

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 3, 1979

The eighteenth meeting of the committee was called to order on the above date in Room 415 of the State Capitol Building by Chairman Turnage.

ROLL CALL: Roll call found all members present.

Witnesses giving testimony are listed on attached Register.

CONSIDERATION OF SENATE BILL 222: Senator Brown said his bill would require that buildings be appraised by volume rather than value. He said he felt appraisal work was subjective and one appraiser's appraised value of a structure might not always be the same as another's. He thought such legislation might help solve the problem of improving one's property and as a consequence the individual found his appraised value going up. Mr. Hanson, an appraiser by profession, was invited by Sen. Brown to give additional testimony on the bill and he said some of the problems encountered in making appraisals included the fact that he felt that often homeowners are penalized for improving the property. He said some of the methods used in making an appraisal are: outside appearance, quality of structure, state of repair or disrepair. He felt the homeowner should not be paying extra revenues for taking care of his property. He said market values could be placed on the land, but felt it was a simple concept and although there would be problems he thought it a more equitable way to levy taxes against property. He said one of the advantages would be the saving in paper work for appraising.

The Chairman asked for other proponents and there being none, permitted testimony by opponents. Mr. Krieg of the Dept. of Revenue said the bill creates many administrative problems, among which was the fact that all buildings in the state would have to be measured, as they are not being measured at this time. He said this would have to be done every year to arrive at a market value, for depreciation purposes. He also stated the Department would have to take a census of the people in the buildings, relating to the portion of the bill dealing with renters. He said also that the bill created inequities in that an older house could have the same value as a mansion. Ms. Edwards gave brief testimony, saying the County Assessors Association opposes the bill and concurred with Mr. Krieg's testimony.

Mr. Hanson made several closing remarks and said the time allowed for measurements of the buildings could be extended to the next reappraisal plan. He also said the census of occupants could be handled under the current Homestead Relief plan, and said the Department would not have that burden.

The Chairman asked for further witnesses and following, asked the committee to hold their questions until the bill is brought up again during executive session.

CONSIDERATION OF SENATE BILL 240: Sen Watt introduced his bill and distributed Exh. #1, an explanation of the bill; this is attached. He said his bill changes the concept of taxing homes and felt there was no reason for assessing on the value of the house. He continued saying he felt it was unfair that older people had to mortgage their homes in order to pay taxes and felt instead, that those who do not have money to pay taxes should not have to, and those who can, should.

Rep. Fabrega that testified in support of the idea and agreed with testimony proffered by Mr. Hanson. He said under the concept of this bill land would continue to be taxed, but not improvements. He too mentioned the fact that appraisals can vary a great deal and that today's present appraisal system can be corrected by this legislation. He mentioned the fact it had not been voted on by the people because there were not enough interested persons willing to take the time to get the needed names on the necessary petitions. He concluded by saying that he felt the concept of this bill is that tax is based on ability to pay. Rep. Dussault also spoke as a supporter of the bill and said the bill does, admittedly, contain many new concepts but it could be made workable. Rep. Azzara testified also as a proponent and said he too liked the mechanism of taxation on ability to pay.

Chairman Turnage called for other proponents, and following, for the opponents. Ms. Fallan said the Chamber was opposed to the legislation and would defer her remarks to Mr. Anderson of Montax. Ms. Edwards again spoke, saying the Assessors were opposed to the bill.

The Chairman then asked Department of Revenue representatives if they wished to testify and Mr. Lewis replied to the bill. He said the Department has in the past taken a stand in opposition to the bill, and reiterated some of the objections they had made in the past, stating again their work would not be diminished, but increased under this legislation. He mentioned the problem of withholding moneys from everyone, including students, box boys, as examples, and the compounded problems then, of refunding all of them. He said this kind of problem would automatically increase the number of FET's the Department now has. He also mentioned the problems of determining residents and non-residents (who are not subject to the tax) and the problems of employers attempting to keep addresses of their employees, particularly difficult for occupations that have a large influx of seasonal workers. Also noted was the problem of people moving from one school district to another.

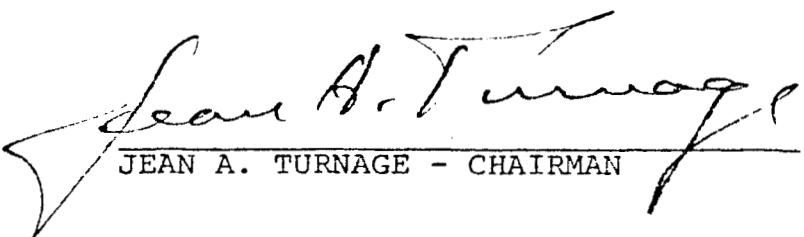
Mr. Lewis concluded by saying this is a big burden on the Department and he felt this should be pointed out. He said the authority the Legislature would be giving to them to monitor all the procedures would amount to a large administrative burden. Mr. Clark, also of the Department, said the difficulties in implementing the legislation are many, and cited a few of the problems. He also said, however, that the Department can accomplish the work, but warned the committee that the administration would be costly. Mr. Pfifer also testified saying he envisioned a mound of paper work and agreed that there would have to be addi-

Feb. 3, 1979

tional FET's for the Department. Mr. Anderson testified next and said he agreed with what had been said in opposition to the bill; he also distributed Exh. #2, attached.

Following conclusion of above testimonies, Senator Watt made a few remarks in closing, quoting from a letter written by elderly citizens of the state and stressing fact they were forced to sell their homes in order to pay their property taxes. He also mentioned the fact that the petitioning was a non-partisan project, when the effort was made last fall to get the proposal on the ballots and to allow the state's residents to vote on it.

There being no additional testimony, the meeting was adjourned.



JEAN A. TURNAGE - CHAIRMAN

See J. F.
Explanation of PROPERTY TAX REPLACEMENT BILL

SB 240

The purpose of this bill is to excuse housing, but not the land on which it sits, from all taxes except those of special taxing districts. It then replaces this lost revenue by a proportional tax on everyone's adjusted gross income. This tax is state collected to preserve confidentiality and for uniformity of administration, but it is a local tax calculated separately each year in each taxing jurisdiction as to its rate just as, and in conjunction with, mill levies on other property.

Mill levies are calculated by a formula which uses the taxable valuation, housing excepted, plus 10% of the adjusted gross income of all taxpayers. This gives the millage to be applied against all taxable valuations, housing excepted, and a rate equal to 10% of this millage is applied against all taxpayers' adjusted gross income. Each taxing jurisdiction performs this calculation, but the rate is reported to the department of revenue which then calculates and collects each person's replacement tax and transmits the revenue to the county treasurers.

Thus every taxpayer in the state will pay on his adjusted gross income a rate equal to 10% of whatever the millage happens to be in the taxing jurisdictions in which he lives. Everyone lives in the State, in a county, and in a school district, and will pay for those jurisdictions just as he now does as a property tax payer. In addition part of our population also live in incorporated cities or towns and thus will be responsible for a fourth taxing jurisdiction, just as they now are as property tax payers.

Millages in Montana range from about 100 to about 300, so it depends upon the taxing jurisdictions in which one lives and the services which they provide to determine one's taxes on both property and on adjusted gross income. But the rate of the replacement tax will always be 10% of the millage. Thus even the most unusual circumstances possible, as a massive crop failure or a prolonged strike, will cause no greater hardship under this bill than would happen presently, and it would probably ease the burden for those most affected.

With this formula determining rates of taxation the tax on adjusted gross income will, on the average, produce the same revenue that the excused housing would have produced. In addition the formula will produce a slight shifting of the burden between taxable valuation and adjusted gross income. The shift will be toward whichever is relatively stronger and thus local governments will be supported in a fairer manner than ever before.

ILLUSTRATION OF FORMULA USING APPROXIMATION OF STATE TOTALS

Taxable valuation		\$1,550,000,000.
" " of housing		280,000,000.
" " remaining		1,270,000,000.
Property tax budgets		300,000,000.
Adjusted Gross Income		3,500,000,000.
10% of A. G. I.		350,000,000.

Formula: Budget \div (Remaining T.V. + 10% of AGI) = Mills

$$\$300,000,000 \div (\$1,270,000,000. + \$350,000,000.) = 185.1852$$

$$\begin{array}{rcl} \$1,270,000,000. & \times & 185.1852 \text{ mills} = \$235,185,204. \\ \$3,500,000,000. & \times & 1.85\% = 64,814,820. \end{array}$$

$$\begin{array}{rcl} \text{Budgets to be raised} & & \$300,000,024. \end{array}$$

SCHEDULE OF IMPLEMENTATION OF PROPERTY TAX REPLACEMENT ACT

Jan. 1, 1980	Withholding of 1.8% begins - Section 7 (1)
May and Nov. 1980 & Following	State makes distribution to counties Section 18 (2)
In the 1st 6 months of 1980	A separate listing of habitable property is set up in each county - Section 3 (3) & (4)
2nd Mon in July 1980 & following	Taxable valuations are finalized, estimated AGI has been received, and mill levies are calculated Sec. 15
August 15, 1980 and following yrs.	Taxpayers not subject to withholding pay the department 2% of 1st six month's income. Section 8
Nov. 30, 1980	Regular property tax statements have been received and payments are due, as usual, on all taxable valuations except habitable.
April 15, 1981 & each year following	Regular Income Tax returns have been received in Helena and from the AGI on these returns the replacement tax is calculated. Section 9

The partial support of local governments by taxation of housing, while traditional, and therefore unthinkingly accepted, is not a good way to raise revenue.

All our experience is that when people own their homes we have secure neighborhoods, self-respecting and self-confident people, lower crime rates, better citizens.

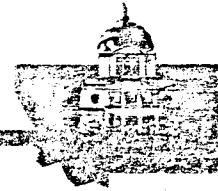
Therefore, it follows that we should encourage home ownership, and our property tax laws do not do this. Single family homes are taxed higher than multiple housing, and we penalize the owner again, by raising his taxes if he improves his home.

Our Nation has always prided itself on its great middle class, and home ownership has been an expected thing and a part of this. Now our middle class is shrinking and our tax laws need changing to slow and reverse this trend. If we stop taxing housing more people will be able to keep and improve their homes, and more people can buy homes if additional payments do not have to be made for taxes.

It is equally true that landlords are discouraged from improving their housing because it will increase their taxes. Tenants generally must take whatever is available and their monthly payments must include the additional amounts needed for taxes. If rental property was not taxed there could be no add-on for taxes. Better rentals would become available.

Aside from the real social, economic, and humanitarian gains from encouraging better housing it seems reasonable that a portion (about 1/5th) of the support of local governments be based on ability to pay. In this Property Tax Replacement Bill this is done not by a progressive income tax but by a flat rate on adjusted gross income. That rate will always be 10% of whatever the millage happens to be. Thus if the millage in some particular place is 175 mills, the replacement tax rate will be 1.8%.

MONTANA TAXPAYERS ASSOCIATION



P O BOX 4909

1706 NINTH AVE

HELENA MONTANA 59601

406/442-2130

February 3, 1979

S. Keith Anderson, President
Montana Taxpayers Association

E4 ch. #2

Re: Senate Bill 240

Senate Bill 240 is "An Act Providing for a Replacement Tax for the Property Tax now Levied on Habitable Property and Providing a Method for Administering the Tax--"

This bill has been introduced and defeated in the Montana Legislature five times. In addition it did not receive enough support from the general public to be put on the ballot as an initiative for the General Election in 1978. Because of the philosophy of the legislation, because of the virtual impossibility of administering the bill as well as its unreliability as far as revenue is concerned it has been opposed by the Montana Taxpayers Association each time.

This bill by legislative mandate tells each citizen what part of that citizen's income must be mandatorily be devoted to housing through the force of law. I submit it is none of the legislatures business what portion of my income I devote to housing. If I want to live in a shack in the hills and devote my income to travel, that should be my business and not the legislatures. If I want to own a fancy home devoting the major share of my income to that home along with the property taxes included that too should be my business.

This legislation is another attempt to force big brother government upon the people of this state to "save themselves from themselves."

On page 1, lines 21 through 25 is language that should never be put into statutory law because it is the opinion of the author and certainly not one of fact. The statement having to do with forcing "old, poor, and sick people to sell their homes because of high tax bills, in my opinion, is pure nonsense. We have before this legislature a Social and Rehabilitation Service budget of \$81.6 million and we are budgeting in excess of \$8 million each year from the County Poor Fund to take care of the "old, poor and sick" and if they are not being taken care of in this state through these programs then I suggest that this legislature investigate the SRS Department and find out why.

I also remind this committee that each legislative session during recent years has reviewed Class 15 and 18 property to liberalize the act and in effect reduce property taxes for the retired and the elderly. Legislation has again been introduced to reduce the property tax for the elderly and retired. This problem is being taken care of by the Montana legislature.

Over the years this legislation has been deceiving because it leaves the implication that everyone will receive a reduction in the cost of owning a home by being relieved of property taxes and the income tax substituted therefore.

In fact the formula in the bill would lead you to that belief.

For example here in Helena a \$150,000 residence on the books at 55% of value would pay \$2,054 in property taxes. Under this bill in order to match that property tax bill it would be necessary to have an income of \$114,111. I submit that there are a good number of \$150,000 houses in Helena but very few people are making that kind of salary.

Under the formula currently being used by lending institutions, all things being equal, you can borrow up to 2 times your salary for a home. In other words to build a \$150,000 home you would have to be making \$75,000 by using that as a gross figure. Under this legislation you would be paying \$1350. The question is who would be paying the additional \$704.

I can stand in my yard and see six homes owned by people who are retired. If they are going to have this great cut in tax bills what is going to happen to the rest of us. Who is going to pick up the difference?

What is going to happen in the areas such as the Flathead and the Bitterroot where there are hundreds of retired people and yet there are schools and counties and special districts and cities to finance.

The prime theoretical example was called to my attention recently about the school teacher in the one room school in a ranching community where he or she was the only individual in the school district that had any adjusted gross income to be taxed. This isn't so far fetched because I was born and raised in ranching country and we had a one room school that I went to and we didn't pay any income taxes for years. One of the objections to this legislation is the uncertainty of income for government yet the bills of government must be met just as ours must be met.

Administration. Under Section III, page 3 is stated in very clear fashion the extent of the bureaucracy necessary within the State Department of Revenue and within our counties to administer this legislation.

A list of socalled habitable property will have to be maintained separate from the land for every county, municipality, school district and special district in Montana. This will be separate from commercial and other property and is not available now.

While this is bad enough the Department of Revenue will have to turn into a virtual gestapo in order to identify where each individual lives within these overlapping taxing jurisdictions if that individual has a Montana adjusted gross income. According to the attached withholding statement the Montana adjusted gross income is before you subtract your standard deductions so those included within the act will be the many individuals who today are paying no state income tax yet they will have to be tracked down and taxed by the Department of Revenue.

This essentially means that this bill imposes an entirely new structure of taxation upon our already existing property and income tax system in Montana along with the accompanying cost of computers, and I'm sure computers within the counties, administrative and clerical personnel as well as the investigators necessary to identify where each individual must pay his additional tax.

For example, there are those in construction as well as others who might live in Helena but who might work in any number of different taxing jurisdictions in Montana within a year.

The situation of identifying the location of those who make income is indeed complex. Obviously everyone lives in a county and everyone lives in a high school district. There are however numerous elementary districts within the high school districts within a city. There are over 300 special districts in Montana that must be financed for cemeteries, hospitals, planning, fire, soil conservation and the like. These special districts do not necessarily follow school district boundaries. In fact they can encompass parts of several school districts and special districts can overlap other or parts of other special districts.

For example this last year there were 56 counties, 124 incorporated cities and towns, 167 high school districts within the 56 counties and 447 elementary districts. In addition there were 27 joint elementary and 13 joint high school districts and this means that those joint districts were operating in two or more counties. In total there were over 4,500 mill levies set to finance the various taxing jurisdictions in Montana. Each would involve this legislation.

Within a given school district there are separate and distinct areas for bonding and each part of that district takes a separate mill levy within that school district. Each person would have to be isolated within the bonding area within the original bond issue and each person would have to be isolated within the area of each district that has been annexed to the home district.

Not only would the Department of Revenue have to ferret out each person that moved in or out of the state each year but each person that would have moved from one taxing jurisdiction to another.

For example while we have the large Helena high school district we have 7 elementary districts within that area and simply moving across town means that the Department of Revenue would be responsible for tracking those people down and seeing that they paid an additional tax upon their income.

The cost of administering such a scheme should be apparent even to those who hope to shift the cost of property taxes to someone else.

The employer is saddled with yet another layer of paper work for government, again with no compensation for doing the governments work. The employer is charged with withholding 1.8% of wages, of indicating each employees residence, if known along, with the reports and possible penalties levied in the act.

On page 4 under Section IV the bill is honest enough to state that the rate of tax may vary from year to year in each governmental unit.

It states on page 4 that the tax rate in any governmental unit in a taxable year is 10% of the total mill levy imposed in that governmental unit for that year. The next Section III states "The tax rate for each governmental unit shall be applied to the adjusted gross income of each taxpayer residing in the governmental unit.

If there is a total mill levy of 300 mills 10% will amount to 30 mills. How do you convert 30 mills to a tax against income?

On page 5, Section VII the employer shall deduct and withhold 1.8% of the wages paid to each of his employees residing in Montana in addition to any other withholding. On page 4 there is language concerning 10% applied against the total mill levy to be applied to the adjusted gross income of each taxpayer and yet on pages 5 and 6 1.8% of the wages are supposed to be withheld.

The two sections appear to be in conflict.

The proposed law does not lack penalties because any taxpayer subject to withholding who fails to make the semiannual payment would have a penalty of 10% of the payment due. The bill is hardly liberal in assessing the penalty because on page 7 the taxpayer shall pay the due tax by the 5th day of the month after the statement is received. It doesn't say when the statements are supposed to be mailed.

Page 9, Section XV is hardly conducive to sound financing of local government. Section XV states essentially that the tax base will become all property excluding habitable property plus 10% of the estimated total adjusted gross income of all taxpayers residing in that unit. The resulting figure is the mill levy for that governmental unit.

This bill assumes that if you take 10% of adjusted gross income in each taxing jurisdiction in the state that figure will equal the present taxable value of all habitable property. To my knowledge there are no statistics to back up this 10% figure. It appears to be entirely arbitrary.

Even if it was a correct figure today, it wouldn't be the correct figure in the future because of possible economic adversity within taxing jurisdictions of our state due to strikes, unemployment, adverse agricultural markets and a host of other eventualities.

If the revenue does not materialize for local governments there is no provision in this act or in other Montana law to recoup that loss and to keep government running. It should be noted also that the 40 mill Foundation Program levy is to be applied uniformly against all property within the county and is the basis for payment of state equalization funds. Public school law does not anticipate that some arbitrary percentage will be applied against fluctuating income for basic public school support.

Likewise when the people of Montana voted the 6 mill levy in 1978 they voted the levy against property and not against income. Likewise the legislature in its authorization appropriates against all property in Montana and not against income.

On page 10 there is an allowance for rent as a credit against taxes imposed. A credit against what? And who makes the determination of the credit. Does the employer have the authority to figure a credit for rent. For those who are self-employed do they take it upon themselves to deduct their credit from the 2% of adjusted gross income or does the county handle these various deductions? On page 11, Section XVII, Item c states that "Credits in excess of tax liability may be refunded to the taxpayer, provided funds are appropriated for the purpose." Does the county commissioners appropriate the funds as the governing body of the county or does the legislature appropriate the funds and if so how does the aggrieved taxpayer receive the refund.

This legislation is at best experimental in nature. To our knowledge a pilot study has never been made within a county or as a matter of fact within any taxing jurisdiction. At best it would be an administrative nightmare and would superimpose an additional state bureaucracy to supervise the additional county bureaucracy that would be necessary to administer the act.

There is the complexity of our taxing jurisdictions and the fact that each citizen in Montana having an adjusted gross income must be identified within those taxing jurisdictions. Obviously if you moved across town or moved to another city within another school district or fire district you had better report in to the courthouse or suffer the dire consequences.

Because of these and other reasons given at this hearing we ask that this legislation be killed.

Attachments: Montana Individual Income Tax Return Form.

Montana Individual Income Tax Return - 1977

Or fiscal year beginning _____ 1977, and ending _____ 19_____



PLACE LABEL HERE

Correct label if necessary. File on or before April 17, 1978. If tax year is longer, see instructions.

Spouse's First Name & Middle Initial		LAST NAME		Your Social Security No.		Your Occupation	
If married ENTER		Spouse's First Name & Middle Initial		Spouse's Social Security No.		Spouse's Occupation	
MAILING ADDRESS		Number and Street or Rural Route		City Town or Post Office		State	Zip Code

FILING STATUS 1. Single 2. Married filing joint return 3. Married and both filing separate returns on this form 4. Married and both filing separate returns on separate forms 5. Married filing separate return and spouse is not filing

CHECK ONE: 1. Resident Full Year 2. Nonresident Full Year 3. Resident Part Year Give date of change _____Gubernatorial Campaign Fund: CHECK 1 IF YOU WISH TO DESIGNATE \$100 OF YOUR TAXES FOR THIS FUND
CHECK 2 IF SPouse WISHES TO DESIGNATE \$100. This will not increase your tax or reduce your refund.)

If combined separate filing is elected, use Column A for yourself and Column B for spouse. For all other returns, use Column A only.

INCOME REPORTED ON FEDERAL RETURN (Lines 1 through 12):		COLUMN A - for yourself, joint, separate or single	COLUMN B (for spouse)
1.	Wages, salaries, tips, etc. (Attach withholding forms. If unavailable, attach explanation)	1	
2.	Dividend income (less exclusion)	2	
3.	Interest income	3	
4.	Net rent or royalty income (attach schedule)	4	
5.	Net business income (attach copy of Schedule C)	5	
6.	Net farm income (attach copy of Schedule F)	6	
7.	Gain or loss from sale or exchange of property (attach schedule)	7	
8.	Partnership income or loss (list name)	8	
9.	Other income (specify)	9	
10.	Total of lines 1 through 9	9	
11.	Adjustments for moving expense, etc. (schedule must be attached)	11	
12.	Total income per Federal return (Subtract line 11 from line 10)	11	
13.	MODIFICATIONS from page 2, Schedule I	13	
14.	Montana adjusted gross income (line 12 plus or minus line 13)	13	
15.	Deductions—If you elect the standard deductions, check here <input type="checkbox"/> and enter 10% of line 14 but not more than \$500 (not more than \$1,000 if married filing a joint return). If you itemize deductions, enter total from page 2, Schedule II	15	
16.	Subtract line 15 from line 14 and enter balance here	15	
17.	Enter exemption deduction from page 3, Schedule III	17	
18.	Taxable income (subtract line 17 from line 16)	17	
19.	Tax from tax computation schedule at bottom of page 2	19	
20.	Enter 10% of amount on line 19	20	
21.	Total tax (add lines 19 and 20)	20	
22.	Credits from page 3, Schedule IV	21	
23.	Balance - subtract line 22 from line 21 and enter difference (but not less than zero)	22	
24.	Combine amounts shown on line 23 Columns A and B	23	
25.	Montana tax withheld (attach withholding statements)	24	
26.	Payments on 1977 Estimated Tax	25	
27.	Total of lines 25 and 26	26	
28.	Combine amounts shown on line 27, Columns A and B	27	
29.	If line 24 is larger than line 28 enter Balance Due here and pay in full with this return. If balance due is less than \$1.00 file return without payment	28	
30.	If line 28 is larger than line 24 enter Overpayment here. Refund or credit will be made only if \$1.00 or more (allow at least 6 weeks for your refund check)	29	
31.	Amount of line 30 to be: Refunded \$	30	
32.	Amount of line 30 to be: Credited To 1978 estimated tax \$	30	
DO NOT USE			

State refund or payment to State Treasurer. Mail tax forms to Montana Department of Revenue, Income Tax Division, Helena, Montana 59620.

Penalties \$	34
Interest \$	35
Total \$	38

Name of person or firm preparing return

I, the undersigned, declare under the penalties for false swearing, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief it is a true, correct and complete return made in good faith.

SCHEDULE I - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

Additions to line 12 income:

		COLUMN A (for yourself, joint, separate or single)	COLUMN B (for spouse)
39 Interest on state, county or municipal bonds — see page 02 of instructions	39		39
40 Federal income tax refunds received during 1977 — see page 03 of instructions	40		40
41	41		41
42 Allocation of income from a business — see instructions, page 7	42		42
43 TOTAL A	43		43

Deductions from line 12 income:

44 Interest on Savings Bonds and other exempt obligations of the U.S.	44		44
45 Income of nonresidents and persons changing state of residence derived from sources outside Montana	45		45
46 Exempt retirement income (specify)	46		46
47 STATE REFUND, if included in income reported on line 12, page 1	47		47
48	48		48
49 Transfer allocation of Income (as shown on line 42)	49		49
50 TOTAL B	50		50

Line 13 adjustment—deduct the smaller of the above totals from the larger and enter difference here and at line 13, page 1

Note: If total No. A is larger, then the adjustment entered on line 13 must be added to income reported on line 12 to arrive at the amount to be entered on line 14. If total No. B is the larger, then the adjustment entered on line 13 must be subtracted from income reported on line 12 to arrive at the amount to be entered on line 14.

SCHEDULE II—ITEMIZED DEDUCTIONS

These deductions are allowed only if you do not claim the "Standard Deduction."

Nonresidents and persons changing state of residence see page 05 of instructions.

	COLUMN A (for yourself, joint, separate or single)	COLUMN B (for spouse)
Contributions	52	52
Interest Expense (specify)	53	53
Federal Income Tax (Do Not Include Self-Employment Tax)		
(1) Paid by withholding or declaration in 1977	54	54
(2) Balance of 1976 tax paid in 1977	55	55
(3) Additional tax for years _____ paid in 1977	56	56
Other Taxes (do not include Montana Income Tax): Real Estate \$ _____; state and local gasoline \$ _____; personal property \$ _____; other deductible taxes (specify)	57	57
Medical Expense:		
Enter 1/2 of amount paid for deductible health insurance but not more than \$150	58	58
Total cost of medicine and drugs	59	59
Enter 1% of line 14 page 1	60	60
Subtract line 60 from line 59	61	61
Other medical and dental expenses (including balance of health insurance premiums allowed on line 58)	62	62
Total of lines 61 and 62	63	63
Enter 3% of line 14, page 1	64	64
Subtract line 64 from line 63 and enter balances in applicable columns	65	65
Child and dependent care expense - from Form 2441-M	66	X X X X X XX 66
Energy conservation installations - from Form 2-C	67	67
Casualty or theft loss (less exclusion)	68	68
Other Deductions (specify) Dues, political contributions, etc.	69	69
Total Deductions—to line 15, page 1	70	70

TAX TABLE

If Taxable Income on Line 18 is:

Over	But Not Over	Your Tax to be Entered on Line 19 is:
\$ 0 . . . \$ 1,000 . . .	2% of taxable income but not less than \$1,000	\$ 8,000 . . . \$ 10,000 . . . \$ 350 plus 7% of excess over \$ 8,000
\$ 1,000 . . . \$ 2,000 . . .	\$ 20 plus 3% of excess over \$ 1,000	\$10,000 . . . \$14,000 . . . \$ 490 plus 8% of excess over \$10,000
\$ 2,000 . . . \$ 4,000 . . .	\$ 50 plus 4% of excess over \$ 2,000	\$14,000 . . . \$20,000 . . . \$ 810 plus 9% of excess over \$14,000
\$ 4,000 . . . \$ 6,000 . . .	\$ 130 plus 5% of excess over \$ 4,000	\$20,000 . . . \$35,000 . . . \$1,350 plus 10% of excess over \$20,000
\$ 6,000 . . . \$ 8,000 . . .	\$ 230 plus 6% of excess over \$ 6,000	\$35,000 . . . \$2,850 plus 11% of excess over \$35,000

If Taxable Income on Line 18 is:

Over	But Not Over	Your Tax to be Entered on Line 19 is:
\$ 0 . . . \$ 1,000 . . .	2% of taxable income but not less than \$1,000	\$ 8,000 . . . \$ 10,000 . . . \$ 350 plus 7% of excess over \$ 8,000
\$ 1,000 . . . \$ 2,000 . . .	\$ 20 plus 3% of excess over \$ 1,000	\$10,000 . . . \$14,000 . . . \$ 490 plus 8% of excess over \$10,000
\$ 2,000 . . . \$ 4,000 . . .	\$ 50 plus 4% of excess over \$ 2,000	\$14,000 . . . \$20,000 . . . \$ 810 plus 9% of excess over \$14,000
\$ 4,000 . . . \$ 6,000 . . .	\$ 130 plus 5% of excess over \$ 4,000	\$20,000 . . . \$35,000 . . . \$1,350 plus 10% of excess over \$20,000
\$ 6,000 . . . \$ 8,000 . . .	\$ 230 plus 6% of excess over \$ 6,000	\$35,000 . . . \$2,850 plus 11% of excess over \$35,000

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240

SENATE TAXATION COMMITTEE

VISITORS' REGISTER

DATE 1983

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