

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

April 4, 1979

The Taxation Committee reconvened for an afternoon meeting at 2 o'clock in Room 415 of the Capitol.

ROLL CALL: All members answered roll call with the exception of Senator Manning, who was excused.

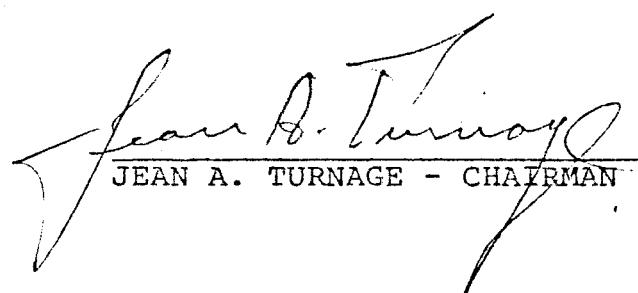
The first bill taken up for the committee's consideration was HB398, previously heard by this committee. Senator Watt said if the committee wanted property tax relief he had amendments that could be made to HB398, and distributed his amendments. A copy of these amendments is attached, see Exh. #1. He said this was the only bill left in the committee that could be amended that would give the taxpayer some tax relief.

Senator Goodover also had an amended bill that could be substituted for HB398 and he distributed copies of it, see Exh. #2, also attached.

The Chairman then asked the committee to again consider HB213, previously heard also. The committee discussed assessed value of livestock and the fluctuations of the cattle market, pointing out the percentage remains the same although prices at present are up. They discussed their proposed amendments and the decision was made to move them on a roll call vote.

Senator Severson's amendments 2 through 6 passed on a 7-4 roll call vote, see attached. He then moved to amend further by including big trucks, trailers, and on a roll call vote the motion failed by a 5-6 vote, see attached.

Senator Goodover Moved to amend by reducing Ore Haulers from 16% to 13% and this vote failed 3-6 on a roll call vote. See attached. Senator Watt made a tentative motion to move the bill, however. Sen. Roskie Moved to Defer Action on the bill until additional information on the fiscal impact of the bill be obtained. His motion carried. Meeting was then adjourned.

  
JEAN A. TURNAGE - CHAIRMAN

Date 4-4-79

ROLL CALL.

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

2 p.m.  
Witz

Each Day Attach to Minutes.

SENATE COMMITTEE TAXATIONDate 4-4-79Name Turner Bill No. 213Time 3:00 p.m.

(1)

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)		XX
SEN. BROWN	XX	
SEN. HAGER		XX
SEN. MANLEY		XX
SEN. MANNING	<i>Absent</i>	---
SEN. MCCOLLUM	XX	
SEN. NORMAN	XX	
SEN. ROSKIE		XX
SEN. SEVERSON	XX	
SEN. TOWE	<i>conflict</i>	XX
SEN. WATT	XX	
CHAIRMAN TURNAGE	X	

Nita Fjeseth  
SecretaryJean A. Turnage  
Chairman1 7-4-79  
CarriedMotion: Severson amendment L-6Was unanimous demand to includecattle, equipment, machinery at 6% market value

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

SENATE COMMITTEE TAXATION

(2)

Date 4-4-79 11 Bill No. 213 Time 3:30

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

5 - 6

Nita Fjeseth  
SecretaryJean A. Turnage  
Chairman

Motion: Newman's Amend #7 *Filed*  
on Exhibit.  
with last motion refuted

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

SENATE COMMITTEE TAXATION

(3)

Date 4-4-79 House Bill No. 213 Time 3:40

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

3 - 6 1-0

Nita Fjeseth  
SecretaryJean A. Turnage  
ChairmanMotion: Sen. Goodover - a. 8 1/2. 16% to 13%  
Pre-Turnage

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

1 BILL NO. *66-182*

2 INTRODUCED BY *W. W. M. M.*

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW AN INDIVIDUAL  
5 *(PROPERTY)* (INCOME) TAX CREDIT FOR PROPERTY TAX PAID ON A HOMESTEAD;  
6 PROVIDING A PROCEDURE FOR CLAIMING THE CREDIT; REPEALING  
7 CHAPTER 457, LAWS OF 1977; AND PROVIDING AN EFFECTIVE DATE."

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Homestead tax relief credit. (1) There is  
11 allowed against the taxes imposed by 15-30-103 and 15-30-104  
12 a credit equal to \$80 or 10% of the property tax paid by the  
13 taxpayer during the taxable year on his homestead, whichever  
14 is less.

15 (2) "Homestead" means a dwelling and appurtenant land,  
16 not to exceed 1 acre, used as the principal residence of the  
17 household of the owner and in whose name the property is  
18 assessed.

19 (3) To claim this credit, a taxpayer must:

20 (a) submit a statement identifying his homestead and  
21 affirming that it is his primary residence to the assessor  
22 of the county in which the homestead is located;

23 (b) secure from the assessor a separate tax notice for  
24 the homestead, which the assessor shall provide after  
25 verifying the taxpayer's application; and

(c) submit a copy of his tax notice and receipts for property tax paid on the homestead to the department when filing his return.

(4) This credit is allowed in addition to the deduction allowed under 15-30-121 for property taxes paid.

(5) The department shall refund to the taxpayer any amount of credit in excess of his tax liability.

(6) Only the owner of record shown on the tax notice for the homestead may claim a homestead tax relief credit. If the annual tax liability for a homestead is divided among several persons, these persons must reach a private agreement for dividing the income tax credit. No agent or officer of the state or any of its political subdivisions may assist these persons in reaching an agreement.

Section 2. Repealer. Chapter 457, Laws of 1977, is repealed.

Section 3. Effective date and applicability. This act is effective on passage and approval and applies to taxable years beginning after December 31, 1978.

-End-

AMENDMENTS TO HB 398

Senator Watt

1. Title, line 4.

Following: "ENTITLED"

Strike: remainder of the bill

Insert: "AN ACT TO INCLUDE ALL RESIDENTIAL PROPERTY IN CLASS

FIFTEEN; TO PROVIDE TAX REFUNDS FOR RESIDENTIAL PROPERTY OWNERS AND RENTERS IN RELATION TO THEIR INCOMES; PROVIDING A PERIOD OF APPLICATION; AMENDING SECTIONS 15-6-112, 15-6-116, AND 15-6-119, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. THERE IS A NEW MCA SECTION THAT READS: Definitions. As used in [section 5 through 7], (1) "Rent constituting property tax paid" means 20% of the total rent in cash actually paid by the renter or lessee for the right occupying a residence, excluding security deposits and any rent subsidy payments provided by a government agency.

(2) "Property tax paid" means general property tax, exclusive of special assessments, penalties, or interest, levied against a residence and paid by its owner.

(3)(a) "Household" means an association of persons who lives in the same dwelling and share its furnishings, facilities, accommodations, and expenses.

(b) "household" does not include tenants, roomers, or borders on contract.

Section 2. Section 15-6-112, MCA, IS AMENDED TO READ:

15-6-112. Class eleven property - description - taxable percentage. (1) Class eleven property includes:

(a) all land except agricultural land meeting the qualification of 15-7-202 and land included in 15-6-116;

(b) all improvements except those included in classes fifteen and eighteen;

(c) all trailers affixed to land owned, leased, or under contract for purchase by the trailer owner; and

(d) all mobile homes except:

(i) those held by a distributor or dealer of mobile homes as part of his stock-in-trade; and

(ii) those included in class fifteen.

(2) Class eleven property is taxed at 12% of its market value or so much of 12% as is determined under 15-7-121, whichever is less."

Section 3. Section 15-6-116, MCA, IS AMENDED TO READ: