

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 9, 1979

The forty-fifth meeting of the committee was held on the above date in Room 415 of the State Capitol Building with Chairman Turnage presiding.

ROLL CALL: Roll call found all the members present. Witnesses presenting testimony did so only on invitation of the committee as this was an executive session with no bills for hearing.

Chairman Turnage again asked the committee to consider SB184 with the new schedules brought over by Mr. Burr of the Department of Revenue. His new schedule was as follows: Over 3,000#, \$130, \$115, \$100, \$85, \$70, \$55, \$40, \$25 and \$20. Vehicles under 3,000# were: \$120, \$105, \$90, \$75, \$60, \$45, \$30, \$25, \$20.

After discussion Senator Watt Moved to Reduce above schedule by \$5 on each of the figures as indicated. A roll call vote was taken and the motion passed 8 to 3.

Other amendments were discussed and accepted also. Senator Towe moved the words, "this fee shall be considered a tax for all purposes" be inserted page 2, line 11. Motion carried. He also Moved on pages 4 and 5 the schedule drop \$5 each for motorcycles and snowmobiles. Motion carried.

Senator Towe then Moved the amendments be adopted to make the bill comply with the new car schedule, that the technical amendments be accepted. Motion carried.

Senator Brown then Moved SB184 As Amended, Do Pass. Motion carried. A roll call vote was taken and showed motion passed 8-3. Note absence here of Senator Norman.

The committee then considered SB508, previously heard and amendments offered. They discussed the omission of 'closely-held businesses' from the bill. Senator Manley said he would like to help small family-type business but the amendments excluded them from the help this bill would give them. The committee made comment that the bill, to help a farm or ranch owner transfer the place to his family, was to help agriculture. Several stated that it would be most difficult to include small businesses in the bill, although they agreed such assistance for family-type businesses would be desirable.

Chairman Turnage said the bill, with amendments, did three things: 1) lowers the tax impact under the act; 2) gives the individual deferred method of payment; and 3) encourages the continuance of the family farms. He said it would be more possible than ever before to keep the farm in the family and believed this the strongest reason for the bill.

Senator Towe Moved to Adopt amendments to the Bill, note on Committee Report. His motion carried.

Senator Manley then Moved SB508 As Amended Do Pass. Motion carried.

The committee then took up SB477 and amendments were discussed. The committee agreed and Senator Hager Moved Amendments be Adopted to SB477. Motion carried.

Senator Hager then Moved SB477 As Amended Do Pass. Motion carried.

Next up for discussion was HB371. A number of amendments were suggested and the committee decided to include the words "or its agent" in order to include county assessors as being a part of the Department of Revenue. Senator Hager Moved to Amend HB371. Motion carried.

Senator Watt then Moved HB371 As Amended Be Concurred In. The motion carried. Note for the record the absence of Sen's. Towe, Brown and Roskie.

The committee then considered HB467 and agreed there was no limit to the amount of tax that could be assessed on the people in a district under the terms of this bill which raised limit of assessment for fire districts. After discussing the bill the committee agreed to move it:

Senator Watt Moved HB 467 Be Tabled. The motion carried.

Amendments were then introduced for SB384, concerning adjusted gross income. Jim Mockler of the Coal Council, and Dean Zinnecker of Montana Association of Counties, were present to answer some questions of the committee. The bill concerned credit for income earned in Montana, addressing the people who worked at Decker Coal Company on Montana-Wyoming border in particular.

Several amendments were proposed, including definition of "earned income" to relate it to the Internal Revenue Code. Senator Towe Moved to Adopt these amendments. Motion carried.

Senator Manley Then Moved SB384 As Amended, Do Pass. Motion was carried. The committee also asked to see a revised Fiscal Note on the bill to see what impact such legislation might have.

Next bill up for discussion was SB463, and it was Moved by Senator Towe, motion carried, to change mill limit to 3 1/2 from 2. The committee then discussed the bill further, saying the intent of the bill is to give relief to counties that have excessive district court costs, totaling over their mill levy for that budget. The committee agreed that the counties should definitely be limited insofar as using the money; they also felt it should go out of the Supreme Court and to the Department of Administration to remit such reimbursement to the counties. These amendments were Moved By Senator Watt and carried.

Senator Watt Moved SB463 As Amended Do Pass. Motion carried.

The members of the committee next considered two House bills already heard, HB370 and HB320.

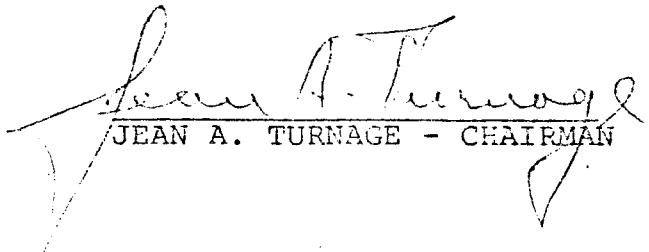
Senator MacCallum Moved HB370 Be Tabled. Motion carried. Note

for the record "No" votes were cast by Senators Towe and Hager.

Senator MacCallum then Moved to Table HB320. The motion carried.
"No" vote cast by Senator Hager.

The committee then took up SB249 and discussed it briefly. They consulted the charts that Senator Towe had distributed regarding the effect of his 'piggy-back' bill. They did not, however, make a decision to move the bill at this meeting.

Meeting was then adjourned.


JEAN A. TURNAGE - CHAIRMAN

SENATE COMMITTEE TAXATION

Date 3-9-79 Sec. Bill No. 184 Time 7:25 a.m.

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)	X	
SEN. BROWN	X	
SEN. HAGER	X	
SEN. MANLEY		X
SEN. MANNING	X	
SEN. McCOLLUM		X
SEN. NORMAN		
SEN. ROSKIE	X	
SEN. SEVERSON		X
SEN. TOWE	X	
SEN. WATT	X	
CHAIRMAN TURNAGE	X	
	8	3

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

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Motion: < 3000
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(include enough information on motion--put with yellow copy of committee report.)

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SENATE COMMITTEE TAXATION

Date 3-9 A Bill No. 184 Time 7:30

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)		X
SEN. BROWN		X
SEN. HAGER		X
SEN. MANLEY	X	
SEN. MANNING		X
SEN. McCOLLUM	X	
SEN. NORMAN		
SEN. ROSKIE		X
SEN. SEVERSON	X	
SEN. TOWE	X	
SEN. WATT		X
CHAIRMAN TURNAGE		X
	4	87

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: To
Adopt Sen
Turnage's
schedule -

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE TAXATION

Date 3-9 Bill No. 184 Time 7:35 a.m.

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)	X	
SEN. BROWN <i>R 3/16</i>	X	
SEN. HAGER	X	
SEN. MANLEY		X
SEN. MANNING	X	
SEN. McCOLLUM		X
SEN. NORMAN		
SEN. ROSKIE	X	
SEN. SEVERSON		X
SEN. TOWE	X	
SEN. WATT	X	
CHAIRMAN TURNAGE	X	

8 3

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: Do Pass As Am.

(include enough information on motion—put with yellow copy of committee report.)

JOHN SHONTZ, Sidney, representing their Chamber of
Commerce, also member of Airport Board, wished to be
recorded as being in support of HB60, as per telephone
call 3/5/79.

Approved

Statement of Intent

Senate Bill 184

The Senate Committee on Taxation intends that the fee in lieu of property tax on automobiles, light trucks, motor homes, travel trailers, campers and motorcycles shall be collected by the county treasurer of each county and distributed to each taxing jurisdiction in proportion to ^{its} ~~their~~ mill levies.

The department of revenue may adopt rules defining and enumerating the taxing jurisdictions eligible for distribution of proceeds from this fee in lieu of property tax.

STANDING COMMITTEE REPORT

March 9

19 79

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 134

Respectfully report as follows: That Senate Bill No. 134, introduced bill, be amended as follows:

1. Page 2, line 11.
Following: "fees"
Insert: "This fee shall be considered a tax for all purposes."

2. Page 2, line 19.
Following: "old"
Strike: "\$165"
Insert: "\$115"

3. Page 2, line 20.
Following: "old"
Strike: "\$145"
Insert: "\$100"

4. Page 2, line 21.
Following: "old"
Strike: "\$115"
Insert: "\$85"

5. Page 2, line 22.
Following: "old"
Strike: "\$85"
Insert: "\$70"

(continued)

6. Page 2, line 23.
Following: "old"
Strike: "\$70"
Insert: "\$65"
7. Page 2, line 24.
Following: "old"
Strike: "\$50"
Insert: "\$48"
8. Page 2, line 25.
Following: "old"
Strike: "\$40"
Insert: "\$25"
9. Page 3, line 1.
Following: "and"
Strike: "less than 9 years old"
Insert: "older"
Following: "old"
Strike: "\$30"
Insert: "\$25"
10. Page 3, line 2.
Following: line 1
Strike: lines 2 through 5 in their entirety
11. Page 3, line 17.
Following: "old"
Strike: "\$205"
Insert: "\$125"
12. Page 3, line 18.
Following: "old"
Strike: "\$185"
Insert: "\$110"
13. Page 3, line 19.
Following: "old"
Strike: "\$150"
Insert: "\$95"
14. Page 3, line 20.
Following: "old"
Strike: "\$115"
Insert: "\$80"
15. Page 3, line 21.
Following: "old"
Strike: "\$90"
Insert: "\$65"
16. Page 3, line 22.
Following: "old"

(continued)

16. (continued)

Strike: "\$70"

Insert: "\$50"

17. Page 3, line 23.

Following: "old"

Strike: "\$50"

Insert: "\$35"

18. Page 3, line 24.

Following: "old"

Strike: "\$40"

Insert: "\$20"

19. Page 3, line 25.

Following: "and"

Strike: "less than 10 years old"

Insert: "older"

Following: "old"

Strike: "\$30"

Insert: "\$15"

20. Page 4, lines 1 through 3.

Following: page 3

Strike: lines 1 through 3 in their entirety

21. Page 4, line 13.

Following: "old"

Strike: "\$30"

Insert: "\$25"

22. Page 4, line 14.

Following: "old"

Strike: "\$25"

Insert: "\$20"

23. Page 4, line 15.

Following: "old"

Strike: "\$15"

Insert: "\$10"

24. Page 4, line 16.

Following: "and"

Strike: "less than 7 years old"

Insert: "older"

Following: "old"

Strike: "\$10"

Insert: "\$5"

25. Page 5, line 19.

Following: "old"

Strike: "\$30"

Insert: "\$25"

(continued)

26. Page 5, line 20.

Following: "old"

Strike: "\$25"

Insert: "\$20"

27. Page 5, line 21.

Following: "old"

Strike: "\$20"

Insert: "\$15"

28. Page 5, line 22.

Following: "old"

Strike: "\$15"

Insert: "\$10"

29. Page 5, line 23.

Following: "and"

Strike: "less than 19 years old"

Insert: "older"

Following: "old"

Strike: "\$10"

Insert: "\$5"

30. Page 5, line 24.

Following: line 23

Strike: line 24 in its entirety

31. Page 9, line 22.

Following: "and"

Insert: "and"

32. Page 9, lines 23 and 24.

Strike: lines 23 and 24 in their entirety

Reletter: subsequent subsections

33. Page 9, line 25.

Following: "assessed"

Strike: "or"

Insert: ", the new motor vehicle sales tax against the vehicle, or"

34. Page 15, line 8.

Following: line 7

Insert: "(4) The word "motor vehicle" as used in 61-3-502 means automobiles, auto trucks, and motorcycles, propelled by their own power, used upon the public highways of the state."

Reletter: subsequent subsections

35. Page 16, line 18.

Following: "new"

Strike: "truck"

Insert: "vehicle"

(continued)

36. Page 16, line 20.

Following: "car"

Strike: "truck"

Insert: "vehicle"

37. Page 17, lines 21 and 22.

Following: "vehicles"

Strike: remainder of line 21 through "capacity" on line 22

Insert: "motor vehicles"

38. Page 17, line 25 through line 1 on page 18.

Following: "vehicles" on line 25

Strike: remainder of line 25 through "ton" on line 1, page 18.

Insert: "motor vehicles"

39. Page 18, line 21.

Following: "vehicle"

Strike: "truck is not subject to any other assessment or taxation
or fees in lieu of tax"

Insert: "vehicle is subject to the fee in lieu of tax as well as
the sales tax imposed in this section"

40. Page 19, line 1.

Following: "vehicle"

Strike: "truck with a manufacturer's rated capacity exceeding
three quarters of a ton"

Insert: "motor vehicle"

And, as amended,
DO PASS

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STANDING COMMITTEE REPORT

March 9 19 72

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 371

House Bill 371 - Ramirez (Severson)

Respectfully report as follows: That House Bill No. 371,

third reading bill, be amended as follows:

- 1. Page 1, line 23.
Following: "revenue"
Insert: "or its agent"

And, as so amended,

BE CONCURRED IN

BOHRASZ *J.A.*

STANDING COMMITTEE REPORT

March 9 19 70

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 334

Respectfully report as follows: That Senate Bill No. 334, introduced bill, be amended as follows:

1. Page 1, line 13.

Following: "income"

Insert: "adjusted gross income -- "

2. Page 1, line 24.

Following: "department:"

Strike: "the"

Insert: "adjusted gross income includes the entire amount of adjusted gross income from sources within this state but shall not include income from annuities, interest on bank deposits, interest on bonds, notes, or other interest-bearing obligations, or dividends on stock of corporations except to the extent to which the same shall be a part of income from any business, trade, profession, or occupation carried on in this state. Adjusted gross income from sources within and without this state shall be allocated and apportioned under rules prescribed by the department. The"

XXXXXX
DO PASS

CONTINUED

Page 2, Senate Bill 384 Taxation Committee

3. Page 2, line 5.

Following: "Montana"

Strike: "adjusted gross"

Insert: "earned"

Following: "federal"

Strike: "adjusted"

4. Page 2, line 6.

Following: line 5

Strike: "gross"

Insert: "earned"

5. Page 2, line 13.

Following: line 13

Insert: "(3) For the purposes of this section, "earned income" shall be defined as the same term is defined in section 43 of the Internal Revenue Code, or as that section may subsequently be amended."

And, as so amended,

DO PASS

JEAN A. TURNAGE - CHAIRMAN

P.A.

STANDING COMMITTEE REPORT

March 9

19.....

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 477

Respectfully report as follows: That Senate Bill No. 477,

introduced bill, be amended as follows:

1. Title, line 7.

Following: "LOCATED;"

Insert: "TO SUBJECT UNCLAIMED INTANGIBLE PERSONAL PROPERTY IN THE
CUSTODY OF THE UNITED STATES TO THE PROVISIONS OF TITLE 70,
CHAPTER 9, MCA;"

2. Page 2, line 15.

Following: "has"

Strike: "neither"

Insert: "not"

3. Page 2, line 16.

Following: "(1)"

Strike: remainder of line 16 and all of lines 17 through 21

Insert: ";"

Reletter: subsequent subsection

ENCLOSURE

.....(Continued).....

4. Page 7, line 24.

Following: "payment."

Insert: "Securities that have little or no value may be held by the department of revenue and sold at its discretion as provided by this section."

B.A.

And, as so amended,

DO PASS

STANDING COMMITTEE REPORT

March 7 19 79

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 503

Respectfully report as follows: That Senate Bill No. 503, introduced bill, be amended as follows:

1. Page 2, line 3.

Following: "section"

Strike: "7"

Insert: "2"

2. Page 14, line 17.

Following: "this"

Strike: "section"

Insert: "subsection"

3. Page 16, line 18.

Following: "interest."

Insert: "If, however, a credit is claimed on the federal estate tax return for state death taxes on the estate under the provisions of section 2011(a) of the Internal Revenue Code, as amended, an amount of inheritance tax due equal to the federal credit must be paid within the period established in section 2011(c) of the Internal Revenue Code, as amended."

OFFICE

CONTINUED

March 9 19 79

Page 2, Senate Bill 508 Taxation Committee

4. Page 16, line 20.

Following: line 20

Insert: "(4) If an election is made under (1) of this section, the tax due may not be further deferred under the provisions of 72-16-1438

Renumber: subsequent subsection

And, as so amended,

DO PASS

P.C.

JEAN A. TURNAGE - CHAIRMAN

Date MAR. 9, 1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. McCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.