

HOUSE TAXATION COMMITTEE MEETING MINUTES  
April 7, 1981

A meeting of the House Taxation Committee was held on Tuesday, April 7, 1981 at 8:00 a.m. in Room 102 of the State Capitol. All members were present except Rep. Oberg, who was excused. SENATE BILLS 126, 252, 150, 337 and 466 were heard and EXECUTIVE ACTION was taken on SENATE BILL 466.

The first bill to be heard was SENATE BILL 252, sponsored by Sen. Pat Goodover. This is a new approach to a fee system; vehicles are put in four different classes as they are in the NADA book; see Exhibit "A." Each vehicle is classified as of its time of manufacture and always stays the same. For the first six years, the luxury car owner will pay twice as much. This bill is probably the closest to what the Governor wanted, but doesn't have as much of a fiscal impact as SB 355. Each class is also based on fuel consumption. The higher fuel consumers pay a higher fee. He suggested that the Committee ask the question, "Does any car, new or old, use any more road," when considering the fee distribution among the different ages of cars.

He pointed out that the editorial of the Butte Standard newspaper submitted that this bill compared to the Governor's proposal was another choice and with less fiscal impact; see Exhibit "B." The Schwinden plan is more of a tax redistribution plan because the oil industry would have to finance it. He submitted that while the GOP proposal might be vetoed by the Governor, this bill might not be. He said that auto tax relief was a high priority of Montana people.

Gerry Raunig, Montana Automobile Dealers Association, rose in support of the bill. This bill answers many of their objections to previous similar legislation.

Mike Stephen, Montana Association of Counties, rose in OPPOSITION to the bill. While these are good ideas in the bill, he was opposed to it because of the detrimental effects it would have on local governments. He submitted that this tax relief would have to be picked up by property tax increases.

Questions were then asked. Rep. Vinger asked Sen. Goodover if the fee would be deductible on income taxes. He said the classes were based on the price of the car as well as fuel consumption and on that basis, this could be considered a fee based on value, which could be a tax deductible item. It depends on how it would be determined by the Dept. of Revenue. He submitted that it was a matter of terminology. He pointed out that the reduced amount of the fee would save the person more than they would get from getting the tax deduction.

Rep. Asay wanted to know if there would be any difficulty in determining the different classes, and Sen. Goodover referred him to the handout. The manufacturer breaks them down in the Blue book. Mr. Raunig added that all vehicles were classed from the date of manufacture.

Rep. Nordtvedt wanted to know how the revenue would be split up among the various funds, and Sen. Goodover said it would be based upon a County's population. The money raised in an area from the fee would go back to the County where the car was registered. Rep. Nordtvedt submitted that an amendment was needed to take the Statewide mills into consideration. A section describing how the money would be disbursed was also needed, in his opinion. Sen. Goodover agreed that this would have to be addressed.

It was confirmed that the bill wouldn't affect the new car tax.

Discussion took place regarding the percentage of the addition that the Senate made. The Governor wanted 5%, but 1% would be sufficient.

John Clark, Dept. of Revenue, pointed out that the bill had been substantially amended and no new Fiscal Note had been drawn up.

Sen. Goodover then closed. The people want a fee system of some sort, to save money on automobiles, and to save time standing in line. This would be a simple way of handling a licensing program, with less impact than the Governor's proposal. He submitted that if a fee system wasn't adopted, the Governor would go the initiative route in the fall of 1981.

SENATE BILL 126, sponsored by Sen. Elmer Severson, was then heard; see written testimony Exhibit "C." This is not a fee bill and has no intention of being one. The bill mandates that the Dept. of Revenue use wholesale value as the market value. He submitted that the handout shouldn't include SB 252, because since the handout was made, the bill had been amended.

All uniform fee or tax bills do, is: (1) the new car pays less and the old car pays more; (2) the big car pays less and the small car pays more, and (3) the taxpayer in the high mill levy County pays less but also that County gets less. This bill doesn't only cover cars and pickups, it covers big trucks, agricultural equipment, etc.; every place the Dept. is using industry-made books. This bill addresses the argument that people are being taxed on the wrong value. He didn't think that the people were clamoring for a fee bill; more than that,

they were in favor of a fair, equitable bill. He referred the Committee to a chart which was also distributed; see Exhibit "D." Markup is greater, percentage-wise, the older the car gets, under the present system. Escalating values and increased mill levies is why car taxes don't go down like they should when the car gets older. This is the only bill that gives everyone a tax break. It gives an even percentage break all the way down to the bottom.

Larry Huss, Montana Taxpayers Association and Montana Contractors Association, rose in support of the bill. This bill is the other shoe to the problem. It is a return to what has been traditionally done in the State.

The standard for the valuation of property has always been full market value and this was incorporated statutorily in 1977. No change has occurred that would justify the bureaucratic change from wholesale to retail. There is no fiscal impact to the Counties because they got a windfall they didn't deserve a period of time ago. All that is being done is that the windfall will be stripped away.

In every instance there is a guide than can give data regarding the valuation of the equipment and vehicles based both on a wholesale and a retail guide. He urged adoption of the bill as the other shoe to the problem that was confronted in SJR 26.

Mons Tiegen, Montana Stockgrowers, Woolgrowers, and the Montana Cowbelles, rose in support of the bill. While their people are not universally behind a fee bill, they are universally behind this approach.

Gerry Raunig, Montana Automobile Dealers Association, rose in support of the bill, as did Avis Ann Tobin, Montana Hardware and Farm Equipment Dealers.

Slim Slattery, a registered lobbyist and retired and former Dept. of Revenue employee, then spoke. He has had as much controversy on using retail value as anything else. When he worked at the Dept., the methods used in creating retail value on older cars caused a problem. If the same tax is going to be brought back to the jurisdiction, the percentage will have to be raised more than the bill provides for. Otherwise, the increase will be passed on through increased property taxes.

Many people have complained to the Lewis and Clark Tax Appeals Board that the value on their car was too high. The amount the people appeal to is the average trade-in value. What is being talked about is the average car, not the expensive one.

He submitted that there were more hearings on heavy equipment taxes at the State Tax Appeals Board than on cars. He said that this kind of equipment deteriorated faster than cars and submitted that the books didn't give an accurate value; they didn't depreciate enough. He felt that in the green guide area, the percentage from wholesale to retail was excessive. He submitted that some areas were more accurate than if this bill was passed.

Mike Stephen, Association of Counties, then rose in OPPOSITION to the bill. He commended Sen. Severson's efforts to gain equity. Presently the Assoc. of Counties didn't see a single bill which would increase taxable valuation. At issue philosophically is what should be included in the property tax base. There is an effort to continue to include vehicles, but at the expense of a reduction local governments can't afford. The taxpayer is being pacified with this reduction, but his property taxes will be going up.

Jack Gribble, Dept. of Revenue, then rose to make comments. (1) Regarding the statutory mandate that the Dept. of Revenue define and ascertain market value, a bill saying that they use wholesale value would cause them a problem. (2) The underlined portion of P. 4 of the bill doesn't include any mention of the blue book for boat trailers, which are mentioned in the Statement of Intent. From their perspective, maybe this language should be included in the bill itself, also. (3) The Statement of Intent implied that the Dept. be restricted to the guides mentioned in it, and possibly there would be more appropriate data which would become available. (4) Passage of this bill would further erode the tax base of the local governments. The percentages used to determine taxable value have not been altered.

Questions were then asked. Rep. Devlin asked John Clark when the change from wholesale to retail took place, and he said the 1977 Legislative session changed the perspective of the property tax system extensively. That session tried to jump from market to taxable value and reset all the percentages. The information given to the Legislature at that time was that the Dept. also use the blue book high book value and the Legislature set the percentage in the classification scheme for automobiles, etc., at 13%, where it probably should have been set higher, and the lower book value could have been used then.

Sen. Severson explained that 13% was come up with because vehicles were valued on 66% of value plus 20%, and this ended up with 13%. Some of the other vehicles, trucks for instance, don't have a

wholesale value in the books so the Dept. determined an 80% factor and the 20% of the 80% put trucks at 16%, and that is how these values came about.

Rep. Devlin submitted that, therefore, the Dept. said they would be using the high retail book. Sen. Severson said that HB 70 mandated that they do this. The Dept. determined that the Legislature meant high book value, which they didn't mean at all. This bill will put it back on wholesale value.

Rep. Roth asked Mr. Huss for his comments. He said Sen. Severson was correct, but the Legislature didn't realize the figures presented to them were based on retail values in 1977. It wasn't the intention of the Legislature to go to retail and there was nothing in the legislation that said the Dept. would have to go to this. It was an assumption of the Dept. that they would go to retail in an effort to avoid any losses in revenue to local governments. The adjustment figures were called equalization factors and weren't found anywhere in the law. They were created by the Dept. of Revenue and varied from year to year at their whim and caprice. The purpose of the bill in 1977 was to limit the ability of the Dept. to set this arbitrary factor and they eliminated this and took only one percentage factor and went from full market to taxable value. All the statutory percentages were cut by a uniform adjustment that was the last year's arbitrary factor that the Dept. of Revenue had stuck in.

The real purpose of HB 70 was to get away from the utilization of arbitrary values; it wasn't to go to retail values. Nothing in the language of that bill authorized the Dept. of Revenue to go to retail value and the Legislature wasn't cognizant that it was the intent of the Dept. of Revenue to go to it. When the Dept. took this action, it took a lot of people by surprise and many people have objected.

Rep. Sivertsen submitted that there were as many philosophies on what took place as there were people in the room. He asked for an explanation from John Clark of what took place when retail value was adopted, and submitted that at that time the Dept. was going on the assessed value, and taxable assessed was 66 2/3%. When full market value was adopted, the change should have been made from retail back down to wholesale.

Mr. Clark said that from the Dept.'s perspective, what they saw in 1977 was the intent of the Legislature not to alter the tax base, either. Therefore, in order to go to market value, they used the backwards step and inflated things back up to the retail value.

Sen. Severson then commented. The Statement of Intent makes it clear as to what value should be used now, and there should be

no question regarding what value is being talked about like there was in 1977. He didn't think the Dept. would be precluded from changing to different books if they found better ones. He submitted that many times the retail value wasn't clear in these books because the books were designed not for taxing purposes but for selling purposes.

Rep. Bertelsen wanted Rep. Williams' impression about what the intent of the Legislature was in 1977 that there be no significant change in the Counties' tax revenues. Rep. Williams said that HB 70 made those adjustments from retail or actual true value to a direct percentage to apply to the property with the sole purpose and intent not to change the tax base. That left the Dept. of Revenue with the percentage applied with only one choice to use high book in order to retain the revenue level. In 1979 HB 213 consolidated 20 classes into 10; in order to maintain stability of the tax base, they had to leave the value at high book and use the 13%. If it would have been lowered, the percentage would have to have been raised.

Rep. Neuman asked Sen. Severson if it was his intent to replace the loss to local governments. He replied that he wasn't in favor of revenue sharing; however, this would be one of the easiest bills to handle it. Rep. Neuman wanted to know what he thought of the possibility of allowing the Counties to raise mill levies. Sen. Severson said that revenue wasn't being taken away from the Counties when a tax was adjusted for equity or desired purposes. If these bills lower the valuation of the Counties, there will be a shift but the Legislature is trying to tax based on value. He didn't think the Legislature needed to get into what the intent of HB 70 was, because this bill made the intent clear.

Sen. Severson then closed. This is an equity bill, it is a fair bill, and a tax reduction to every taxpayer in the State is given. The reason for the Statement of Intent is so there is no question with the Dept. of Revenue as to the value that is being talked about. Some people say there is a clamor for a fee bill; he submitted that there was a clamor for fairness. The hearing on SENATE BILL 126 was then closed.

SENATE BILL 150, sponsored by Sen. Allen Kolstad, was then heard. This bill would increase the small business capital investment tax credit to 40% of the federal level. In 1977 a bill was passed allowing 20% as a tax credit. At present, Montana has a 2% capital investment tax credit; in other words, 100% of the federal would have been 10%, but this amount was amended down to 40%, or 4%. It doesn't do the original goal, but it is a step in the right direction. It will encourage expansion of business operations which will lead to more jobs and more tax revenue. The small business capital investment tax credit is currently taken by 5,000 - 6,000 businesses in the State and it is estimated that there are about 14 big businesses in Montana,

and the bill wouldn't apply to them.

Janelle Fallan, Montana Chamber of Commerce, rose in support of the bill; see Exhibit "E."

Ed Nurse, also from the Chamber of Commerce, spoke. He attended a White House conference on small business. Approximately 80% of new jobs are generated by small businesses; at the same time, federal jobs are disappearing. Small business needs help and this bill would do that, and it also helps the labor area and also government, which needs the tax base generated from small business.

Steve Buttress, Economic Growth Council and Chamber of Commerce, Great Falls, also rose in support of the bill. Great Falls feels their success in diversifying their economy will be hinged upon helping small business. Their program, which is being funded by slightly more than \$2 million, is directed towards helping small businesses. The funds go towards capital formation, the major problem of small business.

Dennis Burr, Montana Taxpayers Association, went on record in support of the bill, as did Avis Ann Tobin, Montana Hardware and Implement Association.

Dave Goss, Billings Chamber of Commerce, rose in support of the measure. He stressed that small business was very important to Montana; the jobs in existence today will be the basis of the community in the future.

Clark Pyfer, Chairman of the Montana Chamber of Commerce, emphasized that this was one of the bills that would help to put some money back or leave it in the pockets of small business. This bill helps not only business but agriculture. No bureaucracy is required to leave this money in the hands of the small businessman. He questioned the Fiscal Note, and submitted that his experience indicated that the Dept. of Revenue estimates were always on the high side.

There were no OPPONENTS to SB 150. John Clark, Dept. of Revenue, made some comments. Regarding Section 1 of the bill, there is a drafting problem in that the credit is being limited to a lot fewer people than are currently eligible. He agreed to work with the Committee to straighten this out. As far as the Fiscal Note, they feel it is fairly close to reality. He submitted that accountants had a lot of clients who took advantage of this particular treatment.

Questions were then asked. Mr. Pyfer said he saw no problem

with the language in Section 1 of the bill, because P. 4, lines 2 - 7 had been amended to clarify this. He said he would be willing to address this and if there was a problem, to take care of it.

Rep. Williams wanted to know the reasoning behind the amendment to the bill to expand the definition on P. 4, lines 2 - 7. Sen. Kolstad said the Senate didn't want to exclude anyone as far as the credit was concerned. He said it had been necessary to be included in the bill according to their attorneys. In response to Rep. Underdal, he said that the bill covered incorporated farms.

Rep. Harp wanted to know if there was anything in Congress regarding accelerated depreciation, and Ms. Fallan said there was legislation for speeded up depreciation for business in general.

Rep. Bertelsen wanted to know if there was a possible \$13 million impact per year. Mr. Pyfer said that 25% of what the increase was would be the fiscal impact.

Sen. Kolstad then closed. The Fiscal Note indicated that possibly there could be a loss of \$5.4 million annually, plus \$2.6 million. This is what it is costing now and it is exactly what it should cost in addition if the bill is passed. What isn't taken into consideration is the additional tax revenue that would be generated. He submitted that there were some problems with the Fiscal Note. This bill will be a real help for small business in Montana.

SENATE BILL 466, sponsored by Sen. Carroll Graham, was then heard. This bill is meant to tighten the restrictions on the use of dealer auto license plates. He felt this bill would take care of the existing problems. Although it may not be the complete answer, it will cause dealer plates to be used as they were intended to be used.

Gerry Raunig, Montana Automobile Dealers Association, rose in support of the bill. At the end of the Legislature in 1979, the Senate Highway Committee wanted them to have a bill drafted for 1981 addressing the use and abuse of dealer plates and this bill was the result. He felt the bill was one everyone could live with.

The bill states: (1) a new classification for RV dealers is made, with separate plates; (2) the double barrel concept has

been designed for dealer plates, and demonstrator plates. As they foresee the system, the new dealer plates would be a limited edition. Any dealer could get enough to efficiently run a business. Use of demonstrator plates would be limited to no more than 72 hours. He submitted that they thought the system would work. In January of 1982, when the bill will go into effect, there will be three classes, and each will be a different color and it would be easy for law enforcement to decide who was abusing the privilege.

Larry Majerus, Administrator, Motor Vehicle Division, Dept. of Justice, then spoke up in support of the bill. The concept of dealer and demonstration plates is unique to Montana. Most States aren't satisfied with their present set-ups, however. This program can define things more clearly, especially in relation to law enforcement and the Justice Dept. The bill also clarifies the situation to the car dealers.

There were no OPPONENTS to the bill; questions were asked. Rep. Brand wanted to know if there was a limit to the number of demonstrator plates a dealer could get, and Mr. Raunig said there wasn't. However, the use of the plates is limited. Rep. Brand submitted that there should be a limit on these plates, also. Mr. Raunig said they didn't see a problem in this area.

Rep. Brand wanted to know what the abuses were which were being corrected and what abuses they still foresaw. Sen. Graham said there were a lot of cars being used by nondealers, but with dealer plates. Also, many auto dealers were using their "D" plates on RV's even though they weren't RV dealers. Also, wrecking yard owners who weren't demonstrating cars were taking advantage of the situation. As far as demonstrator plates being used by a nonauthorized person; as he understood the bill, the plates could only be used by employees.

Mr. Raunig then commented. This bill tightens up another loophole.

Larry Majerus clarified that the bill put a limit on the number of dealer plates. The demonstrator plates already had a limitation in the law.

Rep. Dozier wanted to know if there was a provision in the bill where a new dealer could get more than two sets of plates, and Mr. Raunig said that additional sets could be gotten upon showing a good cause that they were needed.

Sen. Graham then closed, and the hearing on SENATE BILL 466 was closed.

SENATE BILL 337, sponsored by Sen. Pat Regan, was then heard.

This bill provides property tax relief to certain home owners and renters by way of a credit against income tax liability. She went through the bill.

In terms of why the bill is needed: (1) the elderly have always paid their taxes whether they have rented or owned a home. Reductions in income upon retirement are met with increased rent or increased property taxes.

The statistics show that 3.4% of income goes for property taxes. Among the elderly, the figure is 8.1%. If income is very low (\$2,000), the tax is 16.2%. Middle and upper income people have always had property tax relief because of the deductions which can be taken when income taxes are itemized. In 1972 nearly \$10 billion of property taxes were claimed on the standard 1040 form; this was 70% of the property tax that had been spent by single families. The higher the income bracket, the more the tax relief, because it becomes available if the taxpayer itemizes.

John Clark, Dept. of Revenue, then rose in support of the bill on behalf of the Governor; see Exhibit "F." The relief goes not only to home owners but to renters, and this is a first-time thing in Montana. SENATE BILLS 33, 102, and HOUSE BILL 541 set up graduated property tax schemes for allowing relief and they anticipate leaving what is in the statutes or one of those bills in effect also, and this bill would be a supplement to that local relief. This bill provides that the matter be handled in the income tax system rather than going to the County offices and pleading poverty.

Jim Jensen, Low Income Senior Citizens Advocacy, rose in support of the bill. The main virtue of the bill is the allowance for renters, who have never had any property tax relief in Montana.

Rep. Sivertsen asked Mr. Clark what basis he used to arrive at the figures in the scale. He replied that the income was divided into monthly amounts, and then, looking at what would be a reasonable amount to take out of a monthly income, the computation would be done on a schedule on the income tax form; the person would look at total income and multiply it times the factor.

Sen. Regan said the schedules would be sent out with the Montana income tax form; it was a very simple matter to figure out.

Rep. Brand wanted to know how many older people Sen. Regan thought would go through the formula to take advantage of the break. She said that many people would take advantage of it; it was a very simple calculation.

Sen. Regan then closed, and the hearing on SENATE BILL 337 was closed.

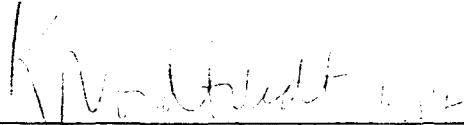
HOUSE TAXATION COMMITTEE MEETING MINUTES  
April 7, 1981

Page 11

Control of the meeting was relinquished to Rep. Nordtvedt, and the Committee went into EXECUTIVE SESSION. Rep. Vinger moved that SENATE BILL 466 BE CONCURRED IN; motion carried unanimously.

Rep. Nordtvedt said he wanted a Committee bill drafted to allow the standard deduction to go up, as was provided for in HOUSE BILL 250. He moved that the Committee approve that a bill be drafted. It would go from 15 to 20% of adjusted gross income. The question was called for; motion carried unanimously.

The meeting was adjourned at 10:00 a.m.



---

Rep. Ken Nordtvedt - Chairman

da

## VISITORS' REGISTER

HOUSE Taxation

COMMITTEE

BILL SB 252

Date 4/7/81

SPONSOR Sen. Taxation Comm.

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPP
John Clark	Helena	Dept of Rev		
Donald Rawing	Helena	MT Auto Dealers Assn	✓	
Mike Styk	Helena	MFTCO	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

TL 3 & CC. ENTRY-V8	1550	2275
1700 7 Sta Wgn 3S CP46	1550	2275
1650 7 Sta Wgn 2S CP45	1500	2225
60 Add Vinyl Top	60	75
75 Add AM/FM Stereo	75	100
125 Add AM/FM Stereo/W/Tp	125	150
200 Add Sunroof	200	250
75 Add 5C/506WayPwr.Seat	75	100
60 Add Power Windows	60	75
60 Add Chrome Wheels	60	75
25 Add T & Entry Pkg	25	50
150 Add St. Regis Pkg. Cst.	150	200
25 Add T & Strg. Wheel	25	50
25 Add Power Door Locks	25	50
200 Deduct W/outAirCond.	200	200

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1974 CHEVROLET-All Body Styles

450 Vega	425	825
1150 Nova	1650	1650
950 Malibu	875	1450
1075 Malibu Classic	975	1575
1700 Camaro	1550	2250
1225 Monte Carlo	1125	1750
675 Bel Air	625	1125
850 Impala	775	1325
875 Caprice	900	1475
4725 Corvette	4275	6625
CORDOBA-6		
1980 CORDOBA-AT-PS-AC		
6575 7 Hdtop Spec SH22 5025	645	
6875 7 Hdtop Spec Cr SP22 5300	675	
Hdtop Spec LS SS22		
100 Add Vinyl Roof	100	1
300 Add Cabriolet Roof	275	3
Add Custom Ed.		
Add Crown Spec. Ed.		
1980 LE BARON-6		
Sed 4D Spec. FL41		
4825 7 Sed 4D FM41 4350	6550	
4825 7 Cpe 2D FM22 4350	6550	
4825 7 Cpe 2D FM22 4350	6550	

CHRYSLER 1980

RELEASE CATEGORY: CHRYSLER  
Cordoba-II, Le Baron-II, Newport-III  
Twin and Conquest-III, New Yorker-IV

1980 LE BARON-6

LE BARON-6		
Sed 4D Spec. FL41		
4825 7 Sed 4D FM41 4350	6550	
4825 7 Cpe 2D FM22 4350	6550	
4825 7 Cpe 2D FM22 4350	6550	

88 BMW (German) 1976-74

1976 BMW (German)-Coup		
75 Add Alloy Rims	75	100
125 Add Leather Upholstery	125	150
75 Add AM/FM Stereo	75	100
275 Ded W/out AC (2002)	250	275
1975 BMW-PS-AC		
3775 7 Sed 2D 2002	3400	4600
3875 7 Sed 2D 2002A	3500	4700
6450 7 Sed 4D 530 4925	6375	1980 DATSUN
6500 7 Sed 4D 530A 6500	6525	
6100 Sed 4D 3.0S 6500	7050	3775 5 Sed 2D Std. LB310 3400 46-
6250 Sed 4D 3.0S 6525	7200	4078 5 Sed 2D Std. LB310 3675 49
75 Add Alloy Rims (Std 3.0)	75	4150 5 Sed 4D Std. LB310 3750 60
175 Add Sunroof	175	4328 5 Hdtop 2D* KBLB310 3900 61
100 Add Leath.Uph (Std 3.0)	100	4400 6 Wgn 500* KBLB310 3975 62
75 Add AM/FM Stereo	75	2100 6 Symbols become 6W/AT
250 Cde W/out Air Cond	225	4200 6 Sed 2D HN10 3800 60
4375 5 Sed 4D HBLIC 3950	52	4550 6 Cpe 2D GX* HN10 4100 64
4550 6 Cpe 2D GX* HN10 4100	52	4550 6 Cpe 2D SX D07 4100 5325
510		300 Add fact. Air Condition
4400 6 Sed 2D HN10 3975	62	275 375 DEDUCT FOR RECONDITIONING
4600 6 Hdtop 4D* HBLA10 4150	54	1981 FEBRUARY 1981
4750 6 Wgn 500 HBLA10 4275	66	R
6500 Sed 4D 3.0S E225	6725	
6925 Sed 4D 3.0S E350	6875	
200SX		
6100 8 Hdtop 2D* PS110 4600	6000	

1974 BMW-PS-AC

3775 7 Sed 2D 2002	2875	3950
3250 5 Sed 2D 2002A	2525	4025
3475 6 Sed 2D 2002B	3150	4275
4400 7 Sed 4D Bavaria 3575	5250	4400 6 Sed 2D HN10 3975 62
4525 7 Sed 4D Bavaria A 4075	6400	4600 6 Hdtop 4D* HBLA10 4150
6500 Sed 4D 3.0S E225	6725	4750 6 Wgn 500 HBLA10 4275
6925 Sed 4D 3.0S E350	6875	4200 6 Sed 2D HN10 3800 60
200SX		4375 5 Sed 4D HBLIC 3950
6100 8 Hdtop 2D* PS110 4600	6000	4550 6 Cpe 2D GX* HN10 4100

150 Dash W/outAirCond	150	150
1574 CHR-ALL Body Styles		
650 N. York	600	7100
200 N. York	725	1300

DODGE 1980

MILEAGE CATEGORY: DODGE		
Omni-1 Diplomat-II Crestwood-II		
Aspen-1 Charger-II Royal Monaco-II		
Dart-1 M. Monaco-II Monaco-III		
Cell-1 C. Coronet-II Si Regis-III		

150 Add Fender Equip. Grp	150	200
150 Add Premium Int. Pkg.	150	200
75 Add Fender Ext. Pkg.	75	100
175 Add V-8 Engine Pkg.	175	225
100 Add Fender Steering	100	125
300 Add Fender Au Condition	275	375
75 Add Fender FM Stereo	75	100
75 Add Fender Aluminum Wheels	75	100
125 Add Fender Roof	125	150
200 Add Sport Pkg.	200	260
60 Add Luggage Rack	60	75
50 Add Steering Control	50	75
Add Del. Tommaso Pkg.		
225 Deduct Manual Trans.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100
125 Add AM FM Stereo/W/Tp	125	150
25 Add T Strg. Wheel	25	50
225 Add Sunroof	225	300
50 Add Fw/Seat50/SOL/R	50	75
60 Add Chrome Wheels	60	75
160 Add St. Regis Pkg.	150	200
25 Add Power Door Locks	25	50
75 Add Leather Seats	75	100
75 Ded W/W6WL/P. Seats	75	75
225 Deduct W/outAirCond.	225	225
Deduct for RECONDITIONING		
1981 FEBRUARY 1981		R

1976 NEW YORKER BROUHAM  
V8-PW-P. SEATS

1875 7 Hdtop AD CS43	1700	2475
1875 7 Hdtop 2D CS23	1700	2475
60 Add Vinyl Top	60	75
75 Add AM FM Stereo	75	100

# Opinion & comment



Official newspaper of Butte-Silver Bow  
Founded in 1876

DONALD W. BERRYMAN  
Publisher

BERT GASCOIGL  
Editor

JEFFREY B. GIBSON  
Editorial Page Editor

Taxation  
1777  
EXHIBIT 'D'

## Public wants auto tax relief

The Republicans and Democrats in the Legislature are fighting over auto license tax relief.

The Republicans have the votes to pass their version. But Gov. Ted Schwinden, who has a license tax relief plan of his own, could veto it.

We think Schwinden's proposal reflects the wishes of the people more closely than the GOP proposal does. Schwinden is calling for a system of flat fees ranging from \$20 to \$65, based on the age and weight of the car.

The chief Republican bill would reduce license taxes on cars and light trucks by about 20 percent.

If you've been paying a couple of hundred dollars a year to license your car, you don't have to get a pencil out to calculate which plan would do you the most good. Schwinden's would, by far.

Actually, the Schwinden plan is not so much a "tax cut" plan as a tax redistribution plan. Car owners would get a big break, but the oil industry would have to finance it. The Schwinden bill calls for doubling the oil severance tax to 5 percent to reimburse state and county governments for revenue lost through lower vehicle taxes.

Schwinden's people have been dropping hints that if the Republicans pass their bill he'll veto it, and then take his plan to the people as an initiative in 1982.

There'd be no point in vetoing the Republican bill if it passes. It would, after all, provide car owners with at least some relief. A veto would mean motorists would have to go two more years with no relief at all. What Schwinden should do is sign the bill (if it passes) and then work to replace it

with a 1982 initiative.

And the Republicans wouldn't have to leave the initiative process to Schwinden. There appear to be a few tax-cut purists in the GOP who think a tax cut should be just that — a cut, and not a rob-Peter-to-pay-Paul plan. They could try to put their own license tax plan on the ballot if they feel it's unwise to link auto tax reform with higher severance taxes.

Relief from sky-high auto taxes has been a major concern of Montanans for several years now. An informal opinion survey by House Speaker Robert Marks found auto tax cuts to be the Number Three tax relief priority of respondents. (Number One was reducing or eliminating the 10 percent surtax, and Number Two was raising the personal exemption to \$1,000.) So the squabbling in the Legislature, which some GOP leaders have said might prevent any action on this issue, is frustrating to car owners. It's hard to imagine that the Legislature could take no action to relieve such a painful tax.

Schwinden's threat that he'll take his own plan to the voters may not mean all that much. If the same bunch of legislators are in office in 1983, they'll probably just amend it to death. Montana's initiative process seems to be regarded in Helena these days as a kind of non-binding advisory system.

But it wouldn't hurt to let the voters get the frustration out of their system by voting on an initiative.

And we think the results would convince even the most unresponsive legislator that vehicle owners want major tax relief, whether or not somebody else is required to make up the difference.

## VISITORS' REGISTER

## HOUSE Taxation

## COMMITTEE

PILL SB 126

Date 7/2/81

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Mal's Teigen	Helena	MT Stockgrowers	X	
JOHN CLARK	HELENA	MT DEPT OF REV		
Tris J. Tolin	Helena	Montana Dept of	X	
David T. Raming	Helena	Montana Dept of Auto Dealers Assoc	✓	
LARRY HARR	Helena	Montana Assoc		
Ben Hardahl	Helena	MT Motor Carriers Assn	✓	
Al Slatton	Helena	PERTAB	✓	
MR. Steph	Helena	MAGC	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

The Senate Taxation Committee has several vehicle taxation bills that are under consideration. Senate Bill 213 by Senator Dover is a fee bill based on the ~~value~~<sup>weight</sup> of the vehicle, with a \$250.00 fee for a 4500 # car or pickup going down by steps to \$50.00 for a car or pickup under ~~\$1,000.00~~<sup>1000 #</sup> value.

SB 252 by Pat Goodover is a uniform tax bill based on the average trade-in value starting at \$375.00 for a \$15,000 and above value reducing by steps down to \$15.00 for a car or pickup with a value of \$1,000 or less.

SB 355 by Senator Blaylock, commonly known as the Governor's bill is a fee bill with a car over 2850 # at the rate of \$65.00 for cars and pickups up to and including 4 years of age and \$25.00 for vehicles over four years of age. For these vehicles under 2850 # the fees would be \$45.00 and \$20.00. SB 356 is a bill to fund the loss to the county from an oil severance tax.

HB 428 is a bill made up by the House Taxation Committee and sponsored by Ken Nordtvedt. This is a uniform tax bill based on average trade-in value times 3 1/2%. The fees range from 3 1/2% of the highest average trade-in value to \$20.00 bottom.

I think it's necessary to know that all uniform taxes or fees do three things in common:

1. The new car pays less and the old car pays more.
2. The big car pays less and the small car pays more.
3. The taxpayer in the high mill levy county pays less but the county government also receives less. The taxpayer in the low mill levy county pays more and that county receives more. All uniform taxes or fees do this.

HB 428 and SB 252 are the least objectionable in my point of view in these three aspects..

Now what does SB 126 by Severson do. It mandates that the Department of Revenue use the wholesale value as market or ~~assigned~~ value for taxation purposes. They are presently using the retail value. This is wrong and I'll tell you why. The retail value has a dealer profit margin and reconditioning factor built into it. I think we should be taxed at the value our vehicles are worth when we cut the ignition, when we park it to go to work or for the night. The average wholesale value is the nearest figure to that value. This bill covers not only cars and pickups but also large trucks, construction equipment, agricultural equipment, motorcycles, airplanes, and all vehicles where industry or department made schedules are used. This is a tax equity bill. I call it "the people are as good as the folks" bill. It affects virtually every person in Montana in an equitable manner. It will reduce your tax on these vehicles from 20% to 35%. This is the vehicle bill that should pass this Legislature.

All of these bills will reduce the taxable valuations of counties. All will create some shift in county taxation for either equity reasons or for the desire of a fee system on vehicles.

All will reduce county valuation but will not necessarily reduce county revenue as the counties can increase mill levies to maintain or increase their revenue.

Chevy Impala	79	78	77	76	75	74	73
Resale value	5125	4150	3275	2350	1900	1425	1125
Taxable value	744	539	426	305	247	185	146
Tax .250 mls	186	135	106	76	62	46	37
<hr/>							
Ave. Trade in	4375	3450	2650	1775	1375	925	675
Taxable value	569	448	344	231	179	120	88
Tax .250 mls	142	112	86	58	45	30	22

Percentage  
Difference

117      120      124      132      138      154      167

Resale in Tax Relief 85%      83%      81%      75%      72%      65%      60%

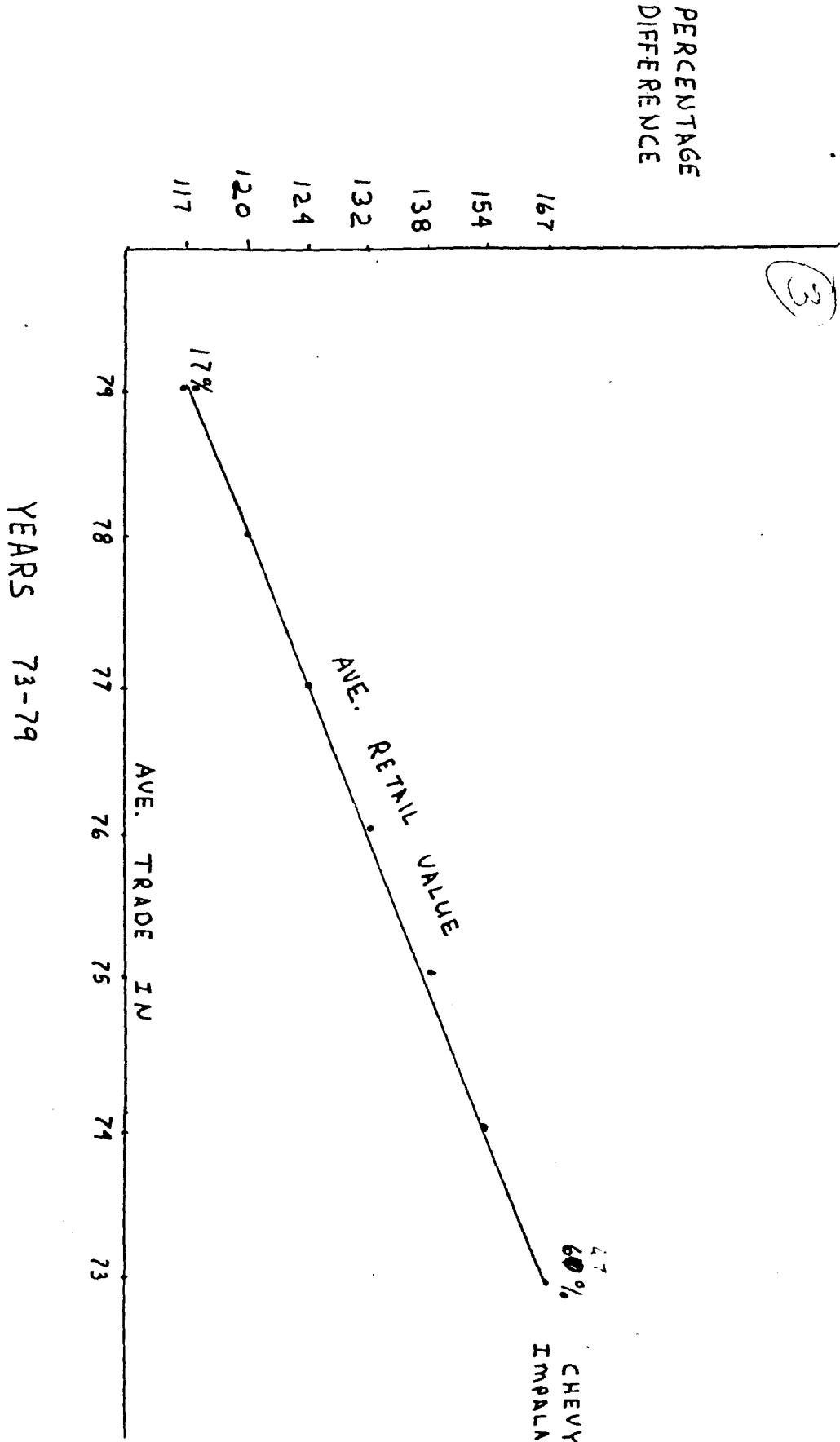
FORD F 250	79	78	77	76	75	74	73
Resale value	5100	4100	3700	2975	2675	2100	1725
Taxable value	663	533	481	387	348	273	224
Tax mils (.250)	166	133	120	97	87	68	56
Ave. trade in	4300	3350	2975	2325	2050	1525	1175
Taxable value	559	435	387	302	266	198	153
Tax mils (.250)	140	109	97	76	67	49	38

Percentage  
Difference

119 122 124 128 130 138 147

*See back in the  
as printed*

84% 81% 80% 78% 76% 72% 68%



SUMMARY OF REVIEW SHOWING PERCENTAGE OF WHOLESALE  
VALUE TO RETAIL OR RESALE VALUE

Farm Equipment	80%
Boats	75%
Motorcycles	73%
Construction Equip.	69% to 60%
Pickups	84% to 68%
Cars	85% to 60%

RETAIL VALUE	OR TRADEIN	PRESENT TAX AD VALOREM	SB 126 AD VALOREM	HB 428 3.5% OF AVERAGE TRADE-IN VALUE	SB 355 GOVERNOR'S BILL	
		TAX ON RETAIL VALUE 230 MILLS	TAX ON WHOLESALE VALUE 230 MILLS	OVER 2850#	UNDER 2850#	
\$10,000	8000	299	239	280	1980	1980
9,500	7600	284	227	266	1979	1979
					65	45
8,500	6800	254	203	238	1978	1978
					65	45
7,500	6000	224	180	210	1977	1977
					65	45
6,500	4875	194	145	170	1976	1976
					25	20
5,500	4125	164	123	145	25	20
4,500	3375	135	100	111	25	20
3,500	2625	105	78	86	25	20
2,500	1875	75	56	62	25	20
1,500	1050	45	31	36	25	20
1,000	700	30	22	23	25	20
850	595	25	16	20	25	20
750	525	22	14	20	25	20
500	325	15	9	20	25	20
250	162	7.50	4.50	20	25	20
150	100	4.50	3.00	20	25	20
75	75	2.25	1.50	20	25	20

TO ALL THESE FIGURES ADD \$12.00 REGISTRATION FEE FOR CARS OVER 2850#-\$10 to CO.  
2 " ST.

TO ALL THESE FIGURES ADD \$7.00 REGISTRATION FEE FOR CARS UNDER 2850#-\$5 to CO.  
\$2 " ST.

+ 50¢ to \$2.00 JUNK VEHICLE FEE GOES TO COUNTY.

+ \$7.50 GROSS VEHICLE TAX ON PICKUPS GOES TO STATE.

NOTE: WE HAVE A \$5.00 or a \$10.00 County Fee Now.

**COUNTY FISCAL IMPACT OF SB 126**  
 (Tax Year 1980 Data)

COUNTIES	TAXABLE VALUE OF THIS PROPERTY 1	20% DECREASE IN TAXABLE VALUE 2	AVG. LEVY IN MILLS FOR COUNTY & SCHOOLS	ESTIMATED REVENUE		ESTIMATED REVENUE LOSS 3
				CURRENT TAXABLE VALUE	20% DECREASE IN TAXABLE VALUE	
Beaverhead	\$ 2,532,002	\$ 2,025,602	184	\$ 465,888	\$ 372,711	\$ 93,177
Big Horn	6,519,273	5,215,418	88	573,696	458,957	114,739
Blaine	3,113,898	2,491,118	130	404,807	323,845	80,962
Broadwater	1,518,834	1,215,067	176	267,315	213,852	53,463
Carbon	2,922,639	2,338,111	166	485,158	388,126	97,032
Carter	1,764,395	1,411,516	194	342,293	273,834	68,459
Cascade	11,286,247	9,028,998	236	2,663,554	2,130,844	532,710
Chouteau	6,734,330	5,387,464	158	1,064,024	851,219	212,805
Custer	3,660,690	2,928,552	253	926,155	740,924	185,231
Daniels	2,450,340	1,960,272	206	504,770	403,816	100,954
Dawson	4,264,886	3,411,909	232	989,454	791,563	197,891
Deer Lodge	1,431,165	1,144,932	277	396,433	317,146	79,287
Fallon	2,006,990	1,605,592	106	212,741	170,193	42,548
Fergus	5,102,637	4,082,110	205	1,046,041	836,833	209,208
Flathead	4,476,069	3,580,855	235	1,051,876	841,501	210,375
Gallatin	10,493,861	8,395,089	232	2,434,576	1,947,661	486,915
Garfield	1,566,150	1,252,920	176	275,642	220,514	55,128
Glacier	2,583,623	2,066,898	147	379,793	303,834	75,959
Golden Valley	805,085	644,068	169	136,059	108,848	27,211
Granite	824,361	659,489	196	161,575	129,260	32,315
Hill	6,804,135	5,443,308	188	1,279,177	1,023,342	255,835
Jefferson	1,309,015	1,047,212	231	302,383	241,906	60,477
Judith Basin	1,887,989	1,510,391	188	354,942	283,953	70,989
Lake	3,626,757	2,901,406	192	696,337	557,070	139,267
Lewis & Clark	9,431,302	7,545,042	269	2,537,020	2,029,616	507,404
Liberty	2,491,625	1,993,300	152	378,727	302,982	75,745
Lincoln	4,381,053	3,504,842	201	880,592	704,473	176,119
Madison	2,296,579	1,837,263	172	395,012	316,009	79,003
McCone	2,999,734	2,399,787	184	551,951	441,561	110,390
Meagher	864,482	691,586	193	166,845	133,476	33,369
Mineral	420,176	336,141	283	118,910	95,128	23,782
Missoula	14,338,489	11,470,791	261	3,742,346	2,993,876	748,470
Musselshell	1,267,158	1,013,726	134	169,799	135,839	33,960
Park	2,724,022	2,179,218	201	547,528	438,023	109,505
Petroleum	567,178	453,742	122	69,196	55,357	13,839
Phillips	2,617,573	2,094,058	140	366,460	293,168	73,292
Pondera	3,632,873	2,906,298	179	650,284	520,227	130,057
Powder River	2,170,267	1,736,214	94	204,005	163,204	40,801
Powell	1,580,817	1,264,654	196	309,840	247,872	61,968
Prairie	1,135,990	908,792	185	210,158	168,127	42,031
Ravalli	6,245,945	4,996,756	190	1,186,730	949,384	237,346
Richland	7,248,565	5,798,852	128	927,816	742,253	185,563
Roosevelt	3,947,436	3,157,949	185	730,276	584,221	146,055
Rosebud	3,116,746	2,493,397	95	296,091	236,873	59,218
Sanders	1,667,218	1,333,774	201	335,111	268,089	67,022
Sheridan	4,184,818	3,347,854	113	472,884	378,308	94,576
Silver Bow	9,658,020	7,726,416	259	2,501,427	2,001,142	500,285
Stillwater	2,230,551	1,784,441	187	417,113	333,690	83,443
Sweet Grass	1,241,724	993,379	168	208,610	166,888	41,722
Teton	3,734,565	2,987,652	200	746,913	597,530	149,383
Toole	3,758,091	3,006,473	138	518,617	414,893	103,724
Treasure	764,782	611,826	165	126,189	100,951	25,238
Valley	4,899,880	3,919,904	205	1,004,475	803,580	200,895
Wheatland	888,072	710,458	209	185,607	148,486	37,121
Wibaux	1,324,735	1,059,788	133	176,190	140,952	35,238
Yellowstone	19,099,921	15,279,937	207	3,953,684	3,162,947	790,737

FOOTNOTES

1. The actual decreases vary from 20% to 50%, so the 20% decrease is a lower bound estimate of the decrease in taxable valuation.
2. This average levy applies only to county and school levies. City and town levies are not included, thus the revenue estimates are probably undervalued.
3. The estimated revenue loss would be larger if city and town levies could be added to the average levy.

## CONSTRUCTION EQUIPMENT

SB, 26

Crawler Tractor Model 1150 B Case	78	77	76	75	74	73
Resale Value	37,000	34,000	31,500	27,500	25,000	23,000
Taxable Value (11%)	4,070	3,740	3,465	3,025	2,750	2,530
Tax mils (.250)	1,018	935	866	756	688	633
Average trade in	24,000	21,500	18,500	17,000	15,000	13,000
Taxable Value (11%)	2,640	2,365	2,035	1,870	1,650	1,430
Tax mils (.250)	660	591	509	467	413	356
Percentage Difference	154	158	170	162	167	177

## VISITORS' REGISTER

**HOUSE** Taxation

## COMMITTEE

BILL 53 150  
SPONSOR Kestad

Date 4/7/31

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



## MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

The impact of small business in Montana:

The majority of new jobs come from the birth and expansion of independent corporations.

Small firms contribute crucially to new job creation.

75% of private employment in Montana is in firms with fewer than 50 workers.

More than 60% of private employment growth 1970-1976 came in small firms.

The ability of small firms to add new jobs has increased relative to large business.

Of all new jobs generated between 1974 and 1976, at least 75% was in firms less than four years old.

Nearly all industries were at one time the result of one individual's efforts.

States should focus on promoting the growth of small business and existing state industries.

The economic future of Montana lies not so much in attracting new business but in the future development of what already exists.

(Taken from "Economic Conditions in Montana 1980," an Old West Regional Commission Technical Assistance Project)

With all the attention the 1981 Legislature is paying to economic development, legislators must not forget to look on their own Main Streets for major contributions to the state's economy.

## VISITORS' REGISTER

HOUSE Taxation

## COMMITTEE

31111 53466

Date 4/7/81

Sponsor Graham

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

**VISITORS' REGISTER**

HOUSE TRANSACTIONS COMMITTEE

RTLL 5B 337

Date 4/7/81

SPONSOR Roger

Date 4/7/81

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Examples of credit available under SB 337.

1. Household income \$5400; rent \$150 per month

$$\text{Threshold amount } \$5400 \times .028 = \$151.20$$

$$\text{Property tax imputed to rent } \$150 \times 12 \times .05 = \$270$$

$$\text{Amount of credit } \$270 - \$151.20 = \$\underline{\underline{118.80}}$$

2 Household income \$8000; property tax paid \$500

$$\text{Threshold amount } \$8000 \times .039 = \$312$$

$$\text{Amount of credit } \$500 - \$312 = \$\underline{\underline{188}}$$

3 Household income \$13,500; property tax paid \$850

$$\text{Threshold amount } \$13,500 \times .05 = \$675$$

$$\text{Amount of credit } \$850 - \$675 = \$\underline{\underline{175}}$$

4. Household income \$2,500; rent \$125 per month

$$\text{Threshold amount } \$2,500 \times .006 = \$\underline{\underline{15}}$$

Amount of credit  $\$1270 - \$151.20 = \$1188.80$

2 Household income  $\$8000$ ; property tax paid  $\$500$

Threshold amount  $\$8000 \times .039 = \$312$

Amount of credit  $\$500 - \$312 = \$188$

3 Household income  $\$13,500$ ; property tax paid  $\$850$

Threshold amount  $\$13,500 \times .05 = \$675$

Amount of credit  $\$850 - \$675 = \$175$

4 Household income  $\$2,500$ ; rent  $\$125$  per month

Threshold amount  $\$2,500 \times .006 = \$15$

Property tax imputed to rent  $\$125 \times 12 \times .15 = \$225$

Amount of credit  $\$225 - \$15 = \$210$

5 Household income  $\$4500$ , property tax paid  $\$600$

Threshold amount  $\$4500 \times .024 = \$108$

Amount of credit = smaller of  $(\$600 - \$108, \$400) = \$400$

# STANDING COMMITTEE REPORT

.....April 11, 1981

MR. SPEAKER

## TAXATION

We, your committee on .....

SENATE

126

having had under consideration .....

A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THE BASIS FOR ASSESSING AGRICULTURE MACHINERY, AUTOMOBILES, TRUCKS, AND OTHER MOTOR VEHICLES; AMENDING SECTIONS 15-1-101 AND 15-8-111, NCA."

SENATE

126

Respectfully report as follows: That..... Bill No. ....

third reading (blue), be amended as follows:

1. Title, line 6.

Following: "VEHICLES;"

Insert: "NO CHANGE IN FUNDING ALLOCATIONS OF THE SCHOOL EQUALIZATION PROGRAM BY ALTERING CONTRIBUTIONS OF INCOME AND CORPORATE TAX; ELIMINATING THE PROPERTY TAX MILL DENT ON MOTOR VEHICLES FOR SCHOOL DISTRICT CONTRIBUTIONS TO THE FUNDING EQUALIZATION PROGRAM AND THE UNIVERSITY LEVY;"

Following: "15-1-101"

Strike: "AND"

Insert: " , 15-8-301,"

2. Title, line 7.

Following: "15-1-111,"

Insert: "15-8-301, 20-7-303, AND 20-8-340,"

Following: "NCA"

Insert: " , AND SECTION 1, CHAPTER 801, LAWS OF 1979"

XDO/BASSX

(Page 1 of 7 pages)

## COMMITTEE ON TAXATION AMENDMENTS TO SENATE BILL 126:

3. Page 3, line 24.

Following: line 24

Insert: "SECTION 2. SECTION 15-1-501, MCA, IS AMENDED TO READ:

"15-1-501. Disposition of moneys from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the state general fund all moneys received by him from the collection of:

(a) automobile driver's license fees under subsections (1) through (6) of 80-5-111;

(b) electric energy producer's license taxes under chapter 51;

(c) metalliferous mines license taxes under chapter 37;

(d) oil and gas severance taxes allocated to the general fund under chapter 36;

(e) liquor license taxes under Title 16;

(f) telephone license taxes under chapter 50; and

(g) inheritance and estate taxes under Title 72, chapter 16.

(2) ~~Seventy-five~~ Seventy-two percent of all moneys received from the collection of income taxes under chapter 36 and corporation license and income taxes under chapter 51, except as provided in 15-31-702, shall be deposited in the general fund subject to the prior pledge and appropriation of such income tax and corporation license tax collections for the payment of long-range building progress bonds. The remaining ~~44~~ 28 % of the amount of the corporation license tax, excluding that allocated to the counties under 15-31-702, corporation income tax, and income tax shall be deposited to the credit of the earmarked revenue fund for state equalization aid to the public schools of Montana.

(3) The state treasurer shall also deposit to the credit of the state general fund all moneys received by him from the collection of license taxes, fees, and all net revenues and receipts from all other sources under the operation of the Montana Alcoholic Beverage Code."

Number: subsequent sections

4. Page 6, line 5.

Following: line 4

Insert: (See attached\*)

AND AS AMENDED  
BE CONCERNED IN

(Page 2 of 7 pages)

1        SECTION 4. SECTION 20-9-331, MCA, IS AMENDED TO READ:

2        "20-9-331. Basic county tax and other revenues for  
3        county equalization of the elementary district foundation  
4        program. (1) It shall be the duty of the county  
5        commissioners of each county to levy an annual basic tax of  
6        25 mills on the dollars of the taxable value of all taxable  
7        property within the county, excluding vehicles and light  
8        trucks with a GVW capacity of three-quarter ton or less, for  
9        the purposes of local and state foundation program support.  
10       The revenue to be collected from this levy shall be  
11       apportioned to the support of the foundation programs of the  
12       elementary school districts in the county and to the  
13       earmarked revenue fund, state equalization aid account, in  
14       the following manner:

15       (a) In order to determine the amount of revenue raised  
16       by this levy which is retained by the county, the sum of the  
17       estimated revenues identified in subsections (2)(a) through  
18       (2)(f) below shall be subtracted from the sum of the county  
19       elementary transportation obligation and the total of the  
20       foundation programs of all elementary districts of the  
21       county.

22       (b) If the basic levy of 25 mills produces more  
23       revenue than is required to finance the difference  
24       determined above, the county commissioners shall order the  
25       county treasurer to remit the surplus funds to the state  
26       treasurer for deposit to the earmarked revenue fund, state  
27       equalization aid account, not later than June 1 of the  
28       fiscal year for which the levy has been set.

29       (2) The proceeds realized from the county's portion of  
30       the levy prescribed by this section and the revenues from

1 the following sources shall be used for the equalization of  
2 the elementary district foundation programs of the county as  
3 prescribed in 20-9-334, and a separate accounting shall be  
4 kept of such proceeds and revenues by the county treasurer  
5 in accordance with 20-9-212(1):

6 (a) the portion of the federal forest reserve funds  
7 distributed to a county and designated for the common school  
8 fund under the provisions of 17-3-213;

9 (b) the portion of the federal Taylor Grazing Act  
10 funds distributed to a county and designated for the common  
11 school fund under the provisions of 17-3-222;

12 (c) the portion of the federal flood control act funds  
13 distributed to a county and designated for expenditure for  
14 the benefit of the county common schools under the  
15 provisions of 17-3-232;

16 (d) all moneys which are paid into the county treasury  
17 as a result of fines for violations of law and the use of  
18 which is not otherwise specified by law;

19 (e) any money remaining at the end of the immediately  
20 preceding school fiscal year in the county treasurer's  
21 account for the various sources of revenue established or  
22 referred to in this section; and

23 (f) any federal or state moneys distributed to the  
24 county as payment in lieu of the property taxation  
25 established by the county levy required by this section."

26 SECTION 5. SECTION 20-9-333, MCA, IS AMENDED TO READ:

27 "20-9-333. Basic special levy and other revenues for  
28 county equalization of high school district foundation  
29 program. (1) It shall be the duty of the county  
30 commissioners of each county to levy an annual basic special  
(Page 4 of 7 pages)

1 tax for high schools of 15 mills on the dollar of the  
2 taxable value of all taxable property within the county,  
3 excluding vehicles and light trucks with a GVW capacity of  
4 three-quarter ton or less, for the purposes of local and  
5 state foundation program support. The revenue to be  
6 collected from this levy shall be apportioned to the support  
7 of the foundation programs of high school districts in the  
8 county and to the earmarked revenue fund, state equalization  
9 aid account, in the following manner:

10 (a) In order to determine the amount of revenue raised  
11 by this levy which is retained by the county, the estimated  
12 revenues identified in subsections (2)(a) and (2)(b) below  
13 shall be subtracted from the sum of the county's high school  
14 tuition obligation and the total of the foundation programs  
15 of all high school districts of the county.

16 (b) If the basic levy for 15 mills produces more  
17 revenue than is required to finance the difference  
18 determined above, the county commissioners shall order the  
19 county treasurer to remit the surplus to the state treasurer  
20 for deposit to the earmarked revenue fund, state  
21 equalization aid account, not later than June 1 of the  
22 fiscal year for which the levy has been set.

23 (2) The proceeds realized from the county's portion of  
24 the levy prescribed in this section and the revenues from  
25 the following sources shall be used for the equalization of  
26 the high school district foundation programs of the county  
27 as prescribed in 20-9-334, and a separate accounting shall  
28 be kept of these proceeds by the county treasurer in  
29 accordance with 20-9-212(1):

30 (a) any money remaining at the end of the immediately  
(Page 5 of 7 pages)

1 preceding school fiscal year in the county treasurer's  
2 account for deposit of the proceeds from the levy  
3 established in this section; and

4 (b) any federal or state moneys distributed to the  
5 county as a payment in lieu of the property taxation  
6 established by the county levy required by this section."

7 SECTION 6. SECTION 20-9-343, MCA, IS AMENDED TO READ:

8 "20-9-343. Definition of and revenue for state  
9 equalization aid. (1) As used in this title, the term "state  
10 equalization aid" means those moneys deposited in the  
11 earmarked revenue fund as required in this section plus any  
12 legislative appropriation of moneys from other sources for  
13 distribution to the public schools for the purpose of  
14 equalization of the foundation program.

15 (2) The following shall be paid into the earmarked  
16 revenue fund for state equalization aid to public schools of  
17 the state:

18 (a) 25% 28% of all moneys received from the collection  
19 of income taxes under chapter 30 of Title 15;

20 (b) 25% 28% of all moneys, except as provided in  
21 15-31-702, received from the collection of corporation  
22 license taxes under chapter 31 of Title 15, as provided by  
23 15-1-501;

24 (c) 10% of the moneys received from the collection of  
25 the severance tax on coal under chapter 35 of Title 15;

26 (d) 62 1/2% of the moneys received from the treasurer  
27 of the United States as the state's shares of oil, gas, and  
28 other mineral royalties under the federal Mineral Lands  
29 Leasing Act, as amended;

30 (e) interest and income moneys described in 20-9-341

1 and 20-9-342;

2 (f) income from the local impact and education trust  
3 fund account; and

4 (g) in addition to these revenues, the surplus  
5 revenues collected by the counties for foundation program  
6 support according to 20-9-331 and 20-9-333 shall be paid  
7 into the same earmarked revenue fund."

8 SECTION 7. SECTION 1, CHAPTER 582, LAWS OF 1979, IS  
9 AMENDED TO READ:

10 "Section 1. Tax levy for the university system. There  
11 is levied upon the taxable value of all real and personal  
12 property in the state of Montana, subject to taxation,  
13 excluding vehicles and light trucks with a GVW capacity of  
14 three-quarter ton or less, 6 mills or so much thereof as is  
15 necessary to raise the amount appropriated by the  
16 legislature from the earmarked revenue fund for the support,  
17 maintenance, and improvement of the Montana university  
18 system and other public educational institutions subject to  
19 board of regents' supervision, as provided in referendum  
20 measure No. 75 passed by vote of the people at the general  
21 election held November 7, 1978; and the funds raised  
22 therefrom shall be deposited in the earmarked revenue fund."

# STANDING COMMITTEE REPORT

April 1, 19

62

MR. SPEAKER

## EXPLANATION

We, your committee on.....

SENATE 150  
Bill No.....

having had under consideration .....

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 15-31-123, MCA, TO CLARIFY THE STATUTES ALLOWING THE INVESTMENT CREDIT; AND TO INCREASE THE SMALL BUSINESS INVESTMENT CREDIT OF 300 TO PERCENT OF THE FEDERAL CREDIT; AMENDING SECTIONS 15-30-161, 15-30-162, AND 15-31-123, MCA."

Respectfully report as follows: That.....  
SENATE 150  
Bill No.....

third reading (blue), be amended as follows:

1. Title, line 10.

Following: "300"

Strike: "40"

Insert: "50"

2. Title, line 11.

Following: "MCA"

Insert: "; AND PROVIDING APPLICABILITY DATES"

3. Page 2, line 11.

Following: "300"

Strike: "400"

Insert: "300"

(Page 1 of 2 pages)

DÖPÄSS:

## COMMITTEE ON TAXATION AMENDMENTS TO SENATE BILL 150:

4. Page 4, lines 2 through 7.

Following: "made" on line 2

Strike: line 2 through "PERSONS" on line 7

5. Page 4, line 16.

Following: "ef"

Strike: "40¢"

Insert: "30¢"

6. Page 5.

Following: line 15

Insert: "Section 4. Applicability. This act is applicable to only taxable years beginning after December 31, 1982 and before January 1, 1983."

AND AS AMENDED

BE CONCURRED IN

# STANDING COMMITTEE REPORT

April 7,

19 81

MR. SPEAKER

## TAXATION

We, your committee on

having had under consideration

SENATE

466

Bill No.

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MOTOR VEHICLE DEALER LAWS BY CHANGING THE FEES; REVISING DISTRIBUTION OF DEALER PLATES; PROVIDING FOR DEMONSTRATOR PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER LICENSING; AND AMENDING SECTIONS 61-4-101 THROUGH 61-4-103, MCA."

Respectfully report as follows: That

SENATE

466

Bill No.

BE CONCURRED IN

DO PASS