had meant the residential taxpayers were forced to pick up the difference.

Other proponents of the bill included Mr. Turkiewicz who said the impact of this law had been severe in some counties and felt this bill would help restore some of the loss in valuation that had resulted from the '75 legislation. Mr. Radley quoted figures showing the loss in taxable valuation to the E. Helena school district also. Mr. Williams wished to go on record as being in support of the bill as well.

Chairman Mathers called for other proponents of the bill and there being none, permitted opposing witnesses to testify. Mr. Winsor was first to testify saying he felt it was a mistake to change the law back again as there were large stockpiles of raw materials in some communities and these companies would have additional taxes to pay because of it, calling them discriminatory taxes. Mr. Bennett also appeared as an opponent of the bill saying he thought the bill was 'special legislation' aimed at mining companies in particular, mentioning the smelter at E. Helena, where they have stockpiled large amounts of by-products as a result of stricter environmental controls and these by-products would then be included in this inventory tax. Mr. Tobin also wished to go on record as opposing the bill. Mr. Nelson opposed the legislation and introduced Exh. #1, from which he read several excerpts, including figures he quoted from the list of Taxable Valuations, comparing them to figures previously mentioned in the proponents' testimony, and closed saying he didn't believe you could have 'islands' of taxation.

Mr. Sternhagen stated his agreement with other opponents' statements and said he thought this type of inventory tax was also discriminatory and that all inventory taxes should be the same. Mr. Wilson said he was concerned about this bill, terming it a regressive tax. Mr. Allen spoke also in opposition to the bill, saying Montana was in a precarious situation insofar as the petroleum industry was concerned and additional taxes such as this would place the industry into an even more difficult position. Mr. Swartz said oil and gas companies are in trouble in Montana and mentioned the fact that their inventory, their stock, had increased in value and this inventory tax would increase even more the total taxes. Mr. Blomeyer also testified against the bill, saying they would have an increase of their inventory taxes by about \$300,000. Mr. Loble said this legislation would appear to tax natural gas in storage and since Montana must import about 2/3 of their supply, it would seem unfair to have to pay the inventory tax on it while it is in storage in this state.

Also appearing in opposition were Mr. Holding and Mr. Lynch, who said he felt that such legislation zeroed in on the mining industry in particular, and felt that the loss from the '75 legislation was compensated for by the increase in valuation from the industry that would have come into the area. Mr. Mockler thought the way the bill was written the legislation would be aimed too at farmers with gas stored on the farm and similar situations could result in taxing problems. Mr. Shanahan spoke in opposition to the bill as did Mr. Clemma, who spoke on behalf of the small mine owner, saying he felt the bill was singling out just a part of the population with such a tax.

Vice Chairman Watt, in charge of the meeting in the absence of Chairman Mathers, permitted a closing statement by Rep. Meloy at this point, having heard all of the proponents and opponents who wish to make brief statements. Rep. Meloy replied to some of the points brought up by his opposition.

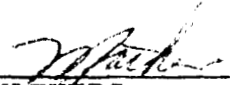
Vice Chairman Watt permitted questions by the committee at this point.

Due to the lengthy testimony and the fact that there was another bill to be heard, Vice Chairman Watt stated the committee might accept additional input on HB412 at another time, but HB551 was scheduled for the day also and therefore the hearing on HB412 was concluded for the day.

CONSIDERATION OF HOUSE BILL 551: Rep. Teague, Dist. 69, said his bill also deals with inventories, and was designed for convenience to the businessman. Costs could be cut as paperwork on reporting would be less. Mr. Winsor said not only would it be more convenient for the taxpayer, but the Department of Revenue would be aided also by the simpler crosscheck system.

The Vice Chairman asked for other proponents or opponents of the bill and during the questioning the committee asked several questions of Mr. Hutchinson of the D.R. who was present and contributed information on this as well as the inventory legislation passed two years ago, saying it had resulted in a loss.

Due to the lack of time, the committee moved for adjournment of the meeting with the intention of hearing more of HB412 and if possible, planned to reconvene on adjournment of the Senate, this day.



WILLIAM MATHERS

CHAIRMAN

SENATE TAXATION COMMITTEE

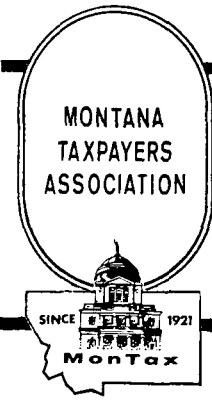
BILL 98, 412,
551, 591

VISITORS' REGISTER

DATE 3/10/77

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
George T. Bennett	ASARCO	HB 412		X
Edward W. Nelson	Mont. Taxpayers Assoc.	HB 412		X
Bill Strohman	Anaconda	HB 412		X
Jack Canavan	Anaconda	HB 412		X
Steve Neary	Anaconda	HB 412		X
John Clem	-	HB 412		X
Robert H. Radley	Schul Dist #9, E. Helena	HB 412	X	
Red Wilson	BILLINGS CHAMBER OF COMMERCE	H.B. 412 H.B. 98	X	X
Dean Jennick	Mont. Assn of Co.	HB 412	X	
Don Allen	Mont. Petroleum Assoc.	HB 412		X
JIM SWARTZ	EXXON, BILLINGS	HB 412		X
Bob Blomeyer	Conoco, Billings	HB 412		X
Les Loble	Montana Dakota Utilities Co	HB 412 HB 591		X
Ray Williams	CITY COUNCIL EAST Helena	HB 412	X	
William Olson	Mont. Contractors Assn	HB 412		
Steve TURKIEWICZ	MT. ASSOCIATION OF COUNTIES	HB 412	X	
Bob Hedding	Mont. Wood Products Assn.	412		X
Russ Ann Tolson	Mont. Home & Imp. Assn	412		X
Tom Wilson	Mont. Coal	412		X
"	"	551	X	
Rayd Crupper	The Anaconda Co	412		✓
Raymond C. Crupper	"	"		✓
Lauren France	MT. Mining Assoc.	HB 412		✓
Jim Mockler	MT. Coal Council	"		✓

Ed H. #1



T MONTANA taxpayer

SECOND CLASS POSTAGE PAID AT HELENA, MONTANA

VOLUME XVII

HELENA, MONTANA, OCTOBER-DECEMBER, 1976

NUMBER 2-3

Montana Property Taxes Continue Annual Spiral

Montana property owners received their annual financial jolt when 1976-77 tax statements were received in November.

Mill levies imposed for the current fiscal year resulted in an increase of \$13.7 million in property taxes statewide. This is a reduction from the all time high levy increase of \$34.4 million for fiscal 1975-76.

Levies imposed resulted in a \$13.2 million increase for fiscal 1974-75 and an all time high up to that year was 1973-74 when property taxes went up \$22.7 million.

During the last four years property taxes have increased \$84 million with 60 percent of the increase going for support of the public schools.

PROPERTY TAX INCREASES 1973-77

State Purposes	\$	% of Total
County Purposes	17,014,513	20%
Public Schools	50,190,511	60%
Cities and Towns	10,687,207	13%
Miscellaneous	3,274,143	4%
TOTAL	\$84,036,386	100%

The last two legislatures have substantially increased public school spending authority despite a decrease in enrollments statewide. Increased valuations have generated more dollars from the 40 mill county levy and taxpayers have continued to vote increased special levies for school operation.

The significance of the \$84 million increase in the last four years is put into focus when we realize that from the time Montana was named a state in 1889 it took 69 years (until 1958) to reach a yearly tax bill of \$84 million a year. We have had an increase of that amount in just four years reaching an all time total for all services of \$280.4 million for 1976-77.

Property Tax Limitations

Montana historically has had

with unlimited appetite for tax funds.

Now efforts are being made to either eliminate the tax limits or to increase them to the point where they are not effective.

As it is, the limits have been increasingly ineffective as the Legislature has failed to adjust them to offset the sharply increased valuations that have

come about year after year.

This has brought about a new Parkinson's Law "expenditures rise to meet valuation increases." It is essential that the Legislature adjust mill levy limits to offset valuation increases. If this does not take place, property owners can expect a startling jump in property taxes when new values are placed on the books.

Trend Of Property Taxes Levied In Montana

	1971-72	1975-76	1976-77	% Inc. 1-Year Period	% Inc. 5-Year Period
State Funds					
General Fund	\$ 278,334	\$ ----	\$ ----	-- %	43.0
University Levy	5,800,571	7,656,374	8,294,941	8.3	43.0
Institution	124,456	----	----	---	---
Livestock Levy	654,814	1,053,726	1,251,124	10.7	91.1
TOTAL	\$ 6,858,175	\$ 8,710,100	\$ 9,546,065	9.6%	39.0
County Funds					
General Fund	\$ 17,463,045	\$ 25,289,656	\$ 27,526,691	8.8%	57.6%
Road	6,550,991	10,164,607	10,971,447	7.9	67.5
Bridge	2,530,919	3,716,990	3,746,141	.8	48.0
Poor	9,037,323	8,577,730	7,311,074	-14.8	-19.1
Bond Interest & Sinking	1,583,279	2,189,749	2,148,826	-1.9	35.7
County Fair	789,540	1,177,252	1,126,328	-4.3	42.7
County Library	801,093	1,268,001	1,434,787	13.2	79.1
Egric. Ext. Service	283,708	458,508	605,812	32.1	113.5
Other County Funds	3,170,571	6,266,362	7,604,003	21.3	139.8
TOTAL	\$ 42,210,469	\$ 59,108,855	\$ 62,475,109	5.7%	48.0%
Public School Fund					
Foundation Program	\$ 37,744,943	\$ 54,029,773	\$ 55,677,405	3.0%	47.5%
Deficiency Levy	5,032,594	4,382,525	----	---	---
State Permissive Levy	----	----	2,781,179	---	---
Other School Levies	61,099,655	94,936,737	101,598,167	7.0	66.3
TOTAL	\$ 103,877,192	\$ 153,349,035	\$ 160,056,751	4.4%	54.1%
City and Town					
General	\$ 20,146,839	\$ 28,406,120	\$ 28,953,929	1.9%	43.7%
Special Improvement	5,246,382	8,382,144	9,082,472	8.4	73.1
TOTAL	\$ 25,393,221	\$ 36,788,264	\$ 38,036,401	3.4%	49.8%
Miscellaneous Fund					
Fire District	\$ 705,821	\$ 1,462,727	\$ 1,321,576	-9.7%	87.2%
Other	5,263,186	7,323,919	8,982,720	22.6	70.7
TOTAL	\$ 5,969,007	\$ 8,786,646	\$ 10,304,296	17.3%	72.6%
GRAND TOTAL TAXES					
	\$ 184,308,064	\$ 266,742,900	\$ 280,418,622	5.1%	52.1%
State Taxable Valuation					
	\$ 965,708,451	\$ 1,350,774,330	\$ 1,391,935,128	3.0%	44.1%
% Property Taxes of Valuation	19.1%	19.8%	20.2%	2.0%	5.8%

Montana Taxpayers Association



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Bite The Bullet

Now that the political campaigns are over, and we are relieved of listening to campaign rhetoric, comes the time for a serious consideration of the issues.

At the national level, we still have the "money solves problems" philosophy. Supposedly, if you shovel enough money into a given problem, it will automatically be solved. Obviously, Americans have failed to learn little from their own history and certainly have never needed the history of another nation. Great Britain, like New York, is on the verge of bankruptcy through their unfortunate experiments with the welfare state.

The new president and the next Congress are being inundated with demands by city mayors and other governments for more federal handouts, therefore, adding to the federal debt. Labor, minority groups, public officials, educators all want more federal money thrown at their problems. There is no reason to expect that Congress will act more responsible in the future, than it has in the past. After all, the majority was elected on a platform that, "I can do more from the public treasury than my opponent." Fiscal responsibility be damned.

State and local governments are forced to operate within some semblance of fiscal responsibility. After all, they cannot run huge deficits and they cannot start up the printing presses. They have, however, become part of the inflationary problem by increasing salaries, employees, and other costs.

Montana, while a small state population-wise, is also part of the problem. A drop in the bucket, to be sure, when compared to California, New York, and other populous states but never the less not taking a back seat when it comes to governmental growth.

The 1977 Legislature faces unusual demands for additional appropriations for all levels of government. The impetus of governmental growth started with executive reorganization and was fueled by the 1975 Legislature, when it increased state appropriations by 44 percent. The only way to cool this flame is to hold the line on state agency spending and to say no to a multitude of new and expanding state and local programs.

It has become a convenient exercise for local governments to plead poverty to state legislatures and for state legislatures to plead poverty to the federal government. By so doing the responsibility is shifted from local decision making to a higher strata. So it will be with the 1977 Legislature. Local governments and the public schools will have their hands out for so-called "free money" from Helena. They must remember that there is no pot of gold that the state legislature can tap. The "state" tax dollar is collected from the same people who pay the "local" tax dollar. It is better collected at the local level where it originates, where the people know it is being

Heidle Named Research Analyst

Linda Heidle has been named Research Analyst for the Montana Taxpayers Association. Her responsibilities will primarily be in the area of property tax auditing and local government affairs.



Linda Heidle

Mrs. Heidle, a business education major at Montana State University, has been on the MonTax staff in different capacities over a number of years starting with summer employment while still in high school. As a result, she has worked in all areas of the Association's work program.

In the immediate future her prime responsibility will be major studies having to do with public school costs and the costs of county and municipal government.

Society Continuing Education

The Montana Society of Association Executives is an organization of people in Montana engaged in association management. MSAE is a chapter of the national organization, American Society of Association Executives. Mons Teigen, Executive Vice President of the Montana Stockgrowers Association, is currently serving as president.

One of the projects of MSAE is a program of continuing education for members. Recently the first of a series of educational programs was held in Helena with Dr. James E. Nelson and Dr. Ronald Lundquist from Montana State Un-

iversity conducting a three hour session on "Time Management".

Twenty-nine executives and association staff members heard the MSU professors lecture on better ways to allocate time in an era of ever increasing pressures upon trade and professional associations.

Future sessions have been scheduled in 1977 with Montana State University faculty members to further the education of those engaged in professional association management.

It is indeed time to "bite the bullet."

Future sessions have been scheduled in 1977 with Montana State University faculty members to further the education of those engaged in professional association management.

Anderson Elected Trustee To GRA

S. Keith Anderson, Helena, has been named as one of the Trustees of the Governmental Research Association at its 62nd Annual Conference in Philadelphia. The Governmental Research Association (GRA) is a national organization of individuals professionally engaged in governmental research and has headquarters at Ocean Gate, New Jersey.



S. Keith Anderson

Anderson is president of the Montana Taxpayers Association and is currently serving his second year as Chairman of the National Taxpayers Conference.

Officers elected to GRA are Robert H. Franklin, Connecticut, President and Richard A. Manley, Boston, Vice President.

In addition to Anderson, other Trustees were elected from Eastern Coast states.

An old proverb has it that "a stitch in time saves nine."

Modern bureaucratic jargon would translate that into "early input produces corrective feedback."

collected and where the bureaucrats in Helena can't take their cut for administration as they are prone to do.

Obviously, the financial issues are complex. They would be less complex if the public administrators and legislators had the courage to say no to those demanding largess from the public treasury.

Government has no business trying to be all things to all people.

The term to "bite the bullet" is historic in our national heritage. It's time to face reality and for citizens and public officials alike to make those unpopular decisions necessary to protect the solvency and fiscal integrity of our state and nation.

Stubkjaer Elected MonTax Chairman

Art Stubkjaer, Cut Bank businessman, was elected chairman of the Board of Directors of the Montana Taxpayers Association at its 55th annual meeting in Helena.



Art Stubkjaer

Bruce MacIntyre, Billings automobile dealer, was elected first vice chairman and, motel owner and Kalispell businessman, Conrad F. Lundgren was elected second vice chairman.

Other officers elected were S. Keith Anderson, President, Edward W. Nelson, Executive Vice President, and Betty Humphreys, Executive Secretary and Treasurer.

A slate of directors was elected representing the various business interests in the state. New to the Board is Calvin S. Robinson, Kalispell attorney, elected director at large and Merle Riggs of Billings representing manufacturing.

Also elected was J. H. Swartz of Billings representing petroleum, Brent Bliss of Dutton representing grain growing and Walter B. Doering of Helena, the dental profession. Also elected was Ervin S. Gysler, Shelby, consulting engineer.

Retiring from the Board of Directors was Norris E. Hanford of Fort Benton and Dr. Gordon L. Doering, Helena. Both had served as President and Chairman of the Board of Directors of the Association.

Other Directors elected were: Bruce MacIntyre of Billings, automobiles; William B. Andrews of Helena, banking; Rolf Svare, Shelby, director at large; Albert J. Gates, Lewistown, director at large; Art Stubkjaer, Cut Bank, director at large; Charles J. Gilder, Butte, gas and electric; James H. Morrow, Jr., Bozeman, legal profession; Brooks Robinson, Great Falls,

lumber and hardware; and William Cashmore, M.D., Helena, medical profession.

Other Directors elected were: William Sternhagen, Helena, mining; Conrad Lundgren, Kalispell, motels; Patrick Rice, Great Falls, motor carrier; J. Riley Johnson, Cut Bank, Montana press; H. A. Knudsen, St. Paul, railroads; Kenneth R. Flynn, Havre, real estate; A. C. Grande, Martinsdale, stockgrowing; John Baucus, Helena, sheep and wool; John H. Buckley, Helena, telephone and telegraph and Robert N. Holding, Missoula, timber products.

Legislative Committee Named

Chairman Stubkjaer named William B. Andrews, Helena banker, as Chairman of the Association Legislative Committee. Other members are Robert N. Holding, William Sternhagen, Calvin Robinson, Ervin Gysler, and John Buckley.

Thirteen MonTax Meetings Held

During 1976 the MonTax staff held thirteen meetings throughout the state for Association membership and invited guests.

Several of these meetings were held in cooperation with local city Chambers of Commerce. Most were luncheon meetings while in Great Falls a breakfast and luncheon meeting was held.

The format of the meetings was a slide presentation on Association activities, Montana's tax structure, expenditure patterns, and problems that will be faced by the 1977 Legislature. Meetings will be continued during 1977 on a regional basis. The Association has received several requests and they will be honored as time permits.



MonTax 55th Annual Meeting.

The 55th annual meeting was attended by a near overflowing crowd at the Helena Colonial Inn. The Association cooperated with the Montana Bankers Association, Montana Chamber of Commerce and Montana Stockgrowers Association in sponsoring "Election '76 Candidates' Forum."

James P. Lucas and Pat McKittrick, former Speakers of the House of the Montana Legislature, presided over the program. Candidates appearing were John Melcher and Stan Burger, for the U.S. Senate; Eastern District Congressional Candidates Ron Marlenee and Thomas Towe, and nominees for Governor, Thomas L. Judge and Robert L. Woodahl as well as William "Bill" Diehl, candidate of the Western Congressional District.

Another feature of the program was a panel "Meet the Montana Press." Participating in the panel was Gary Langley, Lee State Bureau; Hugh VanSwearingen, Associated Press; Bud Iwen, United Press; Bill Yeager, Intermountain Network News and Ed Coghlan, KRTV of Great Falls.

The MonTax staff has developed two slide presentations. One is geared to meetings of the Association membership and the other as a presentation to service clubs and grass roots type meetings.

Service clubs or members wishing to have a meeting in their area should contact Walter Anderson, Director of Field Services for MonTax, at Box 4909, or telephone 442-2130, Helena. Meetings will be held as time permits. In addition, material is provided participants concerning Montana's tax burden, tax structure and where the tax dollar goes.

My uncle, the politician, ran unopposed in an election. And lost.

Members of the press expressed their views as to the problems of the news media during a political year as well as fielding questions from the audience.

All in all the program was very well received with people attending from all over the state of Montana as well as a number from out of state.

Zero-Base Budgeting Sunset Laws

From time to time new budget concepts are developed for government. Now comes zero-based budgeting with its popular political appeal.

Zero-base budgeting is a process where all departments and agencies periodically are required to justify their entire appropriation request. In short, should they exist at all?

Under this procedure each appropriation is considered at regular specified intervals as though it were an original request. Unless agency worth is justified through this re-examination process, the programs and activities can be eliminated or curtailed.

Under such a review the bureaucracy will react in order to keep its status quo, if not manufacture reasons to increase its function. It takes a hard-headed administration and legislature to even hold the line on public expenditures much less reduce or eliminate a governmental function.

Sunset Legislation

So called Sunset Legislation also has public and political appeal. This has received increased attention and is another technique to force regular review of government expenditures. Under the Sunset approach agencies and programs have fixed termination dates. Unless the agency can justify its continued existence before the legislative body, it is automatically eliminated. Thus by setting specified expiration dates, lawmakers are compelled to review and to reenact the program through the appropriation process.

Zero-base budgeting and the Sunset idea should be tools used wherever public funds are spent. This includes programs for municipalities, counties and public schools as well as at the state and federal level.

Property Taxes Big Producer

Total property taxes in the U.S. rose 128 percent to \$51.5 billion from the 1965 total of \$22.6 billion, according to Tax Foundation.

While property taxes, primarily local taxes, remained the largest single source of state-local tax revenues in fiscal year 1975, nonproperty taxes rose more rapidly—by 214 percent.

COMPARISON OF 1975-76 AND 1976-77 PROPERTY TAXES

Mill Levy or Taxes Per \$1,000 Taxable Valuation for Montana Cities and Towns

	COUNTY		SCHOOL		CITY or TOWN		STATE		TOTAL		Change From 1975-76
	1975-76	1976-77	1975-76	1976-77	1975-76	1976-77	1975-76	1976-77	1975-76	1976-77	
Superior	74.40	64.77	155.90	146.72	66.11	66.21	5.60	6.00	303.32	285.10	- 18.22
Terry	43.80	52.26	82.31	93.09	63.50	65.00	5.60	6.00	195.21	216.35	+ 21.14
Twin Bridges	28.09	23.64	96.98	117.42	69.00	72.00	5.60	6.00	204.21	223.94	+ 19.73
Valter	42.87	43.76	86.55	92.42	52.00	57.00	5.60	6.00	189.02	201.18	+ 12.16
West Yellowstone	31.48	34.40	108.98	108.17	60.84	58.43	5.60	6.00	206.90	207.00	+ .10
AVERAGE	\$37.82	\$39.77	\$109.03	\$111.11	\$61.23	\$60.91	\$5.60	\$6.00	\$213.68	\$217.79	+ \$ 4.11
Population Below 500											
Alberton	\$74.40	\$64.77	\$179.25	\$192.63	\$68.00	\$92.50	\$5.60	\$6.00	\$327.25	\$355.90	+ \$28.65
Bainville	35.98	37.88	147.85	147.14	35.00	50.00	5.60	6.00	227.43	255.16	+ 27.73
Bearcreek	26.58	38.19	88.31	83.18	58.00	55.99	5.60	6.00	178.49	183.36	+ 4.87
Brookton	35.98	37.88	126.32	128.27	52.00	---	5.60	6.00	219.90	172.15	- 47.75
Broadview	36.65	36.71	136.48	121.61	54.00	54.00	5.60	6.00	232.73	218.32	- 14.41
Clyde Park	37.82	40.70	126.71	125.66	50.00	50.00	5.60	6.00	220.83	223.06	+ 2.23
Denton	40.40	32.45	124.11	99.11	56.00	36.00	5.60	6.00	226.11	193.56	- 32.55
Dodson	32.01	41.72	120.41	127.35	45.00	45.58	5.60	6.00	203.71	221.87	+ 18.16
Drummond	51.66	54.72	92.70	97.26	50.23	50.23	5.60	6.00	201.52	229.97	+ 28.45
Dutton	48.38	58.07	103.93	107.90	69.00	58.00	5.60	6.00	226.91	229.97	+ 3.06
Flaxville	40.23	52.57	145.28	125.82	48.00	54.00	5.60	6.00	239.11	238.39	- .72
Froid	35.98	37.88	148.99	170.32	47.00	47.00	5.60	6.00	240.57	275.34	+ 34.77
Fromberg	26.58	38.19	119.19	102.85	72.00	69.00	5.60	6.00	225.37	218.04	- 7.33
Geraldine	27.92	34.33	111.68	112.10	75.00	75.00	5.60	6.00	226.20	234.45	+ 8.25
Grass Range	40.40	32.45	122.29	126.77	35.90	41.31	5.60	6.00	204.19	206.53	+ 2.34
Hingham	40.82	40.72	113.20	133.30	25.00	25.00	5.60	6.00	184.62	205.02	+ 20.40
Hobson	32.42	32.54	121.12	123.51	30.69	30.00	5.60	6.00	189.83	192.05	+ 2.22
Hysham	36.82	31.40	84.06	86.25	81.20	79.00	5.60	6.00	207.78	203.10	- 4.68
Ismay	41.97	43.60	102.36	114.55	18.00	18.00	5.60	6.00	167.93	182.15	+ 14.22
Joliet	26.58	38.19	104.82	106.06	76.87	76.50	5.60	6.00	215.87	228.75	+ 12.88
Judith Gap	54.40	52.62	123.17	114.90	30.00	30.00	5.60	6.00	213.17	203.52	- 9.65
Kevin	44.05	54.16	89.00	107.81	56.00	15.00	5.60	6.00	195.09	184.97	- 10.12
Lavina	35.07	34.31	77.77	95.92	45.00	45.00	5.60	6.00	164.44	182.23	+ 17.79
Lima	35.36	39.70	84.34	81.93	47.00	40.60	5.60	6.00	172.30	168.23	- 4.07
Medicine Lake	19.70	22.00	132.82	133.47	93.00	96.00	5.60	6.00	251.72	258.97	+ 7.25
Melstone	17.08	12.11	65.17	60.30	66.36	64.56	5.60	6.00	154.21	142.97	- 11.24
Noore	40.40	32.45	107.38	111.49	36.00	33.00	5.60	6.00	189.38	182.94	- 6.44
Neihart	46.97	46.79	183.50	190.29	24.50	24.50	5.60	6.00	260.57	267.58	+ 7.01
Opheim	39.54	46.16	147.68	134.38	65.00	65.00	5.60	6.00	257.82	251.54	- 6.28
Outlook	19.70	22.00	88.66	83.93	32.00	32.00	5.60	6.00	146.16	144.93	- 1.23
Plevna	22.18	24.65	97.03	70.06	2.00	38.00	5.60	6.00	126.81	138.71	+ 11.90
Richey	37.50	40.50	125.70	126.06	54.00	46.00	5.60	6.00	222.80	218.56	- 4.24
Ryegate	35.07	34.71	103.98	93.64	38.00	55.00	5.60	6.00	183.65	189.95	+ 6.30
Saco	32.01	41.72	120.14	126.37	33.71	18.05	5.60	6.00	192.32	192.54	+ .22
Virginia City	28.09	23.64	74.11	72.22	86.00	86.00	5.60	6.00	198.80	223.86	+ 25.06
Westby	19.70	22.00	75.01	70.11	95.00	105.00	5.60	6.00	195.31	211.61	+ 16.30
Winifred	40.40	32.45	120.97	111.38	25.00	25.00	5.60	6.00	191.97	179.83	- 12.14
Winnett	16.29	27.60	93.69	87.14	77.08	79.47	5.60	6.00	192.66	200.21	+ 7.55
AVERAGE	\$35.61	\$37.75	\$113.93	\$114.41	\$51.38	\$50.67	\$5.60	\$6.00	\$206.52	\$208.83	+ \$ 2.31
AVERAGE FOR ALL CITIES	\$37.05	\$39.45	\$116.95	\$116.60	\$60.53	\$61.12	\$5.60	\$6.00	\$220.13	\$226.17	+ 6.04

Detail may not add due to rounding -- special districts are included in totals and are not listed.

Residential Tax Levies Continue Up, Up, Up

Mill levies imposed for cities and towns in Montana continued their increase for fiscal year 1976-77. The overall rate of growth slowed from sharp increases experienced a year ago.

MILL LEVY INCREASE MONTANA MUNICIPALITIES

Population	1975-76	1976-77
Above 20,000	+26.15	+ 5.91
10,000 to 20,000	+17.55	+ 4.84
5,000 to 10,000	+19.88	+13.69
2,000 to 5,000	+12.49	+ 5.48
1,000 to 2,000	+13.45	+12.50
500 to 1,000	+ 7.86	+ 4.11
Below 500	+10.56	+ 2.31
OVERALL	+12.00	+ 6.04

The valuation of property in incorporated cities and towns amounts to \$399.4 million for 1976-77. This equals 28.7 percent of the total valuation of property in the state.

The accompanying tables give the mill levy breakdown for each municipality in the state as compared to property levies one year ago. Last year the sharpest

increase in levies was in the five largest cities of the state with an average increase of 26.15 mills. This year those cities had an average increase of 5.91, while the sharpest increases are in the cities with population from five thousand to ten thousand and from one thousand to two thousand.

Property tax levies are given in mills or taxes per one thousand dollars of taxable valuation. A mill is a tenth part of a cent. The more understandable measurement is dollars per one thousand of taxable valuation of a given property. For example, the total mill levy for Helena, Montana for 1977 is 277.49 mills or \$277.49 per one thousand dollars of taxable valuation. For example, a residence that would sell for \$25,000 on the open market has a taxable value of \$3,000 under existing Montana law. The tax, in this example, would be arrived at by multiplying the given mill levy by three.

The taxable valuation against which the mill levy is applied can be arrived at by using a factor of twelve percent. For example, 12% applied against

the \$25,000 residence results in a taxable value of \$3,000.

The Tax Outlook

What property taxes will be next year is always the multi-million dollar question. Increased budgets for counties, cities and public schools and increased valuations have added to larger tax bills as shown in the accompanying tabulations. Increased valuations will result in reduced mill levies only if spending holds the line or is reduced. Pressures upon public officials are to not only increase valuations, but to increase spending for counties, cities and schools as well. Only when mill levy limits are reduced and spending holds the line will property taxes be controlled.

The 1977 Legislature will be confronted with a great number of proposals aimed at increasing the tax burden in Montana. There is little difference in a dollar being taken out of one pocket to pay property taxes and a dollar being taken out of the other pocket to pay income taxes. The result is the same, a dollar less for the taxpayer.

Gov't. Salaries Are Higher and Grow Faster

We recently discussed the fact that personnel costs were the principal factor in the bankruptcy of New York City. Now comes the Committee on Economic Development with a report indicating a similar fate awaits the rest of us. In the nation as a whole, the committee found that the salaries of state and local government employees increased 188 percent in the period 1954-74 as the total number of such employees rose 152 percent. Those figures were respectively 47 percent and 101 percent greater than the comparable increases in the private sector.

—Washington Monthly, 4/76

WALTER CRONKITE: "Today we seem more interested in power than in ideals, and this will not be good enough to compete effectively in the coming age. The state must have a moral purpose."

Inventory Procedures Reviewed With Department of Revenue

Because of requests from Montana business about what the State Department of Revenue was doing to inventory reporting and tax audits, Mr. Ed Nelson, Executive Vice President of the Montana Taxpayers Association, interviewed Mr. Dennis Burr, Director of the Property Assessment Division of the Department of Revenue.



Edward
Nelson

The 1975 Montana Legislature made some changes in regard to the assessment of inventory. Prior to the legislation the assessment date was the first Monday in March and by directives inventory was assessed on the basis of 60 percent of dealer's cost. The classification percentage of 33 1/3 percent was then applied to reach taxable value or that value against which the mill levy is applied.

The 1975 Legislature changed the assessment date to the first of January at midnight and put inventory in the 7 percent classification instead of 33 1/3 percent.

Further, the Department of Revenue has directed assessors to continue using a factor of 60 percent of the dealer's cost for the entire inventory.

As means that with a \$100,000 inventory at dealer's cost, the assessed value would become \$60,000 and the taxable \$20,000. (\$100,000 times 60% equals \$60,000 times 7% equals \$4,200).

At the time the rules were issued by the Department of Revenue some local assessors disputed the 60% factor. After a statewide hearing that included testimony from Brooks Robinson, Chairman of MonTax and many other businessmen around the state, the 60% factor was established.

With this background Mr. Burr was asked several questions:

Nelson: Mr. Burr, could you tell us at this time the effect of this change in inventory assessment?

Burr: There is no question but what the present law is assuring us of a more complete reporting

of inventory. At present we show an increase in assessment from the previous \$144 million to over \$298 million. The taxable total has dropped because of the change from 33 1/3% class to 7% class.

Nelson: What do you believe the total effect will be after reports and any necessary audits are completed?

Burr: We believe the total tax values will not be greatly different than prior to legislative changes.

Nelson: What is the actual process your department uses at this time for inventory auditing and what is expected of the businessman?

Burr: In March of each year forms will be sent from the local assessor to each reporting business. The business will base its inventory on the reporting date of January 1 of each year. After the information is returned by the business to the assessor the assessed and taxable values are computed and placed on the tax role.



Dennis
Burr

Nelson: What if there is a question about the validity of the report?

Burr: The local assessor, if he believes the inventory report to be in error, will submit it to the Department of Revenue for review.

Nelson: What does the Department of Revenue do then?

Burr: We refer it to our staff auditors who will verify the report against the state tax report. This is either the income tax return for proprietorships or the corporation license tax return for corporations.

Nelson: Are federal returns being used for verification?

Burr: No.

Nelson: What happens after review by your staff?

Burr: If we find a discrepancy, we advise the local assessor to increase the inventory value. The taxpayer will be asked to justify any difference. Where there is no agreement, the local assessor and business representative should meet with the central office of the Department of Revenue.

Nelson: What do you use as verification when business operates in more than one location or state?

Burr: In-state is no problem. Out-of-state we will use corporation license tax auditors who are already auditing out-of-state businesses.

Nelson: What effect has your audit program had to date?

Burr: On 78 audits in four counties the value increased from \$5,246,635 to \$13,362,142.

Nelson: Have any penalties been assessed?

Burr: No. We have not assessed any penalties. We are attempting to secure complete reporting. We do believe some legislation will be introduced to require some kind of penalty.

Nelson: Mr. Burr, thanks very much for helping us bring this information to our membership.

Who Should Pay the Taxes?

The question of who should bear the major burden of taxes always comes up at election time. This year is no exception, according to the Tax Founda-

One question had to do with the result of imposing a 100 percent rate on all taxable income above \$32,000 a year. This, it is proposed, would be one way of collecting more in taxes on above average incomes.

In 1972, the latest year for which figures are available, IRS collected \$15.8 billion in taxes from taxable income brackets above \$32,000. That amounts to an effective average tax break of 3.2 percent on income in the higher brackets. If the tax rate been raised to 100 percent, and the IRS took all taxable income above \$32,000, the additional revenue would have been 12.8 billion—in theory.

Destroying Incentive

That amounts to 3.2 percent of 1977 estimated Federal budget outlays. It would just barely pay the cost of the Federal government for eleven and a half days, according to the Tax Foundation.

Proposals to place a ceiling on the amount of after-tax income Americans may retain are not very realistic, notes Robert C. Brown, the Foundation's executive vice president.

"The hypothesis that we can raise more revenue by taxing all income over a certain amount by means of a 100 percent rate is false, because as soon as Congress imposed such a tax, any

income above the new ceiling would tend to vanish. Robbed of this powerful incentive, individuals would seek elsewhere for the rewards of their hard work and success. This source of revenue would quickly dry up," Brown points out.

In another example the question was asked, if Congress decided to raise all tax rates over 50 percent to 100 percent, how would that affect tax revenue? The answer—again assuming that taxpayers would not change their behavior—is that Federal income taxes would rise by \$3.5 billion. Federal outlays for 1977 are estimated at \$1.1 billion a day, a 100 percent rate on incomes now taxed at rates above 50 percent would produce enough revenue for little more than three days operations.

The number of returns filed by taxpayers in the maximum 70 percent bracket was some 16,000—only three one-hundredths of one percent of the total. They paid \$1.84 billion in taxes at the 70 percent rate. If their top marginal tax rate were raised to 100 percent it would add less than \$800 million to total revenue or less than one percent of the amount now collected in all brackets.

"It is probably safe to say, concluded Brown, "that a punitive tax on any kind of success is likely to be counterproductive. It is a case where the desire to have somebody else pay my taxes causes a nation to bite off its own nose. Certainly it will not produce any worthwhile amounts of revenue."

Annual Increases Could Cause Pay To Double, Triple

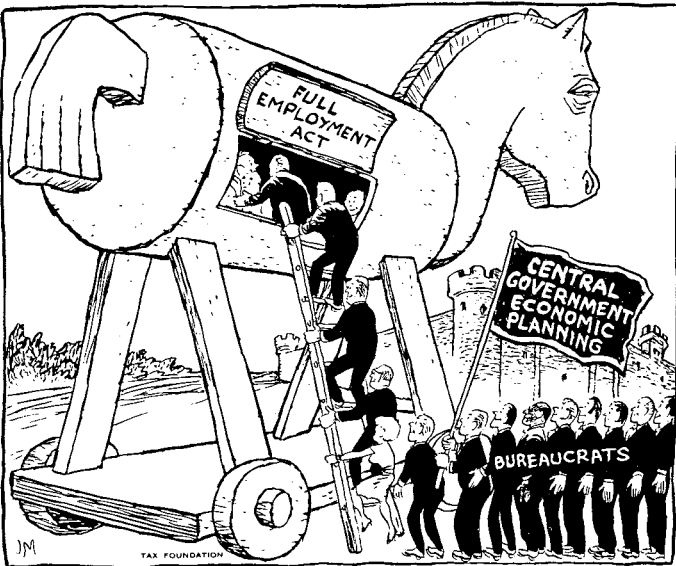
Salaries in the past few years have had an almost vertical spiral with many tied to Consumer Price Index.

But where does all of this lead? There is an increased trend toward tying salaries to something like the CPI. Thus the salaries go up, raising the CPI and the CPI then raises salaries.

The following illustrates the potential of this kind of action. Within 25 years a \$5,000 income will become \$16,933 on a 5% annual increase and \$54,174 on a 10% annual increment. A \$10,000 income will move to \$33,868 by 5% steps and \$108,356 by 10% steps. And a \$20,000 income will become \$67,729 by 5% and \$216,689 by 10% steps.

Politician: "I'm pleased to see such a dense crowd."

Voice from rear: "We ain't all dense!"



Humphrey-Hawkins Bill An Affront to Intelligence

The Full Employment and Balanced Growth Act of 1976 (S. 50)—misnamed in that it has nothing to do with balanced growth—has so many faults one is tempted to regard it as totally without merit. Its overall approach to unemployment reduction is so basically wrong it couldn't possibly deliver on the extravagant promises it makes. It would have highly undesirable side-effects. And by setting public policy on a wrong track would preempt the opportunity to deal in a constructive way with a problem that demands solution.

The chronic, structural unemployment problem to which S. 50 is principally directed must be faced—preferably by the Executive Branch developing a program for presentation to Congress.

In a critique of the "Humphrey-Hawkins Bill," Raymond J. Saulnier, emeritus professor of economics, Columbia University, writes:

"No one would maintain that the problems of inner cities, depressed regions, disadvantaged groups in the labor force, youths desiring but lacking employment, and unbalanced state and local budgets are not real, but each can be dealt with more constructively than in the context of S.50. Knowing what we do of these problems and how to attack them, and being fully prepared to back rational approaches to them, as the country doubtless is, it would be a tragedy without parallel to blunder ahead in the S.50 manner."

Professor Saulnier, a former chairman of the President's Council of Economic Advisers,

and a trustee of Tax Foundation, lists eight major faults in the bill:

It would do nothing to correct conditions that cause unemployment and in at least one important respect would aggravate it. It would create a perpetual body of uneconomic, Federally-funded employment that would be little more than disguised unemployment.

It would do nothing to help create private sector jobs that are the only genuine solution to unemployment. There are things government can do—much of it in the area of taxation—to help promote job creation in the private sector. The bill doesn't even recognize that such things need to be done.

It does not make it clear whether its mission is to correct cyclical or structural unemployment.

It would cost \$40 billion initially and annual costs approaching the same amount.

It would aggravate the Federal government's deficit-financing problems and collide with spending limitations already adopted by Congress.

It is inflationary.

The inflationary approach would lead quickly to direct controls.

It uses inflexible, numerical goals.

"It is instructive to recall," writes Professor Saulnier, "that after six years in the 1930's of programs such as Humphrey-Hawkins proposes now to resurrect, the U.S. economy was left in 1939 with an unemployment rate of 19 percent!"

It is an affront, the critique concludes, to the country's intelligence.

Congress Is A Billion Dollar Bureaucracy

Congress spent \$925 million on itself in the fiscal year just ended, and its costs are slated to go higher. Substantial growth in employment in the Legislative Branch and significant increases in salaries and other costs will continue to send the cost of Congress upward.

These and other facts are revealed in a recent study of the Tax Foundation. The brief shows that appropriations for the expenses of the Senate, the House of Representatives and their joint activities rose by more than \$100 million between 1960 and 1970. But from fiscal 1970 to 1976 they rose again by more than \$250 million to a total expenditure of \$426 million.

Agencies cost \$498 Million

At the same time the appropriations to cover the expense of the Legislative agencies created by Congress rose from \$99 million in 1960 to \$172 million in 1970, and the figure for 1976 is more than \$498 million.

Although the number of Congressmen and Senators remains constant from year to year, government figures show that employment by Legislative Branch agencies totaled 37,303 at the end of 1975. That represents an increase of more than 6,750 employees—or 22 percent—since June 1970.

Here are the Congressional agencies and their estimated expenditures for 1976:

- The Architect of the Capitol—\$74.5 million.
- The U.S. Botanic Garden—\$1.2 million.
- The General Accounting Office—\$137.2 million.
- The Government Printing Office—\$147 million.
- The Library of Congress—\$116.8 million.
- The Cost Accounting Standards Board—\$1.6 million.
- The Office of Technology Assessment—\$6.5 million.
- The Congressional Budget Office—\$4.7 million.

The \$498 million appropriated for these agencies

includes the supplemental pay increase of \$8.6 million passed last October.

More than three-fourths of the increase in employment is for congressional staff. The staff numbers 17,039 including members—6,351 in the Senate and 10,688 in the House. That's an increase of 44 percent since 1970.

In 1960 Members of Congress were paid \$22,500 a year. In 1964 they got a raise to \$30,000. In 1969 this was raised to \$42,500. Their salary since last October has been \$44,600. The Speaker of the House receives \$65,600 and the Senate President pro tempore and the Majority and Minority Leaders get \$52,500.

(Continued Page 8, Col. 2)

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION (Act of October 23, 1962; Section 4369, Title 39, United States Code).

1. Date of filing: October 3, 1976.
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7. Owner (if owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, the name and address, as well as that of each individual must be given.); Montana Taxpayers' Association (a nonprofit incorporated association), Helena, Montana.
8. Known bondholders, mortgages, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities: None.
9. Paragraphs 7 and 8 include, in cases where the stockholders or security holder appear upon the books or the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, and the statements in the two paragraphs show the trustee's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity, other than that of a bona fide owner. Names and addresses of individuals who are stockholders of a corporation which itself is a stockholder, or of a partnership, mortgages or other securities, if the publishing corporation have been included in paragraphs 7 and 8 when the interests of such individuals are equivalent to 1 percent or more of the total amount of the stock or securities of the publishing corporation.
10. Average number of copies each issue during preceding 12 months: 4,300. Actual number of copies of single issue published nearest to filing date: 4,500.

I certify that the statements made by me above are correct and complete.

S. KEITH ANDERSON
President

186 YEARS AGO

This quotation was made in the year 1790 by Dr. Alexander Tytler, Professor of General History, University of Edinburgh.

"A Democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on the majority always votes for the candidate promising the most benefits from the public treasury, with the result that a democracy will always collapse from a loose fiscal policy (burden of large public debt), always to be followed by a dictatorship."

1977 Legislature Faces Excessive Money Problems

Based on information supplied by the state's legislative fiscal analyst, Montana's general fund should receive approximately \$421.5 million during the 1977-79 biennium. This revenue is from existing tax sources and does not include money that may be available as cash surplus on June 30, 1977. This revenue amount is approximately the same as that anticipated by the Governor's Budget Office.

At present, requests for appropriations received by the budget office amount to \$560.3 million or \$138.8 million above known sources of revenue. This does not include a significant number of new funding requests. New requests include the Governors proposed property tax relief program that will take from \$25 to \$30 million dollars of general fund revenue.

As a comparison the current biennium general fund appropriations are \$362.7 million, or \$188.6 million less than current requests.

Some of the more significant requested increases are:

Community Colleges.....	\$ 1.9 million
University System.....	43.8 million
Public Schools.....	41.4 million
Institutions.....	35.7 million
Social Rehab. Services.....	22.2 million
Community Affairs.....	6.2 million
Fish and Game.....	2.4 million
Health and	
Environmental Services....	5.6 million

Judiciary.....	11.2 million
Natural Resources.....	2.2 million
Dept. of Revenue.....	8.1 million
Supt. of Schools.....	3.0 million
Vocational Education.....	5.4 million

¹Includes a proposal to fund District Courts by the state.

Some of the added programs that will require General Fund money are:

10% pay increase	
for state employees.....	\$26.0 million
Health Insurance.....	3.5 million
Local Gov. Subsidies.....	26.1 million
Governor's property	
tax proposal.....	30.0 million
TOTAL	\$85.6 million

This would amount to a total increase of:

Current programs.....	\$188.6 million
Added programs.....	85.6 million
TOTAL	\$274.2 million

Whether the legislature will approve any or all of this is questionable, however, any sense of complacency about Montana's taxing and spending should be totally dispelled. As we have indicated, we are spending above our normal known sources of revenue. Knowing how difficult it is to reduce spending, this can only be a dark and formidable future for the Montana taxpayer.

BILLION DOLLAR . . .

"Congressional staff salaries are high by almost any standard," the Tax Foundation brief states. Salary appropriations nearly doubled since 1970.

In addition to salary and staff allowances Members of Congress have available a "rather imposing structure" of benefits, allowances and special services. Critics charge that many of these have little relationship to their legislative responsibilities but are special privileges for their own convenience.

But the more important issue, says the brief, is the extent, if any, "to which this increase in size and costs of the Legislative Branch is resulting in the improvement and greater effectiveness of the legislative process and product."

"On this question," says the Tax Foundation, "one is likely to encounter a variety of opinions."

Please Answer MonTax Questionnaire

Members of the Montana Taxpayers Association will soon receive a questionnaire from the Helena office. It will only take a

few minutes to answer and members are urged to return the questionnaire to the Association office immediately. While the objective is to receive a response of at least one thousand, a response of two thousand would be even better.

The questionnaire has to do with membership attitudes on the level of government financing as well as specific questions in regard to taxation proposals that will be before the 1977 Legislature.

Other questions include viewpoints on annual sessions, the right of public employees to strike, limitations on spending, etc.

A return envelope will be included with the questionnaire and members are asked to respond at once as the questionnaire will be the basis of Association attitudes during the 1977 Legislature.

DR. O. A. BATTISTA: "High taxes are the price we pay for letting the Government support the people."

TOTAL PROPERTY TAXES LEVIED BY COUNTY

	1971-72	1975-76	1976-77	% Inc. 1-Year Period	% Inc. 5-Year Period	
47,935	\$ 2,760,277	\$ 2,817,707	2.1%	25.3%	Beaverhead	
258,126	4,563,106	4,832,341	5.9	114.0	Big Horn	
2,098,671	3,092,158	3,934,349	27.2	87.5	Blaine	
881,231	1,155,605	1,194,343	3.4	35.5	Broadwater	
2,418,410	3,187,178	3,436,793	7.8	42.1	Carbon	
800,000	1,149,566	1,111,244	- 3.3	38.9	Carter	
51,871	20,659,549	21,447,602	3.8	20.8	Cascade	
377,683	3,914,220	4,102,362	4.8	42.6	Chouteau	
2,945,972	3,754,313	4,282,922	14.1	45.4	Custer	
1,222,186	1,565,252	1,700,318	8.6	39.1	Daniels	
3,286,305	4,724,442	4,947,634	4.7	50.6	Dawson	
3,259,606	4,737,566	5,399,389	14.0	65.6	Deer Lodge	
2,047,982	3,960,084	4,405,174	11.2	115.1	Fallon	
3,702,662	4,493,551	4,519,839	.6	22.1	Fergus	
8,222,273	11,311,168	12,505,380	10.6	52.1	Flathead	
6,522,030	9,601,038	10,376,128	8.1	59.1	Gallatin	
847,708	1,040,981	1,089,133	4.6	28.5	Garfield	
3,154,863	4,712,272	4,427,361	- 6.1	40.3	Glacier	
438,942	556,642	578,188	3.9	31.7	Golden Valley	
836,028	1,075,818	1,113,997	3.6	33.3	Granite	
4,882,497	6,267,006	6,871,675	9.7	40.7	Hill	
1,097,903	1,880,275	1,990,144	5.8	81.3	Jefferson	
1,240,290	1,478,564	1,570,126	6.2	26.6	Judith Basin	
3,827,869	4,940,466	5,226,860	5.8	36.6	Lake	
9,092,057	12,750,251	13,739,434	7.8	51.1	Lewis and Clark	
1,238,640	1,691,683	1,844,902	9.1	48.9	Liberty	
2,995,381	3,571,078	3,958,957	10.9	32.2	Lincoln	
1,773,800	2,456,220	2,502,197	1.9	41.1	Madison	
1,258,104	1,750,375	1,790,773	2.3	42.3	McCone	
675,408	931,347	959,655	3.0	42.1	Meagher	
881,136	1,508,324	1,056,468	-30.0	19.9	Mineral	
12,483,518	19,469,261	21,986,039	12.9	76.1	Missoula	
1,121,316	2,102,423	2,097,661	- .2	87.1	Musselshell	
2,612,130	3,367,672	3,507,788	4.2	34.3	Park	
279,733	373,207	356,963	- 4.4	27.6	Petroleum	
2,056,228	2,375,755	2,642,017	11.2	28.5	Phillips	
2,398,881	3,045,401	3,167,268	4.0	32.0	Pondera	
1,655,899	6,582,724	6,165,410	- 6.3	272.3	Powder River	
1,491,363	1,807,427	1,947,036	7.7	30.6	Powell	
762,867	1,067,582	1,134,819	6.3	48.8	Prairie	
2,676,441	3,780,068	4,183,297	10.7	56.3	Ravalli	
3,337,918	4,882,057	5,391,295	10.4	61.5	Richland	
3,057,173	3,996,229	4,652,761	16.4	52.2	Roosevelt	
2,037,478	4,874,644	7,240,033	48.5	255.3	Rosebud	
2,173,196	3,219,944	3,309,572	2.8	52.3	Sanders	
1,991,943	2,957,512	3,055,652	3.3	53.4	Sheridan	
11,769,093	16,391,316	14,267,638	-13.0	21.2	Silver Bow	
1,481,655	1,915,481	2,165,532	13.1	46.2	Stillwater	
882,646	1,309,906	1,294,901	- 1.1	46.7	Sweet Grass	
2,588,543	3,561,629	3,706,521	4.1	43.2	Teton	
2,638,463	3,743,135	3,921,912	4.8	48.6	Toole	
368,422	564,032	589,445	4.5	60.0	Treasure	
3,388,830	4,567,875	4,848,186	6.1	43.1	Valley	
806,479	977,581	986,533	.9	22.3	Wheatland	
752,055	1,422,100	1,347,450	- 5.2	79.2	Wibaux	
22,712,225	37,147,521	36,719,498	- 1.2	61.7	Yellowstone	

\$184,308,064 \$266,742,857 \$280,418,622 5.1% 52.1%

Attention, Association Members: Order Your Copy Now "Montana Property Taxation" 1977 Edition

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Eph. #2

STATEMENT OF VERNON KOELZER ON HB 412

operates 2 sporting goods stores in Bozeman & Big Sky
Ph. 587-4261

Member of a local taxpayers' troupe loosely connected with Montax.

Group feels this bill is a chipping away at the classification system. As a small store owner - not affected directly - still opposed to bill.

Will affect jobs, economy. Also will force taxpayers reporting inventories to lie again. Must compete with catalog merchants like Sears who don't have inventories in Montana, while I have to generate enough sales to pay \$6,000 - \$7,000 inventory tax.

If you need elaboration would be pleased to have you call him.

STANDING COMMITTEE REPORT

March 10 19 77

MR. **PRESIDENT**

We, your committee on **TAXATION**

having had under consideration **HOUSE** Bill No. **98**

Respectfully report as follows: That **HOUSE** Bill No. **98**

BE CONCURRED IN
DOKRASEX



WILLIAM MATHERS

Chairman.

STANDING COMMITTEE REPORT

March 10

19 77

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 591

Respectfully report as follows: That HOUSE Bill No. 591

BE CONCURRED IN

~~SENATE~~



WILLIAM MATHERS

Chairman.