

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 10, 1983
Morning session

The twenty-third meeting of the Taxation Committee was called to order at 8 a.m. by Chairman Pat M. Goodover in Room 325 of the Capitol Building.

ROLL CALL: All members were present.

CONSIDERATION AND DISPOSITION OF SENATE BILL 94: Senator Brown moved that SB 94 DO PASS. The motion was seconded. Senator Crippen submitted amendments to SB 94, a copy of which is attached as Exhibit A. The farmers' taxes are going to increase. His amendments will increase them a little at a time rather than all at once. He thought it was important to correct the inequities without creating any more inequity in the process. The amendments phase the increase in over a 3-year (not 3-biennial) period.

Senator Lynch spoke against the amendments. He thought school financing should be brought to a current status.

Senator Crippen moved that the amendments (Exhibit A) be adopted. The motion was seconded.

Senator Turnage supported the amendments but felt the bill would fail because the problems are deeper than that--it has nothing to do with the school foundation at all.

Senator McCallum called for the question.

A roll call vote was taken on Senator Crippen's motion to amend, and it passed 8-7 (attached to standing committee report).

Senator Gage pointed out that the net proceeds tax, which supports a big share of the 55 mills in the counties, will be most affected. Based on 1981 production, the net proceeds tax was 53% of the gross proceeds. The net income based on gross proceeds comes down to 18% after operating costs. The tax wealth is based on the fact that we are taxing the oil proceeds at 100%. We have situations where operators have complete losses of their properties, and they are still paying net proceeds tax.

Senator Towe asked for a recall of the roll call vote on Senator Crippen's motion to amend SB 94. The roll call vote was recalled, and the motion again passed, with a 9-6 vote. (The recall was taken on the same sheet as previously taken. Senator Brown, who abstained on the first vote, voted yes on the recall. Senator Severson, who voted no the first time, voted yes on the recall. All other votes remained the same.)

Senator Eck thought the committee should look at what is contributed by taxpayers in income tax. A good chunk goes into the foundation program. She provided an analysis of income tax returns by county, together with a memo from Terry Cohea from the Office of Budget and Program Planning. They are attached as Exhibit B.

Senator Turnage asked if she was suggesting that income taxes be raised in the counties to equalize. Senator Eck said she was suggesting that income tax does equalize. We have been relying a lot on general fund money.

Senator Turnage asked if she was comparing property taxes to income taxes. Senator Eck responded that she was comparing the tax effect. Our counties under his (Turnage's) proposal would be contributing another million or two million dollars to the equalization program. Under SB 94, you find that large counties are already contributing a large part.

Senator Elliott said SB 94 provides no increase in the foundation program at all. It raises the school foundation program and relieves pressure on the general fund. We can't encourage industry in this state by passing bills like this. It does not equalize education benefits across the state. We are taking a slap at the counties. It is the poor taxing the rich. They call it an equalization bill and try to make everyone equal. That is not a good taxing principal.

Senator Turnage said SB 94 would raise taxes in all but 13 Montana counties (Exhibit C). The Department of Revenue is in the process of jacking up agricultural taxes about 3 times.

Senator Brown said that if the additional mandatory 15 mills are imposed, the money will go into the foundation program and not into the general fund. SB 94 addresses the fact that some are paying a whole lot less than others in this state. This is a small step toward equalization.

The hearing on SB 94 was closed.

A roll call vote was taken on Senator Brown's motion that SB 94, as amended, DO PASS. The motion passed 9-6 (attached to standing committee report).

CONSIDERATION OF SENATE BILL 202: Senator Towe stated that SB 202 gives flexibility to the Coal Board but also establishes an upper limit when there is a major coal impact. This will benefit us in three ways:

- (1) It allows us to take care of impacts;
- (2) It ties into the trust funds; and
- (3) It gives guidelines as to what type of income we should have covered.

CONSIDERATION OF SENATE BILL 264: Senator Carroll Graham, Senate District 29, sponsored this bill, which allows the Department of Revenue to impute a value on coal whenever the operator of a mine subjects the coal to processing that improves its quality. It may be necessary in the future as the coal mining process goes on. Certainly, we have had some problems with Spring Creek Mine, which has a high sodium content in the coal. A process may be developed to remove the sodium or sulphur which would remove 20% to 30% of the moisture. This would reduce the tonnage and lessen the transportation costs. Senator Graham submitted for the committee's review a statement of intent to accompany SB 264, and a copy is attached as Exhibit D. Senator Graham also submitted the following amendment to SB 264:

Page 1, line 12.

Following: "may"

Insert: ", or shall at the request of the taxpayer,"

PROPOSERS

Jim Mockler, representing the Montana Coal Council, said the purpose of the bill is so they can get into research of coal to improve the quality to sell higher grade coal. He asked that the statement of intent be adopted, which will direct the Department of Revenue to adopt regulations to allow a value of coal to be imputed. It is obvious that the coal producers cannot pay the tax and do the research, too. They want to pay on the value of coal. (See Exhibit E.)

Mike Fitzgerald, president of the Montana Trade Commission, submitted written testimony, attached as Exhibit F.

Tom Ebzery, representing NERCO from Billings, said they are an operator of Spring Creek Mine and a 50% interest holder in the Decker Mine. NERCO endorses SB 264, which will provide a marketing incentive for Montana coal. Coal can be enhanced by the beneficiation process, but due to cost, they can't do it at this time.

Pat Wilson, representing Montco/Thermal Energy, said her company would like to have a more competitive edge than they have today and therefore supported the bill.

OPPOSERS

There were no opposers to SB 264.

TECHNICAL INFORMATION

Dan Bucks from the Department of Revenue said they believe the bill should be amended to make it absolutely clear what is intended. He suggested the following amendment:

Page 1, line 18.

Following: "coal"

Insert: "provided that in this case, market value f.o.b. mine shall be imputed prior to drying, cleaning, or other processing".

They currently determine the value when the coal comes into rail car, which is after the processing they are talking about doing at the mine mouth takes place. This carries out the statement of intent. He thought the statement of intent was good.

Senator Graham and Mr. Mockler had no problems with the statement of intent or with the amendments suggested.

The hearing on SB 264 was closed.

CONSIDERATION OF SENATE BILL 329: Senator Thomas Towe, Senate District 34, said SB 329 would reinstate the business inventory tax and also reinstate the credit and refund we have been operating under during the past two years, except the amount of the credit would be limited to \$9,000 per taxpayer.

In sections 5 (statement of purpose) and 6 (business inventory reporting--copy of federal schedule), we are permitting the use of federal tax reporting forms to be used on a fiscal year basis as well as a calendar year basis. Sections 7 and 8 provide for the business inventory credit and also that in the event the credit exceeds the tax liability, the taxpayer shall receive from the state a tax refund in the amount of the excess of the credit over the total tax liability. The bill also provides for application retroactive to January 1, 1983.

Senator Towe felt the property tax was the worst tax we have. It is unfair, difficult to administer, and expensive. We have been whittling away on inequities on property tax. We have eliminated many categories and have gone so far that we have left our local governments in precarious positions. We have to look again at agriculture. What do we do with our revenues when we do that? We have lost several major tax cases in the state of Montana. The Burlington Northern case will cost us \$7 million a year. The 34% cases will cost another \$3 million to \$4 million. When you add the business inventory tax repeal, there is a cost of \$8.9 million. They total \$25.6 million of loss in revenue. We are not talking about cutting back on services to take care of inflation. We are talking about loss of revenue to governments of \$25.6 million. With the governor's program for revenue sharing, we can recoup \$7 million from banks.

With a \$9,000 credit ceiling, no small business will be affected. The Department of Revenue estimates that not one sole proprietorship will not be reimbursed. SB 329 will affect 50 to 60 large corporations in the state. (See the breakdown of corporations claiming the credit attached as Exhibit G.) We are talking about oil refineries in Columbia Falls, utility companies, and

small chain stores. We have to make some choice. Thirty-five states have a business inventory tax. Washington is phasing theirs down. Louisiana has a procedure almost identical to this bill, but their credit ceiling is \$15,000 instead of \$9,000. This bill can put \$8 million to \$10 million a year into the general funds of the local governments at a cost to the state of \$1.79 million. And 50 of the largest corporations would pay for it. We have to address two questions:

- (1) Are you affected? and
- (2) If we don't do this, what else do you want to do?

PROPONENTS

Mike Young, Finance Director for the City of Missoula, said counties have lost about 11% of their property tax base during the past 5 sessions of the legislature. In order to raise that back up, we have to have SB 329. This is a partial solution to that problem. The effect of the business inventory sunset benefits the state. The state has more revenue, and local governments have less revenue. They support SB 329 to help the local governments.

Jo Brunner, representing Women Involved in Farm Economics, submitted written testimony, attached as Exhibit H.

Ed McCaffree, representing the Montana Association of Counties, supported the bill and submitted a list of property on which taxation has been removed or lowered during the past 5 sessions, attached as Exhibit I. The solution is to cut services or get additional dollars.

John Ward, representing the Montana Education Association, said SB 329 is needed and if it does not pass, they will need something to replace the money.

Don Larson, representing the Montana County Assessors Association, supported the bill. Mr. Larson is also the Jefferson County Assessor.

Charles Graveley, representing the Montana County Treasurers and Assessors Association, agreed that the tax base is being eaten away. SB 329 will place no one in any worse position than they have been in, and it should pass.

OPPONENTS

George Allen, executive vice president of the Montana Retail Association, submitted a petition in opposition to SB 329, signed by retailers throughout Montana. It is attached as Exhibit J. Mr. Allen's written testimony is attached as Exhibit K.

Janelle Fallan, representing the Montana Chamber of Commerce, submitted written testimony, attached as Exhibit L.

Lloyd Crippen, representing the National Federation of Independent Business, submitted written testimony, attached as Exhibit M.

Gary Buchanan, director of the Montana Department of Commerce, opposed reinstatement of the business inventory tax in any form. Their opposition does not indicate a lack of concern for local government concerns; they support other local government programs.

Craig Anderson, CPA, and comptroller of Tractor & Equipment Co., in Billings, submitted written testimony, attached as Exhibit N.

Blake Wordal, representing Montana Hardware and Implement Association, submitted written testimony, attached as Exhibit O.

Jack Keneally, representing Johnstone Supply Co., a refrigeration and parts supply company, said his business is a small corporation with 2 stockholders. They started in 1975, and in 1980, they still had the same 4 employees, including his wife and himself. When the business inventory tax was taken off, their business doubled in size. They compete against Westinghouse and General Electric. Last year, they brought over \$1 million into the state, and none of it left Montana. Wyoming and North Dakota are buying from Montana now, too. Five years ago, they moved into a new building. Last year, they made a net profit of \$40,000, or about 4% of the gross revenue. With the business inventory tax, he has to make a loan to the state of 10% of his operating capital. Buffalo Machinery, a Montana firm no longer in business, had their inventory sitting down in Wyoming until someone bought it. Income taxes are going up considerably. We should be increasing businesses here in Montana. The inventory tax may make the difference as to whether or not his company hires a new employee. He suggested the tax be called the business "handicap" tax because that is what it is.

Roger Tippy, representing the Montana Beer & Wine Wholesalers Association, opposed the bill.

Dennis Burr, representing the Montana Taxpayers Association, submitted the prepared statement of S. Keith Anderson, president of the Montana Taxpayers Association, and it is attached as Exhibit P. Mr. Burr added that not everyone is aware of the credit they can take. Small businesses are not feeling the benefit of the present system. At least 36 states have eliminated the business inventory tax. In Reno, Nevada, there were miles of warehouses where goods were kept for California industries, and when California repealed their inventory tax, all inventories were moved to California. A large inventory does not mean large profits.

Dave Goss, representing the Billings Area Chamber of Commerce, said small business would not get out from under this completely because they buy from wholesalers who pass the cost on to the retailers and consumers.

Stan Kaleczyc, representing Plum Creek Lumber Company, submitted written testimony, attached as Exhibit Q.

John Braunbeck, representing Montana Intermountain Oil Marketers Association and Montana LP Gas Association, also opposed SB 329.

Brian Hoven, representing Hoven Equipment Company in Great Falls, said SB 329 is unfair and he objects to paying a tax on property he doesn't own. His is a small corporation, but he could have \$2 million in inventory at a year's end. He can't afford to pay an inventory tax on that. He said he didn't mind paying income taxes.

Robert Holding, executive director of the Montana Wood Products Association, opposed SB 329.

Joe O'Toole, representing the Missoula Area Chamber of Commerce, opposed the bill also.

Irvin Dellinger, representing the Montana Building Material Dealers Association, opposed the bill.

Frank Davis, representing Montana State Pharmacy Association, opposed the bill.

Ed Savik, representing Montana Hardware and Implement Association and Stedje Bros., a Western Montana Farm Tractor and Implement dealership, said they order equipment in the fall to be shipped after the first of the year to avoid paying an inventory tax and the equipment sometimes arrives too late for selling season. They need the equipment during the slow winter months to keep people employed. See his written testimony, attached as Exhibit R.

Ron Shelski, representing Saga Lumber Company in Helena, opposed SB 329.

Senator Roger Elliott, Senate District 8, wished to go on record as opposing SB 329.

Senator Goodover stated he had received many letters and several telephone calls, all in opposition to SB 329, and stated that the letters and messages would be made a part of the record. See Exhibit S, pages 1 through 143.

TECHNICAL COMMENTS

Dan Bucks from the Department of Revenue felt it was not feasible to reinstate the business inventory tax at this time. If it is

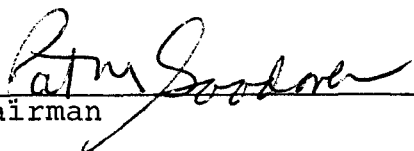
reinstated, it should begin in 1984. If the legislature does proceed to institute SB 329 in 1983, he asked that section 11 (retroactive application) be amended to indicate that taxes on business inventories previously used as credit cannot be used and taxed under this act. The law passed the last time did not effectively coordinate payment of taxes with the tax years of taxpayers. There were 7 different times during the year for a taxpayer to pay. The bill should allow 2 full years on relevant tax years for taxpayers. SB 329 continues the business inventory credit rather than phasing out the credit on the tax. The Department of Revenue would not use the same interpretation if you do use the credit. Mr. Bucks also wanted to clarify whether the bill excluded livestock and poultry.

Senator Towe agreed with most of the things that the opponents had said but said he would prefer SB 329 to an increase of property taxes in Montana.

The hearing on SB 329 was closed.

Senator Goodover stated that the committee would recess at this time and reconvene following adjournment of the Senate tonight at approximately 5 p.m., when the committee would hear testimony on SB 231.

The committee recessed at 10:18 a.m.


Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/10/83

A.M. mtg.

NAME	PRESENT	ABSENT	EXCUSED
SENATOR GOODOVER, CHAIRMAN	✓		
SENATOR McCALLUM, VICE CHAIRMAN	✓		
SENATOR BROWN	✓		
SENATOR CRIPPEN	✓		
SENATOR ELLIOTT	✓		
SENATOR GAGE	✓		
SENATOR TURNAGE	✓		
SENATOR SEVERSON	✓		
SENATOR HAGER	✓		
SENATOR ECK	✓		
SENATOR HALLIGAN	✓		
SENATOR LYNCH	✓		
SENATOR NORMAN	✓		
SENATOR TOWE	✓		
SENATOR MAZUREK	✓		

A.

COMMITTEE ON TAXATION

VISITORS' REGISTER

NAME (PLEASE PRINT)	REPRESENTING	BILL #	Check One	
			Support	Oppos
George Allen	Montana Retail Assn	329		X
Sheila Allen	Sheila's	329		X
J.R. Board	NEA	329	X	
Ralph J. Johnson	Taxpayers			
John G. Johnson		231		X
John G. Johnson				X
John G. Johnson	Montana IOWA	329		X
Blair W. D. D.	MT. WAREHOUSE ASSN	329		X
John G. Johnson	MT. & G. L. L. L. L.	329		X
F. L. L. L.	MT. L. L. L. L.	329		X
John G. Johnson	Montana Lumber Assn.	329		X
John G. Johnson	TOASTERS & BREADERS	329		X
Ken Hovestad	MT. Marine Trade Assn.	329		X
Charles Hovestad	Co. Assessors & Licensors	"	X	
John Keneally	Johnstone Supply Co	329		X
KENNETH J. BERGUM	TEARGUM DRUG	329		X
Brian Hoven	Hoven Equipment Co	329		X
John G. Johnson	W. L. F. E.	329	X	
John G. Johnson	Montana Chamber	329		X
John G. Johnson	W. L. F. E.	329	✓	
Stan Kalczyk	POON CREEK LUMBER	329		X
Larry L. L. L.	Bergum Drug	329		X
Frank L. L. L.	MT. ST. Pharm. Assn	329		✓
John G. Johnson	Montana YALD Grass	329		✓
Sheila S. L. L.	Dolcott Good Goods	329		✓
John G. Johnson	Bergum Drug	329		✓

(Please leave prepared statement with Secretary)

DATE

February 10, 1983

A.M.

COMMITTEE ON TAXATION

VISITORS' REGISTER

NAME (PLEASE PRINT)	REPRESENTING	BILL #	Check One	
			Support	Oppose
Ken Faulkner	People's Affordability	264	✓	
Don Davis	MT CAFE AEL-130	231		X
Don McHugh	LOCAL 500 TUDE	231		X
Don McHugh	Todd County	231		X
Dave Casey	Holena	329		X
Delane Beach	Oil & Gas & Coal Counties	231		X
Don Davis	East Slope Taxpayers	231		X
Don Davis	Holena	264	✓	
Don Davis	NFIB	329		X
Don Davis	Assessors' Assoc.	329		X
Don Davis	B.T. Co. (Commercial Assoc.)	329		X
Don Davis	The Ben Harding Holena	329		X
Don Davis	Capital State Building	329		X
Don Davis	Glacier County	231		X
Brian Hoven	Hoven Equipment Company	329		X
Joe O'Keefe	MSIA Chamber Com	329		X
Mike Pappalardo	MT Trade Com.	264	✓	
Joe McHugh	Schools of MT	231		X
GREG ALLEN	BY GEORGE MONG STONE	329		X
Paul Smith	State's Capital Assoc.	329		X
James G. Larson	Mont. Retail Assoc.	329		X
Don Davis	MT. Manufacturers	329		X
Tom Fabbio	NERCO	264	✓	
Robert Johnson	East Slope Taxpayers Ass	231		X
Fred Johnson	Glacier Co	231		X
BERT WARD	Sheridan Co.	231		X

(Please leave prepared statement with Secretary)

DATE February 10 , 1983

COMMITTEE ON ~~TAXATION~~

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

DATE February 10, 1983 A.M.

COMMITTEE ON TAXATION

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

SENATE TAXATION COMMITTEE	
EXHIBIT	<u>A</u>
<u>Feb-10</u>	198 <u>3</u>
<u>Senate</u>	BILL/RES. <u>94</u>

Amendment to SB 94

1. Title, line 5.
Following: "AN ACT TO"
Strike: "ELIMINATE"
Insert: "PHASE OUT"

2. Title, line 7.
Following: "DISTRICTS"
Insert: "OVER A THREE YEAR PERIOD"

3. Title, line 13.
Following: "20-9-351"
Strike: ", "
Insert: "THROUGH"

4. Title, line 14.
Following: line 13
Strike: "AND"
Following: "MCA;"
Strike: "AND"

5. Title, line 15.
Following: "MCA"
Insert: "; AND PROVIDING AN EFFECTIVE DATE"

6. Page 27, line 5.
Following: "25"
Insert: "28 mills in fiscal year 1983-84,
31 mills in fiscal year 1984-85, and"
Following: "34 mills"
Insert: "in fiscal year 1985-86 and thereafter"

7. Page 27, line 19.
Following: "basic levy"
Strike: "of 25 34 mills"
Insert: "prescribed by this section"

8. Page 29, line 8.
Following: "15"
Insert: "17 mills in fiscal year 1983-84
19 mills in fiscal year 1984-85, and"
Following: "21 mills"
Insert: "in fiscal year 1985-86 and thereafter"

9. Page 29, line 22.
Following: "basic levy"
Strike: "of 15 21 mills"
Insert: "prescribed by this section"

10. Page 32, line 24.

Following: line 23

Insert: "Section 18. Section 20-9-353, MCA, is amended to read:

"20-9-352. Permissive amount and permissive levy. (1) Whenever the trustees of any district shall deem it necessary to adopt a general fund budget in excess of the foundation program amount but not in excess of the maximum general fund budget amount for such district as established by the schedules in 20-9-316 through 20-9-321, the trustees shall adopt a resolution stating the reasons and purposes for exceeding the foundation program amount. Such excess above the foundation program amount shall be known as the "permissive amount", and it shall be financed by a levy on the taxable value of all taxable property within the district as prescribed in 20-9-141, supplemented with any biennial appropriation by the legislature for this purpose.

(2) The district levies to be set for the purpose of funding the permissive amount are determined as follows:

(a) For each elementary school district, the county commissioners shall annually set a levy not exceeding 9 mills 6 mills in fiscal year 1983-84, and 3 mills in fiscal year 1984-85 on all the taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive amount to the maximum permissive amount by 9 6 in fiscal year 1983-84 and 3 in fiscal year 1984-85 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the earmarked revenue fund according to the provisions of 20-9-351 and subsection (3) of this section.

(b) For each high school district, the county commissioners shall annually set a levy not exceeding 6 4 mills in fiscal year 1983-84 and 2 mills in fiscal year 1984-85 on all taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive levy to the maximum permissive amount by 6 4 in fiscal year 1983-84 and 2 in fiscal year 1984-85 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the earmarked revenue fund according to the provisions of 20-9-351 and subsection (3) of this section. The superintendent of public instruction shall, if the appropriation by the legislature for the permissive account [program] for the biennium is insufficient, request the budget director to submit a request for a supplemental appropriation in the second year of the biennium.

(3) Such distribution shall be made in two payments. The first payment shall be made at the same time as the first distribution of state equalization aid is made after January 1 of the fiscal year. The second payment shall be made at the same time as the last payment of state equalization aid is made for the fiscal year. If the appropriation is not sufficient to finance the deficiencies of the districts as determined according to subsection (2), each district will receive the same percentage of its deficiency. Surplus revenue in the second year of the biennium may be used to reduce the appropriation required for the next succeeding biennium or may be transferred to the state equalization aid earmarked revenue fund if revenues in that fund are insufficient to meet foundation program requirements.""

Renumber: subsequent sections

10. Page 35, line 7.

Following: line 6

Insert: "Section 21. Effective date. (1) Except as provided in subsection (2), this act is effective on July 1, 1985.

(2) Sections 14, 15, and 18 are effective on passage and approval."

2/7/83

SENATE TAXATION COMMITTEE

EXHIBIT B

Feb 10, 1983

Senate BILL/RES. 94

To: Senator Eck

From: Terry Cohen

Re: County contributions to the school foundation program

As you requested, I calculated that ^{taxpayers living in the} ~~the~~ seven most populous counties - Cascade, Flathead, Gallatin, Lewis and Clark, Missoula, Silver Bow, and Yellowstone - paid 52.47% of the 1981 personal income tax.*

The 1982 taxable value of these counties constituted 29.45% of the statewide taxable value.

I'm attaching the income tax collected by county. Please call if I can provide anything further.

*These statistics are based on the taxpayer's residence, not his place of work.

CALENDAR YEAR 1981

MONTANA INCOME TAX ANALYSIS
ALL RETURNS BY COUNTY

12/08/82

COUNTY	NO OF RETURNS	NO OF EXEMPTIONS	NO OF ITEM RET	ITEMIZED DEDUCTIONS	NO OF STD RET	STANDARD DEDUCTIONS	MT ADJUSTED GROSS INCOME	MONTANA TAXABLE INCOME	TAX COMPUTED
BEAVERHEAD	3,842	7,728	2,407	13,337,136	1,438	1,430,413	38,574,131	25,046,591	1,306,754
BIG HORN	3,264	7,028	1,886	9,514,935	1,378	1,303,800	34,415,207	21,429,571	1,132,196
BLAINE	2,573	5,457	1,533	7,160,850	1,040	946,495	20,267,104	14,218,092	709,141
BROADWATER	1,425	2,947	925	4,213,409	500	515,940	12,251,863	8,439,069	421,983
CARBON	3,773	7,867	2,341	11,277,429	1,432	1,401,479	35,679,840	21,572,980	1,095,439
CARTER	1,750	1,663	291	1,454,601	459	432,894	4,188,709	3,867,289	209,821
CASCADE	36,109	68,854	25,865	150,824,444	10,244	9,481,895	459,051,200	258,542,191	13,682,241
CHOUTEAU	3,221	6,385	1,979	12,201,359	1,242	1,339,571	36,939,908	24,090,806	1,347,360
CUSTER	6,956	13,367	4,685	25,422,393	2,271	2,153,964	77,774,154	47,800,620	2,499,768
DANIELS	1,567	3,181	923	4,348,342	644	725,393	16,588,296	10,499,474	566,715
DAWSON	6,600	12,958	4,905	29,093,193	1,785	1,731,273	93,583,785	56,005,182	3,117,580
DEER LODGE	5,630	11,290	4,151	18,930,913	1,479	1,181,118	67,777,884	39,429,609	2,035,264
FALLON	1,902	3,986	1,214	6,694,341	688	691,349	20,777,618	14,975,497	845,908
FERGUS	6,632	13,386	4,086	19,329,310	2,546	2,585,455	66,777,223	42,857,157	2,242,199
FLATHEAD	2,374	51,975	18,267	110,316,332	7,107	6,808,711	325,581,607	19,577,759	9,533,745
GALLATIN	20,990	37,944	13,659	79,303,836	7,331	7,131,218	246,651,615	138,226,157	7,102,871
GARFIELD	1,799	1,627	371	1,476,731	428	403,426	4,288,114	4,719,980	254,090
GLACIER	3,683	7,304	2,297	13,602,219	1,386	1,255,170	45,883,455	27,759,652	1,560,959
GOLDEN VALLEY	1,492	1,030	268	1,161,530	224	213,564	4,048,074	2,652,846	133,732
GRANT	1,157	2,381	722	3,187,470	435	397,598	11,105,534	6,742,389	345,114
HILL	9,057	17,078	6,449	38,237,436	2,608	2,732,389	123,024,902	72,223,642	3,935,819
JEFFERSON	3,328	6,864	2,381	13,581,104	947	845,335	40,865,600	23,149,265	1,190,336
JUDITH BASIN	1,197	2,490	603	2,723,388	594	641,892	9,025,525	7,138,961	371,124
LAKE	6,523	14,562	4,021	20,620,522	2,502	2,355,207	59,773,460	33,827,238	1,647,732
LEWIS & CLARK	23,835	43,903	17,585	103,034,058	6,250	5,346,079	312,289,876	173,375,201	8,928,236
LIBERTY	1,358	2,549	829	4,356,961	529	619,809	16,786,806	11,387,742	642,282
LINCOLN	7,364	16,314	5,253	26,815,928	2,111	2,111,334	92,027,055	51,959,134	2,671,976
MADISON	2,515	5,106	1,535	7,783,878	980	987,421	23,312,114	14,626,481	767,211
MCCONE	1,232	2,591	637	3,002,828	595	608,752	11,007,271	7,656,979	399,302
MEAGHER	983	2,063	547	3,138,316	436	473,811	8,945,076	5,307,951	267,180
MINERAL	1,659	3,525	1,136	5,797,097	523	510,993	19,007,873	10,605,372	522,450
MISSOULA	26,717	51,739	19,042	122,737,710	7,675	7,321,551	357,608,575	196,386,813	10,325,556
MUSSELSHELL	2,053	4,355	1,327	7,218,655	726	782,103	22,783,113	14,649,087	798,963
PARK	6,555	13,011	4,723	25,258,042	1,832	1,720,264	76,392,397	43,956,268	2,248,695
PETROLEUM	243	525	114	604,663	129	127,368	862,303	1,213,508	60,728
PHILLIPS	2,500	5,342	1,442	6,661,855	1,058	1,106,538	20,136,154	15,128,188	777,899
PONDERA	3,496	7,031	2,135	10,738,724	1,361	1,569,043	39,958,100	25,090,843	1,361,686
POWDER RIVER	1,085	2,266	588	2,909,736	497	534,631	10,187,820	7,793,901	480,140
POWELL	3,011	6,124	2,079	11,249,134	932	816,882	30,728,869	17,802,739	881,150
PRAIRIE	882	1,936	429	1,874,667	453	465,121	7,182,671	4,970,954	289,030
RAVALL	9,528	21,019	6,422	35,724,227	3,106	3,157,595	106,788,595	56,988,074	2,981,320
RICHLAND	7,216	13,956	5,066	31,180,205	2,150	2,256,366	105,967,475	64,890,102	3,769,464
ROOSEVELT	4,513	9,095	2,709	14,223,866	1,804	1,888,109	52,570,551	33,850,742	1,899,774
ROSEBUD	4,667	10,040	3,231	20,085,841	1,436	1,477,503	68,977,440	42,474,250	2,481,318
SANDERS	3,514	7,849	2,189	10,238,724	1,325	1,307,619	35,461,345	19,866,621	970,042
SHERIDAN	3,668	6,738	2,313	12,123,729	1,355	1,556,988	50,308,170	32,107,859	1,867,038
SILVER BOW	18,426	36,437	13,894	76,125,814	4,532	3,930,458	252,406,167	143,811,715	7,768,798
STILLWATER	2,939	6,159	1,921	9,383,014	1,018	1,007,307	30,381,604	18,858,875	968,347
SWEET GRASS	1,608	3,360	990	4,683,033	618	536,504	13,128,795	8,321,133	409,421
TETON	3,322	6,836	2,052	9,595,776	1,270	1,372,379	35,378,769	22,764,478	1,291,508
TOOLE	2,872	5,585	1,849	10,313,690	1,023	1,147,130	38,069,995	23,768,008	1,367,771
TREASURE	541	1,161	305	1,459,388	236	250,404	5,126,932	3,617,936	198,283
VALLEY	4,820	9,726	3,113	16,796,362	1,707	1,674,679	54,789,469	35,465,915	1,981,864
WHEATLAND	1,050	2,165	620	2,815,052	430	452,582	10,128,449	6,163,363	312,266
WIBAUX	1,707	1,438	407	2,007,501	300	302,604	7,502,526	5,019,550	266,160
YELLOWSTONE	52,578	98,912	39,064	263,112,907	13,514	13,253,254	755,834,895	431,746,507	23,988,224
NO ZIP CODE	16,134	28,665	11,262	80,872,186	4,872	4,456,659	212,176,690	111,329,278	5,922,860

SENATE TAXATION COMMITTEE

EXHIBIT

28-10

3

ST OF STATE	32,704	40,646	17,631	92,332,907	15,073	9,084,370	172,127,130	153,361,479	8,182,045
TOTALS-	413,232	787,519	280,668	1,634,269,702	132,564	122,919,759	4,914,718,978	2,901,109,063	154,954,404

5894

83 Permissive Levies

Excess that would be Generated
under a mandatory 1.5 mill

SENATE TAXATION COMMITTEE

EXHIBIT

Feb 10, 1983

TOTAL

Senate BILL/RES. 94

	ELEM	High School		
Beaverhead	1131	0	1131	1
Big Horn	810605	493460	1304065	2
Blaine	113212	65620	178832	3
Broadwater	5873	0	5873	4
Carbon	62507	43486	105993	5
Carter	13248	0	13248	6
Cascade	843	0	843	7
Chouteau	48640	0	48640	8
Custer	3743	0	3743	9
Daniel	0	0	0	10
Dawson	33683	0	33683	11
Deer Lodge	0	0	0	12
Fallon	889843	581006	1470849	13
Fergus	4746	0	4746	14
Flathead	7151	0	7151	15
Gallatin	14060	0	14060	16
Garfield	5175	0	5175	17
Glacier	68243	73816	142059	18
Golden Valley	0	0	0	19
Grosvonts	0	0	0	20
Hill	44660	0	44660	21
Jefferson	0	0	0	22
Judith Basin	0	0	0	23
Lake	6675	0	6675	24
Lewis & Clark	16438	0	16438	25
Liberty	83601	59365	142966	26
Lincoln	0	0	0	27
Madison	0	0	0	28
McCona	27619	0	27619	29
Meagher	7012	0	7012	30
Mineral	0	0	0	31
Missoula	66691	45693	112384	32
Musselshell	174949	62786	237735	33
Park	3161	0	3161	34
Petroleum	0	0	0	35
Phillips	137600	58753	196353	36
Pondera	7681	1185	8866	37
Poudre River	603142	348595	951737	38
Powell	11965	0	11965	39
Prairie	650	0	650	40
Ravalli	0	0	0	

	1	2	3	4
	ELM	H.S.	Total	
Rickland	652237	532274	1189511	1
Rosevelt	180779	143786	324565	2
Rosebud	947741	657366	1605107	3
Sanders	2450	861	3311	4
Shinden	566784	355251	922035	5
Silver Bow	0	0	0	6
Stillwater	21545	0	21545	7
Sweet Grass	8258	0	8258	8
Teton	29373	0	29373	9
Toole	265431	140417	405848	10
Treasure	0	0	0	11
Valley	9500	0	9500	12
Wheatland	6094	0	6094	13
Wilson	174406	118976	293382	14
Yellowstone	39324	0	39324	15
Total	\$ 6178469	\$ 3787696	\$ 9966165	16

2/10

SENATE TAXATION COMMITTEE
EXHIBIT <u>D</u>
<u>Feb 10</u> , 198 <u>3</u>
<u>Senate</u> BILL/RES. <u>264</u>

STATEMENT OF INTENT
SENATE BILL 264
Taxation Committee

It is the intent of SB 264 to give the Department of Revenue authority to adopt rules to impute the market value of coal prior to drying, cleaning or processing designed to improve the quality of the coal. The rules adopted shall:

1. Allow the taxpayer to pay applicable taxes based on market price of like coal prior to processing.
2. To impute market price regardless of whether the processing takes place at the mine site or not.
3. To reflect that the intent is to exempt said processing from applicable taxation.

NAME: James D. Mockler DATE: 2/10

ADDRESS: 2301 Colonial Dr

PHONE: 442-6223

SENATE TAXATION COMMITTEE
EXHIBIT <u>E</u>
<u>Feb 10</u> , 198 <u>3</u>
<u>Sen</u> BILL/RES. <u>264</u>

REPRESENTING WHOM? MT. Coal Council

APPEARING ON WHICH PROPOSAL: SB 264

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

2/10

SENATE TAXATION COMMITTEE
EXHIBIT <u>F</u>
<u>Feb 10</u> , 198 <u>3</u>
<u>Senate</u> BILL/RES <u>264</u>

TESTIMONY

ON SENATE BILL 264

By
Mike Fitzgerald
President
MONTANA TRADE COMMISSION
Suite 612 Power Building
Helena, Montana

Before the Senate Taxation Committee

10 February 1983

Helena, Montana

WORLD COAL RESERVES*

Total Estimated	11,500 Billion Metric Tons
Measured Reserves	1,300 Billion Metric Tons
Economically Recoverable	740 Billion Metric Tons
(High Heating Value Coal Reserves)	600 Billion Metric Tons ¹

The following five regions have 95% of these known reserves:

North America	@ 31%	229.40 Billion Metric Tons
USSR And Satellites	@ 26%	192.40 Billion Metric Tons
Western Europe	@ 17%	125.80 Billion Metric Tons
China	@ 15%	111.00 Billion Metric Tons
Australia	@ <u>6%</u>	<u>44.40 Billion Metric Tons</u>
Total	@ <u>95% or @</u>	<u>703 Billion Metric Tons</u>

*World Coal Production; Scientific American 1-79; Volume 240, Number 1; PP. 38-47.

¹740 Billion Metric Tons Adjusted for Inferior Heating Quality Coal to 600 Billion Metric Tons.

ECONOMICALLY RECOVERABLE COAL RESERVES
IN SELECTED WESTERN STATES*

STATE	ANTHRACITE (000 Tons)	BITUMINOUS AND LIGNITE (000 Tons)	TOTAL (000 Tons)
Arizona	-	350,000	350,000
Colorado	27,700	14,841,500	14,869,200
Montana	-	108,396,200	108,396,200
New Mexico	2,300	4,392,500	4,394,800
North Dakota	-	16,003,000	16,003,000
South Dakota	-	428,000	428,000
Texas	-	3,271,900	3,271,900
Utah	-	4,420,500	4,420,500
Washington	-	1,954,000	1,954,000
Wyoming	-	53,336,100	53,336,100
WESTERN STATES TOTAL	30,000	207,393,700	207,423,700

*Communication with George Krimpasky, United States Bureau of Mines, Helena, Montana (1974 Data).

MONTANA COAL PRODUCTION

<u>MINES</u>	<u>1979 (Tons)</u>	<u>1981</u>
Coal Creek	63,858	64,142
Decker East	5,492,702	5,350,113
Decker West	5,422,588	5,277,648
Knife River	297,694	204,492
Western Energy	10,220,911	10,352,966
PM	11,081	7,404
Westmoreland	4,974,984	4,450,296
Spring Creek	94,368	4,368,885
Peabody	2,909,320	3,193,570
Beartooth	7,321	Closed
Divide	<u>8,245</u>	<u>8,165</u>
Total 1979 Production	<u>29,503,072</u> (1)	<u>33,277,681</u> (2)

32,100,000
1982

Source: State Department Of Lands (1)
By WESCO Resources.

Montana Coal Council (2)

1983
22,000,000

PROJECTED/ADJUSTED

Montana Coal Production (1979-2000)
(Million Tons)

<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
3.5	22.1	36.4	128.5(1)	270.1(1)
			280 (2)	

1981 Adjusted Estimates for the Year 2000

100 Million Tons Annually
Total Estimated Montana Coal Production

Source: (1) Montana State Department of Lands
(2) U.S. Department of Energy

MONTANA COAL PRICES FOB MINE

Montana steam coal averages about 8600 BTU's per pound. At \$10.00 per ton Montana sub-bituminous steam coal averages about .58¢ per million BTU's which, at the mine, is one of the least expensive energy sources in the world.

HYPOTHETICAL CASE

Estimated delivered price
of Montana Coal in Tokyo.

<u>1982</u>	
\$ 10.00	Per Ton FOB Mine
22.00	Rail Freight
6.00	Port Loading
11.00	Ocean Freight
6.00	Port Off Loading (Japan)
<hr/>	
\$ 55.00	Delivered Tokyo - or about \$3.19 per million BTU's. ¹

Australia, the largest supplier to Japan is now delivering 12,000 BTU per pound steam coal to Tokyo for \$65.00 per ton or about \$2.70 per million BTU.

1) Source: Westmoreland Resources - February, 1983.

By increasing the BTU value of Montana's coal we could become more competitive in U.S. and international markets and likely sell more coal.

If Montana coal producers could increase the BTU value of their coal and increase the FOB mine mouth price by 10%, look what happens to the price delivered in Japan ($\$55.00 \times 10\% = \60.50 Tokyo).₁

- 9,000 BTU Coal equals @ \$3.36 per mm BTU
- 10,000 BTU Coal equals @ \$3.00 per mm BTU
- 11,000 BTU Coal equals @ \$2.75 per mm BTU
- 12,000 BTU Coal equals @ \$2.52 per mm BTU

- 1) Price per million BTU's is calculated by dividing the price by the Ton x BTU value:

$$\begin{array}{r} \$60.50 \\ \div 2000 \text{ lbs (ton)} \times 9000 \text{ BTU} \\ \hline = \$3.36 \text{ per million BTU's} \end{array}$$

1982 Montana coal production was 32,160,075 tons. 1982 coal severance taxes totaled \$86,186,845.61.

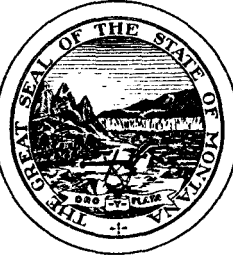
- Increasing Montana's 1982 coal production by 10 million additional tons annually by 1990 at an average price per ton of \$10.00 would increase annual coal severance tax revenues by an additional \$30 million.
- Increasing 1982 production by an additional 25 million tons annually by 2000 at an average price per ton of \$12.00 would increase annual coal severance tax revenues by an additional \$100 million.

Montana coal producers are competing in the world market with coal producers from Canada, South Africa, Poland, Australia and the Soviet Union and China in the not too distant future.

To increase sales of Montana coal we must improve the delivered price per million BTU's. Only two ways are possible to do so.

- Coal benefaction can increase the BTU content of the coal at the mine.
- Competitive transportation. We have only one railroad serving the largest coal deposit in the U.S. Because of the demise of the Milwaukee Railroad we are not likely to ever again have competitive rail transportation.
- Raising the BTU content of the coal may be one of the only strategies Montana coal producers can use to become more competitive.
- To apply the state coal severance tax to the added value of Montana coal would neutralize the potential competitive edge of the Montana producers. Likewise, not to tax the benefacted value may serve as an investment incentive to Montana coal producers.
- I recommend that the state coal severance tax not be applied to the increased value of Montana coal by benefaction or a similar process.

DEPARTMENT OF REVENUE



TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

SENATE TAXATION COMMITTEE

EXHIBIT *4*

Feb 10, 198*3*

Senate BILL/RES. *329* MITCHELL BUILDING

HELENA, MONTANA 59620

February 9, 1983

TO: Senator Towe

FROM: Jeff Martin, Research Specialist *jm*
Research Bureau
Research and Information Division

SUBJECT: Business Inventory Credit

The following provides a breakdown of corporations claiming the business inventory credit and potential savings.

1. For corporations filing before July 1, 1982:
 - a) 874 corporations claimed \$1.710 million.
 - b) 35 corporations claimed \$620,000, or 36.2% of the total.
 - c) For corporations claiming a credit over \$9,000, the largest amount claimed was approximately \$38,000 and the smallest slightly over \$9,000.
 - d) Tax liability before the credit was taken ranged between 0 and \$50,000.
 - e) Total savings with the \$9,000 limit is \$305,000.
2. For corporations filing on July 1 or before October 1, 1982:
 - a) 331 corporations claimed \$1.446 million.
 - b) 19 corporations claimed \$923,000, or 63.8% of the total.
 - c) For corporations claiming a credit over \$9,000, the largest claimed was over \$375,000 and the smallest approximately \$10,000.
 - d) Tax liability before the credit was claimed ranged between \$50 and \$282,000.
 - e) Total savings with the \$9,000 limit is \$752,000.
3. For corporations not elsewhere accounted for:
 - a) 11 corporations claimed 1.098 million.
 - b) The largest amount claimed was \$185,000 and the smallest was \$23,000.
 - c) Total savings from these corporations is \$997,000.

Senator Towe
February 9, 1983
Page 2

The above information does not represent total cost and potential savings for a single fiscal year. Part 2 above includes corporations who were identified as filing an extended return plus corporations filing in FY83. Part 3 identifies corporations not appearing on the computer listing under Parts 1 or 2.

JM/dh

WIFE Women Involved In Farm Economics



NAME JO BRUNNER

BILL NO. SB 329

ADDRESS 563 3rd ST. HELENA

DATE Feb 10, 1983

SENATE TAXATION COMMITTEE

EXHIBIT H, p. 1.

REPRESENT WOMEN INVOLVED IN FARM ECONOMICS

SUPPORT X

OPPOSE

AMEND in BILL / RES 329

COMMENTS:

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS JO BRUNNER AND I REPRESENT THE MEMBERS OF THE WOMEN INVOLVED IN FARM ECONOMICS ORGANIZATION.

OUR WOMEN WISH TO SUPPORT SB329 AND FOR MUCH THE SAME REASONS WE OPPOSED THE BILL IN THE 1981 SESSION THAT ELIMINATED THE BUSINESS INVENTORY TAX-----EXCEPT FOR AGRICULTURE.

I AM SURE THAT YOU HAVE PROBABLY HEARD ONCE OR TWICE, TO SAY THE LEAST, THAT AGRICULTURE IS HAVING A TOUGH TIME OF IT. YOU WILL HEAR IT AGAIN AND AGAIN. WE ARE!!! SO ARE OTHER BUSINESSES!!!!!! NONE OF US CAN REALLY AFFORD THE TAXES ALREADY IMPOSED ON US, LET ALONE A RAISE IN TAXES.

AGRICULTURE IS ACKNOWLEDGED TO BE THE LARGEST INDUSTRY IN MONTANA! OUR TOWNS, AND CITIES, OUR SMALL COMMUNITIES, ~~ARE DIRECTLY OR INDIRECTLY~~ ^{ARE DIRECTLY OR INDIRECTLY} DEPENDENT UPON AGRICULTURE. WHEN OUR FARMERS AND RANCHERS DO NOT HAVE THE MONEY TO SPEND IN THOSE TOWNS AND CITIES TO KEEP THE BUSINESSES GOING, THOSE BUSINESSES SUFFER ALONG WITH US. BUT FIRST, FIRST, BEFORE THEY GET INTO TROUBLE, AGRICULTURE IS FAR AHEAD OF THEM.

~~WE~~ THEN ~~THE~~ ^{IS} SURE FOR THIS SICKNESS TO SEND THE BILL ~~FOR~~ THE URBAN DISEASE TO THE RURAL PEOPLE? IS THE IDEA THAT WE CAUSED THE DISEASE, WE SHOULD PAY FOR IT???? MAYBE THAT HAS MERIT, ^{in some instances} BUT UNTIL THE ILLNESS IS CLEARED UP AT THE SOURCE, THERE WILL BE NO CURE, AND IT CANNOT BE CLEARED UP BY HEAPING MORE DISEASE ON IT. WE KNOW THAT FOR EVERY TAX REDUCED ~~to~~ ^{for} ONE PERSON OR ONE SEGMENT OF OUR ECONOMY, SOMEONE ELSE WILL PAY ~~it~~ IT. WE ~~KNOW~~ WHEN WE ASKED FOR A REDUCTION IN OUR LIVESTOCK TAX AND FOR OUR MACHINERY INVENTORY TAX, WE WOULD PICK A PORTION OF THAT UP ON OUR PROPERTY. ¹ WE RECOGNIZED THAT OTHER PROPERTY OWNERS WOULD ALSO PICK SOME OF IT UP. WE WERE MORE THAN SURPRISED, HOWEVER, TO READ IN THE PAPERS IN THE INTERIM THAT MANY LEGISLATORS WERE NOT AWARE THAT ~~THE~~ COUNTY ^{GOVERNMENT} ~~LEVEL~~

"Hell has no fury like a woman scorned"

WIFE Women Involved In Farm Economics



NAME <u>JO BRUNNER</u>	BILL NO. <u>SB329</u>
ADDRESS <u>563 3rd ST. HELENA</u>	DATE <u>Feb 10, 1983</u>
DEPARTMENT <u>WOMEN INVOLVED IN FARM ECONOMICS</u>	EXHIBIT <u>H, p. 2</u>
SUPPORT <input checked="" type="checkbox"/> X <input type="checkbox"/> OPPOSE	AMEND <u>Sen</u> BILL/RES. <u>329</u>

COMMENTS:

would have A GREAT REDUCTION IN THEIR OPERATING MONEY WHEN THIS BUSINESS INVENTORY TAX WENT OFF ^{last} DECEMBER 31. WE CAN ONLY ASSUME THAT THEIR SURPRISE WAS THAT IT HAD NOT BEEN IMMEDIATELY TRANSFERRED TO PROPERTY. AGRICULTURE IS THE LARGEST PROPERTY HOLDING BUSINESS IN MONTANA.

WE DO NOT GENERALLY COMPLAIN ABOUT PAYING TAXES----IF WE ARE MAKING MONEY.--AND THE RULE OF THAT IS, IF YOU MAKE IT, YOU PAY IT. BUT IT IS OUR CONTENTION THAT WE ARE IN THE SAME POSITION AS THE POOR RELATIVE WHO HAS BEEN TAKEN INTO THE HOME OF A RICH MAN AND IS ALLOWED TO TAKE CARE OF THE KIDS, AND DO THE CHORES, KEEP EVERYTHING RUNNING SMOOTHLY, BUT DOESN'T GET TO SIT DOWN AT THE TABLE WITH THE FAMILY.

WE HEAR THAT OUR INVENTORIES ARE OF A DIFFERENT CATEGORY THAN "BUSINESS" INVENTORIES BECAUSE OF THEIR CONSISTENCY!!! OUR BEEF IS OUT IN OUR PASTURES AND FEEDLOTS, INSTEAD OF BUTCHERED IN THE FREEZER. OUR CROPS ARE OUT IN OUR FIELDS AND IN OUR BINS INSTEAD OF IN CANS ON SHELVES AND IN LOAVES OF BREAD----OUR MACHINERY IS RUNNING IN OUR FIELDS INSTEAD OF SITTING IN A DEALER'S LOT.

WE CANNOT LONG SUSTAIN OUR BUSINESSES IF WE ARE FORCED TO PICK UP THE TAX RELIEF AFFORDED BUSINESSES WHO WOULD NOT BE IN EXISTENCE IF IT WERE NOT FOR US, AND WHO WOULD BE THRIVING IF WE WERE.

~~WE ARE OF THE OPINION THAT THE \$9,000 ALLOWED FOR BUSINESS INVENTORY TAX CREDIT IS TOO HIGH FOR ^{most} SMALL BUSINESSES ^{not only in} IN OUR RURAL AREAS AND ^{business does not} IF YOU ~~DO NOT HAVE ENOUGH TO SURVIVE~~ A TAX CREDIT WILL NOT DO YOU ALL THAT MUCH GOOD.~~

WE BELIEVE FIRST AND FOREMOST IN TAX EQUALITY, WE ASK THAT BUSINESSES BE TAXED IN AN EQUITABLE MANNER.

WE ASK A DO PASS FOR SB 329

Inventory

EROSION OF PROPERTY TAX BASE

SENATE TAXATION COMMITTEE
EXHIBIT I
Feb 10, 198 3
Sen BILL/RES 329
e ty taxation (such as

In addition to long-standing exemptions from property taxation (such as public buildings, charity and religious property and public art galleries), the legislature has removed or lowered the taxable value of other properties during the past five sessions, including the following:

Household goods

Freeport merchandise

Unprocessed fruits and vegetables

Unprocessed agricultural products

Livestock under nine months

Swine under three months

Bankshares

One-half of coal contracts if producer extracts less than 20,000 tons annually

Pickup toppers less than 300 pounds

Property of nonprofit community service organizations

Sprinkler irrigation systems

Senior citizen centers

Business inventories

Automobiles and light trucks

Livestock and poultry (from 8% to 4%)

100% disabled veterans (depending on adjusted gross income)

Rollback taxes

Agricultural machinery and trucks (from high book to average wholesale value)

Aircraft	"	"	"	"	"	"	"
----------	---	---	---	---	---	---	---

Trucks over 3/4 ton " " " " " " "

Construction equipment	"	"	"	"	"	"	"
------------------------	---	---	---	---	---	---	---

Motor boats	"	"	"	"	"	"
-------------	---	---	---	---	---	---

Boat trailers	"	"	"	"	"	"	"
---------------	---	---	---	---	---	---	---

Motorcycles	"	"	"	"	"	"	"
-------------	---	---	---	---	---	---	---

Windfall profits tax (deducted from net proceeds tax)

NAME	ADDRESS	COMPANY
Jackie G. Burnett	Box 464	Bennett's Saddle
Diana Kolb	Box 83 Shannet	The Tack Room
Mindy Annand	Billings, MT.	Reinco
Idemna Delissen	Bozeman MT 135 W. 11th	Bottoms Up
Jackie Neale	Columbus, MT	Bertie's Dept Store
Ann Patterson	Whitefish, MT.	Patterson's Western Outfitters
Laurel Torgerson	Whitefish, MT.	Lad's Horses
A. J. Torgerson	Columbus, MT.	Waltner Bros. Saddlery
Ed Kistner	Four Benton, MT	Pioneer Mercantile
M. H. Hungen	Box DDD, Col. Falls, MT. 59412	HUGEN'S CO.
Dandy P. Fahl	415 So 11th	Boys Outfitter
Robert Fahl	5440 Vardon Place, 1st Flr	Hibson
Robert Fahl	3816 Bellvue	Western Outfitter
Robert Fahl	Glasgow, MT	The FASHIONETTE
Clay Cebis	Bozeman MT.	Ward Bennett
William Green	Box 409 Drummond MT.	Green's Dry Goods
Barbara Green	Box 409 Drummond MT.	Green's Dry Goods
Don Green	810 So Wall, Dillon	Dillon, W. E. E. Co.
Laraine Crosser	Dillon, MT.	Elie's
Mike Green	Dillon, MT	Elie's
Law Neale	Billings, Mont	Gift Shop
E. Lee Wagonair	Miss City, Mont	Wagonair Shop
Colman Wagonair	Billings, Montana	Salsbury Center
Marion Larson	Cut Bank, Montana	Larson's Men's Wear
Janet Larson	" "	" "
Becky J. Becker	3320 - 6th Ave So	Beck's Dry Goods, MT.
Don J. Becker	" "	" "
June Livingston	167 S. 2nd	Hamilton Saddle

NAME	ADDRESS	COMPANY
R. D. Dwyer	Hampton, MT	Hampton Saddlery
Margaret E. McInty	Red Lodge, Mt.	The Village Shoppe
Francis B. Schumann	102 N Central	Sidney Hardware
Anna E. Elliott	108 E. Main	Sidney, MT
Bea Boler	321 W Main	Adams Mrs.
Wally Perin	19548 E Sixth	ANYA BOLES
Terrell Schill	Capital Hill Mall	Lewisstown
Mari Russell	Capital Hill Mall	Billings, MT
Fred R. Borer	St. Benton Mt.	Helena Chispa
Pamela J. Marsh	1 1/2 N Wisconsin	Helena Chispa
Margaret Gayne	3303 Laredo Rd.	Fred's Toggery
Harvey M. Bueck	902 4th St SW	Conrad
Archie L. Bueck	902 4th St SW	Conrad Helena
Ray L. Bueck	Rt 1 Upper Sp. Creek	ASC of Mont. Inc.
Alfred Bueck	Rt 1 Upper Sp. Creek	Yellowstone Merc.
Louise Bueck	Protest Enterprise, B.W. St.	Sidney, MT 59270
Steve Jensen	902 Shiffman	Sidney, MT 59270
Jack Davis	230 University	Big Sky Racket Sport
Walter Smart	927 Kale	Big Sky Racket Sport
Deane Dillon	Box 3113	St. Falls, MT
Julius Crawford	Box 806	Blg. - W.C.
Richard H. Jones	P.O. Box 459	Helena, MT
William R. Moses	Box 459	Big Sky, MT
Deane Crawford	Box 490	Blg. - W.C.
Francis Hall	Box 557 Seabey	Blg. - W.C.
Willard Holyb	Box 557 Seabey	Blg. - W.C.
Carolyn Hough	Box 4320 Seabey	Blg. - W.C.
Dorothy Varkand	3405 - Cent Ave	Blg. - W.C.
Virginia Kuntz	40 No. Main Helena	Blg. - W.C.
28 Guy Allen		Blg. - W.C.

NAME	ADDRESS	COMPANY
Shirley Cullen	4401 6th Ave. So. Street Jackson	Shirley Cullen
Michael Hornsby	206 Interlachen Bldg.	Ramada
Karl Kibel	1212 Grand Ave	C. L. Anthony
Sven Winder	531 2nd Ave So	The Fashionette
Karen Jo Eric	408 2nd St. N. Bldg.	Bondy Shop
David Thomas	2330 S. Higgins, Hsle	Colo Unlimited
Jim Kimbrie	3987 Baxter Lane Bogen	Wagner
Bea Kimbrie	P.O. Box 789 Bogen	Wagner Inc
Arnold Hansen	820 9th Ave SW, Sidney	The Homestead
Barbara Connor	Box 682 Sidney	The Homestead
Walter K. Hurley	3706 E. Shore Dr Helena	Surf's Up
Kim J. Hurley	3706 E. Shore Dr Helena	Surf's Up
Betty Dean	309 So. Central Bldg	Kiss-Kiss
Nelson Hale	Box 592 - Cat Park	McGowan
Nancy Burdison	Box 653 Cat Park Avenue	
Nancy Ridgeway	Rd. 3 Stanford	Sciencel
and Mary	1968 RIMROCK RD	State Corp of Montana
Martin Kuntz	3405 Cent St Falls Mt	
Alfred J. Jensen	179 S. 2nd St. Hamilton	W. P. Ladd
Aileen	200 W. 5th St. Hamilton	The Shred Shop
E. J. Martin	213 - W. 5th St. Hamilton	W. P. Ladd
Loretta C. Martin	P.O. Box 464 - 213 Main - 59201	
George Smith	Box 1020	C. W. Underhill
Bob Clonier	Box 102	604 Wheeler, Inc
Paula L. L. L.	36-2nd St. N. Bldg.	W. P. Ladd
Wanda L. L. L.	Made O. Way, Butte Plaza Mall, Butte	W. P. Ladd
Larry L. L. L.	147 S. 15th Ave E	W. P. Ladd
William H. L. L.	7 Spruce Street, Butte, Mt.	W. P. Ladd

NAME	ADDRESS	COMPANY
Judy R. Lundberg	36 So. Central	Harle Dept. Store
Janet Gari	7 Spruce Dr. Mont. City	McKall's
Richard L. Kallen	517 So. Cottage Mont	Kallen's Dept. Store
Jirka Kallen	815 miles Blg. MT	Kallen's Dept. Store
Debra F. Frank	1927 Northridge Circle	Books, Bennis & Butcher
Mike O'Hanlon	117 N. Center	Libby
W. H. Gifferson	123 Progress	Progress
Billie Gifferson	Highway 93 So. Mont	Progress
Ann F. Gifferson	122 Central Ave, Whitefish Mt.	THE TEGGERY
Donald South	322 W. Main, Laramie	H & K Shoes
Robert South	Box K W. B. Mt	Cargill Mfg.
Lee Evans	Box 627 Eureka	Klathar Bros.
Cherie Russell	Box 627 Eureka	Klathar Bros.
Kenton E. Larson	Drawer S. Corvallis, Mt.	Larson's True Value
Alma Larson	Laramie Mt	Rapport Water
Paul Keeler	Rt. 1 Box 1011 A Libby Mt	Harmon's
R. Keeler	Rt. 1 Box 1011 A Libby Mt	Harmon's
Bob Hanson	1420 W 5 th Anaconda MT	Mac Intyre's
Lynn Francis	1420 W 5 th Anaconda MT	Mac Intyre's
Josephine Hanson	3701 3 rd Ave. So	Amman's Hammet
Robert V. Miller	48 Main Kalispell	Western Outfitter
Lucille H. Graham	48 Main Kalispell	Western Outfitter
Ed Hall	48 Main Kalispell	Western Outfitter
Richard A. Noble	Whitehall, Mont	Dick's Dept. Store
Donald J. Clark	Browning, MT	See-Sharp Store
Yvonne S. Clark	Browning	See-Sharp Store
John Jensen	Libby	See-Sharp Store
Barbara Jensen	130 E. Main Libby	See-Sharp Store

NAME	ADDRESS	COMPANY
Karen Holdbrook	Dr 522 S. Platt	DAISY'S FABRIC
Virginia J. Barnes	Red Lodge	" "
Charles Paulbeck	Box 25 Deer Mt.	Paulbeck's
Janet L. Larson	121 N. Washington	Larson's Men's Wear
R. E. Hanson	Plentywood, Mt.	The Men's Shop
David H. Gray	Box 287 Cut Bank, MT.	A.C. Dept. Store
Lucy Gray	Box 1658 16 N. Broadway	A.C. Dept. Store
Roselle Hanson	Red Lodge MT. 59068	" "
Dean Hanson	Box 7 Superior, MT. 59822	" "
Lee Fiquit	Box 1 Superior MT 59820	" "
Elizabeth Shaters	203 W. Legion, Whitall	" "
B. M. Waters	" "	" "
Sandy Waters	Brundus Mt.	Brundus Rec. & Tag
R. T. Anderson	Red Lodge Mt.	Waters Store
K. H. Hiltner	Red Lodge, Mt.	Waters Men's Store
Orval Goodell	Red Lodge Mt.	Water Stone
Stacy Cross	Polson Mt.	Angstrom
Loni Crockett	White Sulphur Springs	Western Clothing
Bella Nangel	Marble Mt 59801	Real Book
John R. Mosher	Thierville, MT 59801	River Road
James A. Ford	Thierville, MT	Louis
Calvin Jenni	Lewistown, Mt.	Willis
Chin Kolstad	Helena, Mt.	Chester's Store
Clara Pringle	841 SE. 1560 Stone Loop	59840 Food
Jan Campbell	Hamilton, MT	" "
Marlene Archuleta	Rt 2, Box 2321 - Lewistown, Mt.	Shirley Patch
Robert Campbell	Box 49 Ledge Mt. 59856	" "
Eta Thomas	330 So. I. St. Lewistown, MT 59019	Shirley Patch
	2424 S. Ave. S.W. Great Falls, MT 59401	Shirley Patch
	744-32 Ave. NE. Great Falls, MT 59401	Shirley Patch
	2424 S. Ave. S.W. Great Falls, MT 59401	Shirley Patch
	3110 Broadway, Great Falls, MT 59401	Shirley Patch

NAME	ADDRESS	COMPANY
Paul N. Tammlyan	Box 607, LUGGSDON, MAINT.	Tire-Tread Shop
Phyllis M. Mc	4 W. Lawrence St. New York	
Larry J. at	317 N. Crawford St. Madison, Wis.	The Fox Den
Anna B. Bland	132 Hoffmann Dr. Bozeman, Mont.	Bozeman
Jan L. L.	RT 2 Box 166 Selby, MT	Hansen Entropy
John E. L.	120 2nd Ave. Lewiston, MT	Don's Inc
Bonnie Larson	112 W. Main St. Lewiston, MT	Lewiston
Louise J. Sigurd	Box 278, Abbeville, MT	Abbeville
John H. Sigurd	Box 278, Abbeville, MT	Abbeville
Billie J. Sigurd	Box 494, Big Timber, MT	J. L. Sigurd Co.
Seborat K. Hedrick	2802 Burlington, Big Timber, MT	
Cala Hovander	110 N. Central	Sidney, MT
Fritz J. Hovander	110 N. Central	CJ's
Jane R. R.	Box 863, Big Timber	R. R. TV
Robert Hovander	612 Ave. E.	Big Timber
Paul H. Hovander	1810 Forest Park Dr.	B. J. Hovander
Margaret Hovander	1810 Forest Park Dr.	J. L. Hovander
Parker Stockholm	213 Main St. Hamilton	P. Stockholm
Spencer A. Stockholm	213 Main St. Hamilton	Nobles
Betty LeZart	#3 West Main	Pr. Lady, Fadden
Joe LeZart	115 W. Ball Blaine	Ponderosa
Darcy Crum	310 Dilworth St. Blaine	Ponderosa
Karin McTavish	303 Dilworth St. Blaine	Ponderosa
Robert McTavish	1420 Le Grand	Ponderosa
Pat Connolly	151 Norris St. Billings	Connolly
Emile M. Pander	333 3rd St. Billings	Connolly
Margaret Pander	12106 Lampman	Pander
Quinn Pander	217 Third Ave. So.	Quinn Pander

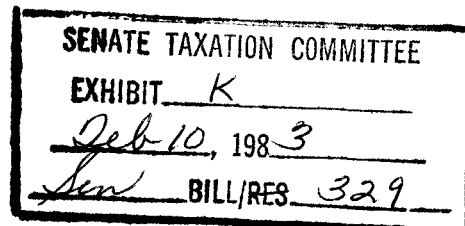
NAME	ADDRESS	COMPANY
Bette Gault	217 Third Ave S. Weepent, Mt.	Classics Shop
Kathie Hays	Lance, Mt. 59071	Catons Supply
Marla Hinch	Box 1250 Chotau, Mt.	The Lighthouse
Patricia Moore	Box 1065 Miles City	More Fitness
Barbie Boyser	Box 921 Big Timber	Hair Care
Gloria Baumert	323 S. B. Livingston	" "
Anna Hays	Box 5 West Ambler	" "
Muri Wagner	275 ESTATE Dr	Stecher's
Francis P. Kuhl	Box 26 Shickom M.	Big Sky Western
Janice E. Cole	Box 26 Jackson, Wt.	Big Sky Western
Donna Murphy	121 White Circle	Roots International
Janice Whiting	" " " "	" " " "
Shirley D. Wash	3105 Phillips St	CLASSIC Clothing
Enid K. Kellum	Box 733 - White Sulphur Springs	White Sulphur Clothing
Byth V. Ruchenberg	916 No 19th	Fan-Ru Fashions
Janice Johnson	911 N 19th	DeLiquent
William R. Beale	417 4th Ave S	Beale's
Karen L. Beale	" "	Beale's
Mary H. Hays	8 N. Broadway	Bellamy's
W. Calagione	208 MAIN Lewisport	Modern Bar
Ann Calagione	208 W. Main Lewistown	Modern Clothing
Janice Moore	1101 So. Lake 14.145 City	Sharon's
Peggy A. Lora	1101 A. Lake Miles City	A Lora's
Carol A. Gerard	Rt. 1, Box 928 B. Libby	Klothes House
Stephen L. Davis	Box 720 Livingston	Barnes
Andy Richards	Box 5 miles out	Shirley's Supply
Ron Kaper	Box 193 Bridger, Mont.	Kaper's
Donna Kaper	Box 193 Bridger, Mont.	Kaper's

NAME	ADDRESS	COMPANY
Norothy Hageman	539 Parkhill Bldg	Treasure State Containe
Sally G. Bishop	1123 Ave F.	Treasure State
Harold A. M. M. M.	844 Burkinton	" "
Harry Luedsen	Colstrip Mt.	
Ann A. Petersen	109 E. Main	
Don Burchell, Sr.	Lindsey Mt	Madam Lady
Shirley Burchell	1118 Cottage Lane	Imnie "B"
Mary K. Lynam	1118 Cottage Lane	Imnie "B"
Flora K. Rudick	826 College	Castles in
Joe J. J. J.	2320 Kelly Dr Bldg	Berry tea shop
Tom M. M.	R.R. #2 - Box 2321	Peaches - Farmer
Harley B. B.	276 Windsor Cir So	Tom's Boutique
Jane E. B. B.	2004 Forest Dr. Dr.	Begs - Abundant
John B. B.	386 Alkali Creek Rd	REALS
Chas. W. B.	195 2nd St. Hance	Nash's Trucking
Emmie Peterson	112 N Main	Plentywood
Richard H. Wigan	112 N Main Plentywood	Peterson's R. B. W.
Valerie C. C.	405 River Dr	Washington Mfg Co
Don N. N.	1420 Main Ave Bldg Mt. Del Norte	Village Home
Norman H. H.	424 1st St E. Forks	Village Home
Gladys E. E.	1622 E 2nd Three Forks	Village Home
Shirley L. L.	415 So. Delaware	Conrad Mt. 5th St.
Dawn B. B.	606 Robin Lane	Lindsey Mt. 5th St.
Nancy S. S.	P.O. Box 278	Lindsey Mt.
Alan S. S.	P.O. Box 228	Sally M.
Don P. P.	Drawer D	Biggs Bldg Mt.
Don P. P.	1122 Lewis	Bellingham
Don P. P.		St. Joe, Mt.
Don P. P.		Starline W.

Note: Next page
is page 11.
- bye

NAME	ADDRESS	COMPANY
James J. Bernaland	P.O. Box 1077 Roundup Mt	Bernaland & Co.
Wade Hatley	P.O. Box 517 Laurel	
Margaret Hatley	Box 517 Laurel	
Larry D. Watson	Box 326 Joliet	Country Best Rep
Marcella J. Anthony	Box 326 Joliet	Country Best Rep
Jim Jewell	414 So Main	Larson's Toggery
George H. Anderson Sr.	159 Main St. Shelby	Larson's Clothing
John J. Murphy	North Valley Shop	Iron Cloth
Richard J. Schfer	417 Main Polson	Guthrie Dept Store
Burton A. Murphy	414 Wheatstone Billings	Gilson's
Phyllis Bowles	113 Main Ennis Mt	Ennis Trading Co
Larson's Lumber	P.O. Box 602 Ennis	Ennis Trading Co
Jack Bowles	113 Main Ennis Mt	Ennis Trading Co
Dennis Kerschelt	Box 350 Big Sandy	Ward's Dept.
Robert Allen		
James E. Malone	Box 1630 - Havre	Flat Wholesale
Jack Brooks	Box 166 Glasgow, Mt.	J & B Supply
Ed. Althoff	Box 543 Lewistown	Flat Supply
W. E. Sullivan	1401 25th Ave NE Great Falls	Flat Supply
Dennis J. Jorgensen	2415 Main Mile City Mt	Flat Supply
Robert J. Kralofsky	617 S Del	Flat Supply
J. C. Throck	210 N Cottage Hill City, MT	Flat Supply
Merrill S. Smith	Roundup Mart.	The Clothing Center
Linda J. Armstrong	Roundup, Mt.	The Clothing Center
Lynne Bernaland	Roundup, Mt.	
Dane Miller	2005 River Rd. MSLC Mt	Dogg's Shoes
Walter W. Miller Jr	811 PARKVIEW WAY MSLC	Dogg's SHOES
Annabelle Turner	516 - 16th ST W	G. B. 5 Antiques & Jewelry

NAME	ADDRESS	COMPANY
Bernice D. Horan	134 Crawford Dr	Dee Beauty Salon
Lucy Lenthorn	Slazger, Mt.	Adwards Inc.
Robert P. Peters	309 Indian Creek	Petersen
Lynne J. Peters	Chinook, Mt.	Petersen Dept.
Betty Thater	Red Lodge, Mt.	Thater Stores
James Keitchell	Big Sandy, MT.	Kastis
Mike Longfellow	Silver, mt	Yellowstone - Mont.
John T. Lohr	118 So 15th #1	Bag & Bawls
Mona C. Anglin	18 So 15th #1	The Grab Bag
David P. Rio	14 Canyon W. Yellowstone, WY	Wild West
Ann Dagen	Box 591 Lone Oak, mt	Lone Oak Trading
Gordon W. Hagen	Box 85	Ashland, mt
Carroll A. Howell	Box 334	Cedar, MT.
Craig L. Davis	Box 356	Kyi-40
Wally & Karen Munnings	Box 548 Harlem, MT	G & W Western Shop
Marge Knight	Box 442 Chinook	La Mode
Edwin D. Gasky	5116 N. Willow	Headley Tex
Rud F. Gasky	Box 194	Gairlands T & C
Q. G. Brady	3816 Bellescent, Mont	Spartan Super
Laurene H. Davis	210 N. Chouteau, mt	Martin's Marten
Donna M. Smith	820 Belinberg	Ben Franklin
John D. Smith	820 Belinberg	Ben Franklin
Bill Thomas	3839 Heritage Dr.	Rim Shoring
George Thomas	2935 Moulton St.	Thomas
Joseph P. Thomas DDS.	68 W. Bark St. Butte, mt	Thomas Inc.
Barbara J. Beckman	917 Broadwater Sq. Billings	
Doris Jewell	11 Queen Victoria St.	
	2712 N. Gregory St. Butte	Jewell



Mr. Chairman Goodover and Members of the Committee:

My name is George Allen. I am the lobbyist for the Montana Retail Association. I am here today to oppose Senate Bill #329, which will reinstate the inventory tax.

First of all, let me say the Montana Retail Association is pleased that this bill does not attempt to reinstate the inventory tax on the small businesses in Montana. However, the very philosophy of inventory taxation is anti-business, anti-productive, and regressive. This bill discriminates against larger businesses. Why should one retail store pay a tax just because he has a larger inventory, while his neighbor with a smaller inventory pays nothing.

The inventory tax causes unfair taxation against the business person who is willing to invest in heavier inventories to better serve his community. Larger inventories within a company and more jobs go hand in hand, plus producing many spin-off jobs.

It has been said this bill is designed to tax the big corporations. (That is one reason for the \$9,000 ceiling.) The retail merchants, large and small, are absolutely opposed to any form of inventory tax.

This bill will require every merchant to file an inventory tax statement, pay his tax, then file for a refund next year. Most stores borrow money to operate the business on, some on short term agreements, some long term, some both. If this bill passes he will be required to pay his tax with borrowed money. He will pay interest on it for approximately twelve (12) months then get a refund or credit. The government is using his money interest free for that period of time. It doesn't make sense for a business to have to calculate and pay a business inventory tax and then apply to the state for an offsetting income tax credit.

Retailers have serious problems with the 25 percent penalty clause, especially when the department is given the authority to interpret the value of an inventory. Let me give you a real life example. Let's take for an example a store that deals in seasonal or fashion merchandise that has a limited life span. This store could bring in a stock of inventory for the fall, winter and Christmas selling season. If some of the merchandise does not sell, the store must mark down the merchandise and reduce the selling price. If it still does not sell and the retailer carries

the item through Christmas, through his January sales, through inventory and finds he must sell the item at 25¢ on the dollar. I ask you, how could a state auditor put a true value on this inventory? Merchandise is only worth what someone is willing to pay for it.

It has been reported that some businesses did not claim their credits or refunds. In checking with several who did not file, I found they felt the refund was automatic, just like when you overpay your income tax. Like so many things we do, the first time we can be confused. I can assure you, this year you will see a greater number of businesses claiming their credits and refunds. Also, there will be a lot of amended tax returns filed for last year.

Montana tax exempts motor vehicles, both new and used. This bill will also exempt mobile homes. Yet, for example, a farm implement dealer must pay an inventory tax. Is that fair?

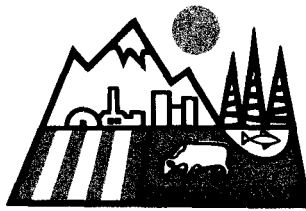
During the last session, testimony was given that the elimination of inventory tax would increase inventories and that is exactly what happened. Total inventories are heavier this year in Montana than last year.

In the Governor's program to build Montana, one of his selling points in attracting new businesses to our state is the fact that we DO NOT HAVE AN INVENTORY TAX. If this bill passes it will have a negative effect on anyone thinking about locating in Montana. If ever we needed jobs in Montana, we need them now.

If Senate Bill #329 passes, it will impose a NEW tax on some businesses. It will create hardships on all businesses. The Montana Retail Association urges you to vote against Senate Bill #329.

Respectfully Submitted,

GEORGE E. ALLEN
Executive Vice President
Montana Retail Association



SENATE TAXATION COMMITTEE	
EXHIBIT <u>L</u>	
<u>Feb 10</u> , 198 <u>3</u>	
<u>Sen</u>	BILL/RES <u>329</u>

MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

Testimony
before the
Senate Taxation Committee
Pat Goodover, Chairman
in opposition to
SB 329
by
Janelle K. Fallan
Public Affairs Manager
Montana Chamber of Commerce
February 10, 1983

The inventory tax situation, as it has existed the past two years, is a jerry-built situation that is cumbersome for tax-payers and difficult to explain to outsiders.

The 1981 Legislature wisely demolished the inventory tax -- almost; SB 329 would build on its rubble -- with more rubble. We suggest that the 1983 Legislature act to clean the site by sweeping the inventory tax away.

This bill pits small business against big business. Some 95 percent of the membership of the Montana Chamber is small business and they agree that small businesses and big business need each other.

Even if businesses get a credit, they still must go through the inventorying and tax paying process. Further, this credit has not been well-publicized by the Department of Revenue. Many businesses did not know the credit was available, and have not taken it.

(more)

Testimony
SB 329
Montana Chamber of Commerce
February 10, 1983
Page 2

Also consider who will be affected by the credit limit. Lumber mills have artificially high inventories at the end of the year and will not get a full credit. The wood products industry, struggling to recover, does not need this extra tax burden.

The repeal of the inventory tax has been lauded in several state projects in the past two years. The McKinsey Report of the Montana Economic Development Project noted it as a positive factor for the state. Hundreds of small business people were involved in the statewide small business conference which urged the repeal be retained. All legislators have received a copy of that conference report. Finally, two years ago, the state published a Business and Industrial Location Guide, to answer questions and encourage businesses that were interested in Montana. In his cover letter, which I have attached, Governor Ted Schwinden cited repeal of the inventory tax as "one of many actions that reflect the positive attitude" of his administration toward economic development.

We respectfully urge a "Do Not Pass" for SB 329.

/ssg



State of Montana
Office of the Governor
Helena, Montana 59620

TED SCHWINDEN
GOVERNOR

Dear Business Executive:

The decade of the Eighties has meant a new emphasis on economic development in Montana. The creation of the Montana Department of Commerce was the first of many actions that reflect the positive attitude of my Administration toward economic development and promotion. In 1981, Montana repealed the inventory tax, increased the small business investment tax credit by 50 percent and created a small business licensing center --- all actions meant to encourage and assist new businesses in moving to Montana.


Montana state government is committed to the conscientious expansion of our economic base. If Montanans are to have jobs, we must design and foster a healthy economic climate for business while preserving our unique values for future generations.

Montana offers what is best in America --- clean air and water; space and energy; cities where "rush hours" last for minutes, not hours; spectacular beauty and unparalleled recreational opportunities. But in order to live here, we must have jobs for ourselves and our children.

In addition to offering the best ingredients for a clean and healthful atmosphere, Montana offers much of what is best for business in America --- resources, a positive attitude and a willing and able work force.

More than any other state in the nation, Montana is a land of opportunity --- a place to grow --- for businesses and for people. We've been laying the foundations for economic development in Montana; now we invite you to get in on the ground floor.

Sincerely,



TED SCHWINDEN
Governor

NAME: Lloyd Crippen DATE: 2/10/83

ADDRESS: 1030 11th Ave #15

PHONE: 443 - 3797

REPRESENTING WHOM? NFIB

SENATE TAXATION COMMITTEE	
EXHIBIT	<u>77</u>
<u>Feb 10, 1983</u> <u>3</u>	
<u>Sen</u> BILL/RES. <u>329</u>	

APPEARING ON WHICH PROPOSAL: SB 389

DO YOU: SUPPORT? AMEND? OPPOSE? ✓

COMMENTS: Testimony will be handed to
Committee

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



National Federation of
Independent Business

SENATE TAXATION COMMITTEE	
EXHIBIT	M
Feb 10, 1983	329
Sen	BILL RES.

PREFACE

The establishment of the Interim Legislative Oversight Committee on Economic Development during the last session was a step in recognizing that small business is one of the most important factors in Montana's economy; saying "Except for a few utility and transportation companies, and probably less than a dozen other multinational corporations who operate plants, mines, and refineries virtually every employer in Montana falls within the statutory definition of small business".

It also noted that small business provide at least 80% of the new jobs in Montana, and that the encouragement of small business should be a primary objective of the Legislature.

It is then for this objective, and other reasons which I shall enumerate that NFIB speaks out in opposition to SB 329 the Reinstatement of the Business Inventory Tax. In fact, 87% of Montana's NFIB membership voting in the State Survey Ballot supported the elimination of the Business Inventory Tax.



National Federation of
Independent Business

SMALL BUSINESS SPEAKS OUT AGAINST SB 329
REINSTATEMENT OF THE BUSINESS INVENTORY TAX

The membership of the National Federation of Independent Business consists of small, independently-owned-operated businesses covering the entire spectrum of business activity. Over 85% of the 5,320 Montana members have fewer than 20 employees.

No other issue has generated so much correspondence and such a solidarity of opinion as the need of and demand for the continued elimination of the business inventory tax. Also cited are economic growth potentials which can accrue to the benefit of the State of Montana in the form of more stable employment and increased job opportunities; greater volume of sales, increasing sales tax revenues; new capital investments in expanded facilities and equipment increasing property tax base; and consumer convenience.

NFIB believes that the business inventory tax is a "bad tax". It is bad for three reasons. First, it falls on some businesses heavily and not at all on others.

Second, the operation of the tax leads to economic disruption in the form of distorted sales practices, disrupted inventory maintenance schedules, periodic interruptions in employment, and the adoption of deliberate tax avoidance schemes. All of these effects may be said to be elements of a "bad business climate" in Montana.



National Federation of
Independent Business

Third, there appears to be tangible evidence that Montana's maintenance of the business inventory tax, still acts as a serious disincentive for new business in Montana. Businesses outside the state tend not to select Montana for new facilities and businesses within the state tend to expand elsewhere. The tax tends to act as a disincentive, in our judgement, not so much because of its magnitude in terms of dollars and cents, but because of how it is perceived by business in the ill-defined concept of "business climate".

Perhaps it would be too much to say that the elimination of the business tax would have an "electrifying" impact on how Montana is perceived by businessmen here and around the country, but such a move would certainly command the immediate attention of businessmen everywhere. It would indicate in a dramatic fashion that Montana has made a major change in its laws to remove a tax which businessmen, everywhere, believe to be bad.

THE CASE FOR ELIMINATING BUSINESS INVENTORIES
FROM PERSONAL PROPERTY TAXATION

- The business inventory tax discriminates irrationally and does not affect all businesses in an equal manner.
- The tax is not related in any way to the ability to pay.
- Certain seasonal businesses are unjustly penalized by the very necessity of maintaining maximum inventory on lien date.
- The normal flow of business momentum is severely disrupted causing short term unemployment and curtailment of permanent employment potentials.
- Many businesses cannot either afford or will not gamble on maintaining a complete line of replacement parts because of the inventory tax.
- Merchants often find it more economical to reduce the selection of new items available to customers rather than to pay the tax on a larger inventory.
- The tax causes unfair competition against the business person who is willing to invest in a good inventory to better serve their community while catalogue companies escape taxation.
- Inventory taxes hurt most when business slows down - inventories are high and money to pay the tax is hard to find.
- Volume purchases are discouraged and thus the loss of obtaining volume discounts which are normally passed along to the consumer.
- The tax adversely affects the "business climate" of the state relative to its neighboring states.
- Manufacturers and wholesalers lose business because they cannot compete with their counterparts in states that do not tax inventories.
- Manufacturers and wholesalers are discouraged from locating in or expanding within the State.
- Inventories, as contrasted to fixed assets, are movable and makes the transfer from one owner and/or jurisdiction to another rather easy.
- Inventories can change identity as they are processed from raw materials into finished goods.
- Recent price inflation compounds the inequities of inventory valuation for tax purposes.
- Inventories are often totally or in part financed and not truly owned by the business, or financed out of profits which have already been subjected to taxation at both the Federal and State levels.
- Cost of taking inventory for tax purposes can be equal to or greater than the tax - an unnecessary inflationary expense.
- The growth and development of international trade within and through **Montana** is endangered because of the inventory tax.
- Elimination of the business inventory tax will reduce governmental paper work for business and significant administrative costs for county assessors.
- Elimination of the business inventory tax will stimulate economic activity, increase job opportunities, provide greater consumer selectivity and convenience, and add to the real property tax base.

Property Taxation of Business Inventories

¶ 20-150

State	Exempt from Tax	Assessed at Lower Percentage	Assessed on Average Value	Assessed as Other Property	Assessed at Higher Percentage	No Tax on Personal Property
Ala.	X			X ¹		
Alas.						
Ariz.	X					
Ark.			X			
Calif.	X					
Colo.		X ¹				
Conn.	X ¹					
Del.						X
D. C.	X					
Fla.	X					
Ga.				X		
Hawaii						X
Ida.	X					
Ill.						X
Ind.			X ¹			
Iowa			X			
Kan.			X ^{1a}			
Ky.				X		
La.			X			
Me.	X					
Md.			X ^{1b}			
Mass.	X ¹			X ¹		
Mich.	X					
Minn.	X					
Miss.	X ^{1b}					
Mo. ^{1a}						
Mont.	X ^{1b}	X ^{1b}				
Neb.	X					
Nev.	X ^{1b}	X ^{1b}				
N. H.	X					
N. J.	X					
N. M.	X ^{1b}					
N. Y.						X
N. C.		X ^{1b}				
N. D.	X					
Ohio					X ^{1b}	X ^{1b}
Okla.			X			
Ore.	X					
Pa.						X
R. I.	X					
S. C.	X ^{1b}	X ^{1b}				
S. D.				X		X ^{1b}
Tenn.	X					
Tex.				X		
Utah	X					
Vt.	X ^{1b}					
Va.				X		
Wash.				X ^{1b}		
W. Va.				X		
Wis.				X		
Wyo.	X					

Footnotes appear on following page.

¶ 20-150

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[The next page is 2041.]

¹ Alaska: Inventories in a foreign trade zone before being cleared by U. S. Customs Service and admitted into domestic commerce are exempt.

² Colorado: Assessed at 5% of value.

³ Connecticut: Manufacturers' inventories are exempt. Monthly average inventories of wholesalers and retailers are exempt to the extent of 9/12ths of their value in 1979, 10/12ths in 1980, 11/12ths in 1981, and 100% in 1982 and later.

⁴ Indiana: Manufacturers may elect to have inventory assessed on average annual value.

⁵ Kansas: Vehicles in dealers' inventories are exempt.

⁶ Maryland: An income tax credit is allowed for personal taxes paid. Also, counties and Baltimore City are authorized to reduce the percentage of the total assessed value at which manufacturing and commercial inventories are taxed.

⁷ Massachusetts: Manufacturing corporations are exempt from personal property tax. Businesses operating as merchants are exempt from tax on most types of personalty except business machinery.

⁸ Massachusetts: Individuals and partners operating as merchants or manufacturers are taxable on tangible personal property.

⁹ Mississippi: No tax applies to manufacturers' products in Mississippi if they will be shipped or sold to other than the final consumer and not at retail.

¹⁰ Missouri: Special tax imposed on merchants and manufacturers.

¹¹ Montana: Vehicles in dealers' inventories are exempt. Business inventories are taxed at

4% of market value. A corporate income tax credit is allowed for business inventory taxes paid in 1981 and 1982. Effective January 1, 1983, business inventories are exempt.

¹² Nevada: Merchants' and manufacturers' personal property, raw materials and components held by a manufacturer for manufacture into products and supplies to be consumed in the process of manufacture, and livestock held for business purposes are assessed as follows: in 1979-80, at 28% of full cash value; in 1980-81, 21%; in 1981-82, 14%; in 1982-83, 7%; and thereafter, exempt.

¹³ New Mexico: Property held by individuals as inventory is exempt with exceptions.

¹⁴ North Carolina: An income tax credit is allowed for inventory taxes paid. Certain inventoried property (peanuts, baled cotton, fruit products) is taxed at a lower rate.

¹⁵ Ohio: Merchants' and manufacturers' personal property is assessed at 41% for 1978, 39% for 1979, 37% for 1980 and 35% thereafter. Personal property held in a foreign trade zone is exempt.

¹⁶ South Carolina: Inventories of business establishments are assessed at 6% of value. Inventories of manufacturers, unless offered for sale at retail, are exempt.

¹⁷ South Dakota: Personal property that is not centrally assessed is exempt.

¹⁸ Vermont: Municipalities may exempt inventories and tax business machinery and equipment instead.

¹⁹ Washington: A business and occupation tax credit is allowed for inventory taxes paid. Inventories are exempt beginning in 1983.



SENATE TAXATION COMMITTEE	
EXHIBIT	77
Feb 10	1983
Sen	BILL/RES 329

P.O. BOX 30158, BILLINGS, MONTANA 59107 (406) 656-0202
BRANCH STORE:
P.O. BOX 610, WILLISTON, NORTH DAKOTA 58801 (701) 572-8377

February 9, 1983

TO: Senate Taxation Committee

FROM: Craig Anderson, C.P.A.
Controller
Tractor & Equipment Co.
Billings, MT

RE: Defeat of Senate Bill 329

Tractor & Equipment Co., as well as other Montana equipment dealers and Montana businesses, know the personal property tax on business inventories to be a tremendously inequitable tax. There are several major inequities to be reviewed.

The major inequity is the taxation of retail and manufacturing businesses who earn their income by selling a product (inventory) while other businesses who generate their income by selling services (architects, engineers, medical professions, accountants, lawyers, real estate agents, carpenters, electricians, plumbers) or the financial institutions and insurance companies who generate their income by lending money or selling insurance policies, have no tax levied on their income earning potential.

There is no sound reasoning in taxing one business's income earning assets and not another's. If there is a property tax on inventory, why isn't there a property tax on the earning potential of those businesses who bill out their personal services to their clients? Why no property tax on income to be derived from financial loans? Why no property tax on income to be derived from insurance policies? These items are inventories in those businesses.

The fact that a business buys and sells product inventory does not mean that that business has a greater ability to pay than an organization who does not have a product inventory; but, instead, has people services to sell, policies to sell or money to lend. In fact, those businesses similar to ours have had great and painful cutbacks in employment in the last year. Our work force has been reduced by over 50 people from what it was a year ago. I don't know of many professions, organizations or financial institutions that have had layoffs of this magnitude.

The argument may be raised that those businesses who carry inventory require greater local services. These businesses need greater police and fire protection than those businesses that do not carry inventory. Let me assure you that those businesses already pay greater real property taxes on the additional land that is required to store inventories. They also pay greater real property taxes on the warehouses and other buildings required to house and protect their inventories. Those businesses are already paying their proportionate fair share of the municipal services they are provided.

It appears the rationale to tax product inventory is...that it is easy to count, easy to value, so tax it.

There are other inequities among those businesses who would pay the tax. Those businesses that are within the city limits would pay a higher tax on their inventory dollars than a business outside the city limits.

For example: In Billings, a business located within the city would pay \$11,200 in taxes for \$1,000,000 in inventory. A business located between Billings and Laurel would pay \$4,310 less, or \$6,890 for the same \$1,000,000 in inventory. This is inequitable when you consider that the inventory located within the city limits receives no more services than the inventory located a mile outside the city limits.

This proposed tax structure would affect our particular business in yet another way. We lease much of our machinery to our customers on a month to month basis. The proposed bill outlines that we would not pay property tax on any of our inventory that is leased or rented as of December 31. It just so happens that our leasing activity is at its lowest in December, as our contractor customers return our machinery when they shut down their operations for the winter. Our taxable inventory is, then, at its peak. This leaves our dealership with a taxable inventory value which is much higher than if we took an average of our taxable inventory for the year. This can influence our decisions as to when we will have a customer's lease terminate.

On one D8 Dozer, for example, there is a difference of \$1,650 as to whether a lease terminates the 15th of December or the 1st of January. Multiply this by a few customers and we find that this process can interrupt our normal course of business dealings and our management decision-making process.

We encourage the defeat of Senate Bill 329. We are not opposed to paying our fair share of the tax burden, we understand our role in our community and state. It is the inequitable taxes we oppose. If this legislative assembly supports tax reform and tax equality, then this bill deserves a "do not pass".



**MONTANA
HARDWARE &
IMPLEMENT
ASSOCIATION**

SENATE TAXATION COMMITTEE
EXHIBIT <u>0</u>
<u>Feb 10</u> , 198 <u>3</u>
<u>Sen</u> BILL/RES <u>329</u>

3087 N. Montana Avenue
P.O. Box 4459
Telephone 406/442-1590
Helena, Montana 59604

the advocate for Montana and Northern Wyoming retail hardware and farm implement dealers

February 10, 1983

Testimony on Senate Bill 329

I am Blake Wordal representing the Montana Hardware and Implement Association, a trade association representing retail hardware and farm implement dealers.

We strongly oppose any attempt to reinstate the business inventory tax in Montana regardless of efforts to dilute the bitter pill with income tax credits.

A business inventory tax is simply an unjust burden for businessmen and women to carry. I urge the members of this committee and of the Legislature to consider the issue of fairness as it applies to the proposal before you.

Is it fair to levy a tax which bears no relationship to the health or profit of a business? Taxing inventory falls hardest during hard times. A large inventory most often signals a shortfall in sales for the retailer. Just when a retailer can least afford it, the tax falls heaviest.

Is it just to corrupt the free market system---the law of supply and demand---through such a tax? In order to minimize the effects of a business inventory tax, inventories are kept artificially low regardless of demand. The effect is contrary to efficient business practices.

Is it fair to tax inventory twice? The farm implement industry is currently in difficult economic times and it is not uncommon for dealers to carry machinery, particularly used machinery, for over a year or more. An inventory tax is levied on merchandise as long as it is carried in stock.

Is it right to force small businesses to become lending institutions to meet the very real needs of local governments by paying an inventory tax and receiving an income tax credit from the State a year or more later? I might add that the income tax credit does not take into account any interest which would have accrued during the use of these funds.

Is it just to ask the business community to submit to more paperwork and governmental rules and regulations in order to recoup the business inventory taxes paid through their income tax? It is obvious that most businessmen and women lack the necessary knowledge to claim the income tax credit even now. Last year, inventory taxes paid were \$8.5 million. Income tax credits claimed so far have been just over \$2 million.

Finally, is it fair to reject the pledge made only two years ago to the business community to phase out this tax? Conditions have not improved for the small business; they have, in fact, deteriorated. A successful small business today must be able to plan ahead. They must be able to project according to stable economic policy. To alter the planned elimination of the business inventory tax now would be a staggering blow.

The Montana Hardware and Implement Association believes that the answers to the questions of the fairness of a business inventory tax are clearly, "No, it is simply unfair." For these reasons, we respectfully request the Senate Taxation Committee to render a Do Not Pass recommendation for Senate Bill 329.

MONTANA TAXPAYERS Association

P. O. BOX 4909

1706 NINTH AVENUE

HELENA, MONTANA 59604



406/442-2130

FEBRUARY 10, 1983

S. KEITH ANDERSON, PRESIDENT
MONTANA TAXPAYERS ASSOCIATION
IN OPPOSITION TO SENATE BILL 329

SENATE TAXATION COMMITTEE
EXHIBIT <u>P</u>
<u>Feb 10</u> , 198 <u>3</u>
<u>Sen</u> BILL/RES. <u>329</u>

THE 1981 MONTANA LEGISLATURE CORRECTED ONE OF THE MOST SIGNIFICANT INEQUITIES IN MONTANA'S PROPERTY TAX SYSTEM BY ADDRESSING THE QUESTION OF BUSINESS INVENTORY. WHILE THE BUSINESS INVENTORY TAX HAS BEEN COLLECTED FOR THE LAST TWO YEARS, IT HAS BEEN ALLOWED AS AN INCOME TAX OR CORPORATE LICENSE TAX CREDIT. THIS BILL WOULD SET A MAXIMUM CREDIT OF \$9,000 AND WOULD DISCRIMINATE AGAINST ANY BUSINESS THAT MIGHT HAVE AN INVENTORY THAT WOULD RESULT IN A CREDIT OF OVER \$9,000. IT SHOULD BE OBVIOUS THAT LARGE INVENTORIES HAVE NO RELATIONSHIP TO PROFITS, ESPECIALLY DURING THESE ADVERSE ECONOMIC TIMES. ALL OF US ARE WORRIED ABOUT EMPLOYMENT IN OUR STATE AND THE INVENTORY CREDIT MIGHT WELL MEAN THE DIFFERENCE BETWEEN LAYING OFF A NUMBER OF EMPLOYEES OR KEEPING THEM ON THE PAYROLL. THESE ARE DOLLAR FACTORS THAT THIS COMMITTEE SHOULD CONSIDER BECAUSE BUSINESS IS NOT ENJOYING THE BEST OF TIMES IN OUR STATE.

DURING THE LAST YEAR OR TWO WE HAVE BEEN HEARING A LOT ABOUT MAKING MONTANA A BETTER PLACE TO DO BUSINESS. THE MAJORITY OF THE STATES--SOME 36 PLUS THE DISTRICT OF COLUMBIA, AS OF TWO YEARS AGO, HAD ELIMINATED OR WERE PHASING OUT PROPERTY TAXES ON BUSINESS INVENTORY. LIMITING THE TAX CREDIT TO \$9,000 ISN'T GOING TO BE AN INCENTIVE FOR A BUSINESS OF ANY MAGNITUDE TO LOCATE IN MONTANA. FURTHER, IT DEMONSTRATES

INSTABILITY ON THE PART OF OUR GOVERNMENT. TWO YEARS AGO THIS LEGISLATURE ACTED IN A POSITIVE FASHION TO ESSENTIALLY ELIMINATE THE INVENTORY TAX. NOW, AN ATTEMPT IS BEING MADE TO CHOOSE BETWEEN THE "GOOD GUYS" AND THE "BAD GUYS" AND PENALYZE THE "BAD GUYS". WHAT WOULD AN OUTSIDER, TAKING A LOOK AT MONTANA, THINK? OBVIOUSLY, AS FAR AS TAXATION IS CONCERNED, THEY REALLY WOULDN'T KNOW WHAT IS GOING TO HAPPEN FROM ONE LEGISLATURE TO THE NEXT.

THE ECONOMICS OF THE INVENTORY TAX PROVIDE AMPLE REASON TO ELIMINATE THE LEVY. THERE IS NO UNIFORM ECONOMIC IMPACT OF A TAX ON INVENTORY FROM BUSINESS TO BUSINESS. PROFIT MARGINS VARY AND MERCHANDISE TURNS OVER AT A DIFFERENT RATE FROM BUSINESS TO BUSINESS. LIKewise, MERCHANDISING PRACTICES VARY AND ARE OFTEN DICTATED BY THE IMPACT OF THE TAX ITSELF. THE TAX FORCES THOSE IN BUSINESS TO MAKE DECISIONS BASED UPON THE ECONOMIC IMPACT OF THE TAX RATHER THAN WHAT MIGHT BE GOOD BUSINESS PRACTICE.

DURING THE LAST TWO YEARS, THE BUSINESS COMMUNITY IN MONTANA HAS BEEN ABLE TO ADJUST THEIR OPERATIONS WITHOUT REGARD TO THE IMPACT OF THE INVENTORY TAX. IF THIS BILL PASSES, THERE ARE BUSINESS OPERATIONS IN MONTANA THAT WILL BE FORCED INTO MAKING ADVERSE DECISIONS IN ORDER TO MINIMIZE THEIR INVENTORIES AND RESULTING TAX BURDEN.

MONTANA HAS HAD STEADY GROWTH IN THE PROPERTY TAX STRUCTURE UNTIL THIS LAST YEAR WHEN A NUMBER OF COUNTIES DID HAVE A REDUCTION IN VALUATION. UP TO THIS TIME, HOWEVER, VALUATION INCREASES WOULD HAVE MORE THAN OFFSET ANY MINIMAL REDUCTION IN VALUATION CAUSED BY TAKING INVENTORY OFF THE TAX ROLLS. WE ARE ON THE BRINK OF A NEW REAPPRAISIAL. CONSIDERING THE RATIO OF CURRENT ASSESSMENTS TO MARKET VALUE, WE CAN EXPECT VALUATION INCREASES THAT WILL HAVE TO BE MITIGATED BY THE

LEGISLATURE IF WE ARE TO CONTROL LOCAL GOVERNMENT SPENDING. I POINT THIS OUT TO REMIND YOU THAT ANY REDUCTION IN REVENUE BROUGHT ABOUT BY THE CONTINUANCE OF EXISTING LAW WILL BE SHORT LIVED AND LOCAL GOVERNMENTS ARE SLATED FOR A WIND FALL IN THE NEAR FUTURE. I THINK THAT IT IS MORE IMPORTANT TO ASSIST THE BUSINESS COMMUNITY IN OUR STATE AT THIS CRITICAL TIME THAN IT IS TO PROVIDE ADDITIONAL REVENUE FOR GOVERNMENTS. IF THERE IS A SLIGHT TAX SHIFT THROUGH AN INCREASED MILL LEVY, OR CHANGES IN PROPERTY VALUATIONS, THOSE IN BUSINESS WITH INVENTORIES, WILL PICK UP MUCH OF THE DIFFERENCE ON OTHER PROPERTY--THEIR LAND, THEIR BUILDINGS, AND THE LIKE. SO IN THE LONG RUN, BUSINESS WILL CONTINUE TO ASSUME THE TAX BURDEN BUT IN A SIMPLER AND MORE UNIFORM FASHION WITHOUT THE ADVERSE ECONOMIC IMPACTS OF THE INVENTORY TAX.

I ENCOURAGE YOUR DEFEAT OF SENATE BILL 329 AS A POSITIVE STEP TOWARDS CONTINUING NECESSARY TAX REFORM IN OUR STATE.

BROWNING, KALECZYC & ASSOCIATES, INC.

Securities Building
Box 162
Helena, Montana 59624
406/449-6220

SENATE TAXATION COMMITTEE

EXHIBIT Q

Feb-10, 1983 3

Sen BILL/RES. 329

TESTIMONY OF PLUM CREEK LUMBER COMPANY
IN OPPOSITION TO SENATE BILL 329
BEFORE THE SENATE TAXATION COMMITTEE
FEBRUARY 10, 1983

Mr. Chairman and Members of the Committee:

My name is Stanley T. Kaleczyc of the firm of Browning, Kaleczyc and Associates, in Helena. I am appearing today on behalf of our client, Plum Creek Lumber Company, a subsidiary of the Burlington Northern, Inc., in opposition to Senate Bill 329. This bill, if enacted, would reinstitute the business inventories tax, a tax which is disfavored by most states.

Plum Creek is opposed to this tax because, first, it is simply the wrong tax, in the wrong economic climate, and will thus have adverse consequences to the lumber industry, which is an important part of the economy of this State. Second, even if a business inventories tax were the right tax, at the right time, Plum Creek is opposed to this tax because, in its key technical provisions, it results in the imposition of a disproportionately high tax on the lumber industry.

Before addressing the bill specifically, I would like to provide some background information on Plum Creek and the lumber industry, which might be useful to this Committee in assessing the impact of this bill.

Today, in the State of Montana, Plum Creek employs approximately 1,300 individuals. These individuals are employed in the western part of the State in six lumber mills, two plywood mills and one fiberboard plant. In addition, Plum Creek has a logging division and management offices to support its operations.

During this depressed economic time, in which many mills have shut down either temporarily or permanently, Plum Creek has managed to continue its operations and to continue to employ citizens of Montana. The reason is that Plum Creek has been willing to increase its inventory, even though it is presently operating at break-even or a slight loss.

Although this inventory buildup will give Plum Creek a supply of goods to meet consumer demand when the economy turns around, this Committee should bear in mind that the lumber industry in Montana continues to be at an economic disadvantage. I would like to highlight a few factors. First, because of its geographic position, a transportation disadvantage exists. Only in the mid-western markets is Montana lumber more competitive with lumber from other parts of the country. Because of the increased transportation costs, the cost of goods themselves must be kept

down in order to be competitive in West Coast and East Coast markets. Second, at the present time, the Canadian government is subsidizing its timber prices, making Canadian lumber products more attractive in U.S. markets.

In light of the present adverse economic conditions, and the competitive disadvantages mentioned above, it is not in the best interests of a healthy lumber industry to impose the business inventory tax contained in S.B. 329. This tax will be passed on to the consumers, making Montana products less competitive in the U.S. and world markets, and ultimately will contribute to a decrease in demand for those products and a decrease in employment.

Moreover, in the case of Plum Creek in particular, which has elected to maintain higher inventories in order to keep up employment, this bill has the direct effect of penalizing Plum Creek because it is attempting to keep its employees working.

In addition to the reasons discussed above, the business inventories tax is uniquely a bad tax to apply to the lumber industry. The Committee needs to be aware of two facts in order to appreciate the adverse impact which this tax particularly has upon the lumber industry. First, when a log is sawed for lumber, because of various size lengths and grades, there is a large in-process inventory of less desirable product which a lumber mill has at any one time. Until it can sell the lesser grades of lumber, the lumber mill has an extra inventory over which it has no direct control. And, of course, there is no quality control device to minimize this inventory problem.

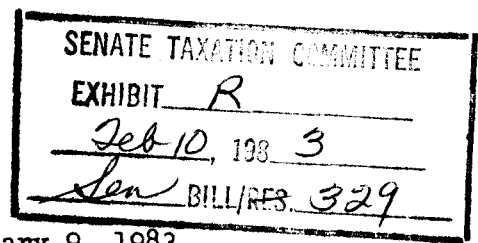
Second, during the spring thaw, the Forest Service and the State do not permit harvesting and hauling of logs to the lumber mills. In order to compensate for this lack of the stream of raw material into the lumber yards during this period, during the fall and early winter, lumber mills build up their inventory to artificially high levels so that production might continue during the springtime.

Because S.B. 329 taxes inventory in place on January 1 of each calendar year, when raw product inventory is at or near its peak, it operates as a special hardship upon the lumber industry. S.B. 329 operates to extract the maximum tax, and hence the maximum penalty, upon the lumber industry because of these factors which cannot be controlled.

In summary, a business inventory tax will impose significant hardships upon the lumber industry, will make Montana lumber products less competitive, adversely affect employment, and penalize an industry because of the existence of factors over which the industry has no control.

We respectfully urge this Committee to reject S.B. 329.

STEDJE BROS.
3605 Hwy. 10 W:
MISSOULA, MT. 59801
TELEPHONE 728-5890
SHOP 721-7644



February 9, 1983

Senate Taxation Committee
Helena, Montana

Against Senate Bill 329 - To Reimpose The Inventory Tax

Honorable Senators;

As a representative of a Western Montana Farm Tractor and Implement Dealership I would like to register my objection to reimposing the Inventory Tax and to state my reasons for this objection.

- (1) An Inventory Tax is levied upon a business whether or not that business is successful. Business in these times is having a struggle just to meet their overhead and to pay their employees. Adding an Inventory Tax at this time would almost insure that some businesses would go under.
- (2) Our business cannot keep an adequate inventory to satisfy our customers and to make sales to stay in business, if we are penalized by a tax on that inventory.
- (3) Most businesses are cutting to the bone now by laying off help, keeping inventories low, and any other means necessary to stay afloat. We cannot add an additional regressive tax to that burden.
- (4) Those businesses like ours have a great deal of inventory on a consigned basis. That is, we have financing programs so that we do not have to pay for a machine the moment it arrives on our lot. In many cases we do not pay for a year after arrival or at the time the machine is sold. Therefore, a tax on that machine is before the fact of the sale.

We would like to add our endorsement to the Governor's Block Grant Proposal because we do recognize that cities and towns do have a need for some kind of assistance. We can appreciate their declining revenues but would ask that they recognize that we in business have the same problem.

Sincerely;

A handwritten signature in cursive script that reads "Ed Savik".

Ed Savik
Vice President

Stedje Brothers
3605 Highway 10 W.
Missoula, Mt 59802

To Senator Pat Goodener,
Chairman Taxation Committee Bill# SB 329

I am against Reinstatement
of the Business Inventory Tax. This
tax is very harmful to my Business.

SB 329 should be Killed.

Thanks

Roger White
Choteau Food Mkt.
Choteau

SB 329-150
OFFICE 228-4612
RESIDENCE 228-4646

R. L. MARTENS, D.D.S.
GLASGOW CLINIC BUILDING
1009 - 6th AVENUE NORTH
GLASGOW, MONTANA 59230

Feb 12, 83

Sen. Pat Goodover
State Capital
Helena, mt 5601

Dear Senator:

I believe SB 329 should be killed
as reinstatement of the business
inventory tax will be harmful
to business.

Sincerely yours,
R L Martens

FEBRUARY 10, 1983

SB 329

SB 329-12



PHONE (406) 363-3471

2/10/83

Dear Senator:

In regards to Bill # SB 329 TO REINSTATE THE
Business Inventory Tax

We are very much against the Inventory tax
due to the fact that it taxes inventory
double - once when you sell it & again
at inventory - IT takes money away that
could provide expansion & hopefully,
new jobs -

We implore the Senate to do every thing
possible to defeat this bill -

Warmest Regards

Dick Reinbold owner

Whitefish, Montana
February 12, 1983

Senator Pat Goodover
Ch. Senate Taxation Committee
Helena, Montana

Dear Senator Goodover,

This letter is to voice my opposition to SB329. I operate a small one man business and in these inflated times this tax could be the straw that brakes the camel's back.

I also feel that it is unfair to tax the inventory and then tax it again when I sell it and pay the income tax on the profit.

Thank you,

John R. Franze
John R. Franze, Dealer Snap-on Tools

C & A Hunter, Inc.
112 South Merrill Avenue
GLENDALE, MONTANA 59330
Phone: 365-3700

SENATE TAXATION COMMITTEE
EXHIBIT *S.P. 5 SB 329-10*
FEBRUARY 10, 1983
SB 329

TOTAL HARDWARE

Coast to Coast

February 11, 1983

Sen. Pat Goodover
Ch. Senate Taxation Comm.
Montana State Capitol
Helena, Montana 59601


Dear Senator Goodover:

I believe that SB329 should not be passed. The inventory tax is a very unfair burden to place on the small business in the state. Those of us in the retail trade, need an inventory to be in business. To tax the means of trying to make a living does not seem to be a fair tax. It has no relation to the profits or earnings of a business.

The past selling season did not measure up to expectations and I will end up with the largest inventory I have ever had. This will make for a larger inventory tax in the face of a loss year. Taxes should be based on the profits of a business, not on the inventory that is the basis for being in business.

Somehow we will have to broaden the tax base rather than to place such a burden on the businesses in the state. Your support in helping to eliminate the inventory tax will be greatly appreciated. Thank you.

Yours truly,


Charles D. Hunter

FEBRUARY 10, 1983

SB 329

THE WILD WINGS ORVIS SHOP

2720 West Main Street
Bozeman, Montana 59715
(406) 587-4707

February 10, 1983

Senator Pat Goodover
Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Dear Senator Goodover:

My name is Dave Kumlien and I own and operate the Wild Wings Orvis Shop, a fly fishing equipment and sporting gift shop in Bozeman, Montana. The repeal of the business inventory tax by the 1981 legislature stands as one of the few legislative actions I can say had a direct positive effect on my business.

The repeal of the business inventory tax saved my business nearly \$750. This amount represents a substantial percentage of my net profit in my business. I would like to inform you that I did not take this tax savings out of my business; that I reinvested it in my business in inventory and equipment. Also, considering when the business inventory tax was payable, during the winter, when business for me is relatively slow; the tax savings did allow me to keep one additional full-time employee through the winter months.

I wholeheartedly oppose Senate Bill 329. As far as I am concerned, the bill is a thinly disguised effort to reinstate the business inventory tax; and the income tax or corporate license tax credit really means very little to me. I would hope that you and your committee would oppose this bill.

I would appreciate being informed of your committee's action. Thank you very much.

Sincerely,



Dave Kumlien

wp



WILD WINGS
Lake City, Minnesota



MANCHESTER, VERMONT 05254

JOHNSON, SKAKLES & KEBE

ATTORNEYS AT LAW

ONE FIRST NATIONAL BANK BUILDING
BUTTE-SILVER BOW, MONTANA 59701

TELEPHONE: (406) 723-5411

HOWARD A. JOHNSON (1893-1974)
KEITH P. JOHNSON
GREG J. SKAKLES
WILLIAM M. KEBE, JR.
DAN R. MCCARTHY

ANACONDA OFFICE:
P.O. BOX 1413
ANACONDA, MONTANA 59711
TELEPHONE: (406) 563-8400

February 11, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capital
Helena, Montana 59601

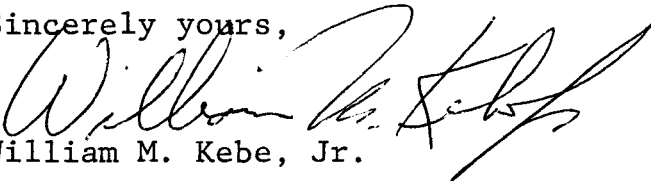
Re: Senate Bill 329

Dear Senator:

Please consider this letter a strong dissent to Senate Bill 329 reinstating the business inventory tax as a means of assisting local government. Regardless of the fact that there would be a tax credit on income taxes for any business inventory tax paid, this is an unfair bill to business because it will tax all businesses utilizing inventory regardless if they are profitable or not. Inventory tax discriminates against those businesses that utilize inventory, versus those that provide services only. Its time we stopped looking at business to find every fiscal monetary crunch that comes along, because of a fear of alienating the larger majority of the voters.

Thank you for your time and consideration in this matter. I hope that this bill is killed in committee and does not raise its ugly head on the Senate floor.

Sincerely yours,


William M. Kebe, Jr.

WMK/mh



THE

Farmers Insurance Group

OF COMPANIES

KLAAS TUININGA AGENCY
Comm. Masters Round Table
1979, 1980 and 1981
220 West Lamme #1E
Bozeman, Montana 59715
Bus: (406) 587-0765
Res: (406) 388-6300
Feb. 10, 1983

The Honorable Senator Goodover:

I am writing in regards to SB 329. I feel that reinstatement of the business inventory tax would be harmful not only to my business, but to all businesses, especially small businesses. We are currently having a difficult enough time trying to keep the wolf away from the door. We are looking for ways to cut down our overhead - we are not looking for additional tax deductions. The name of the game is survival for us in small business and letting the above bill through just could be the straw that breaks the back of some businesses, and unnecessarily burden the back of many others.

Please do whatever you can to see that this SB 329 is killed.

Sincerely,



Klaas Tuininga

SENATE TAXATION COMMITTEE
EXHIBIT 5, 8.9
FEBRUARY 10, 1983
SB 329

Feb. 10th, 1983

Dear Sen. Goodover:

Please vote against SB 329. Why try to reinstate alaw that the 1981 Legislature repealed. Any additional taxes in thie depressed time is going to put people out of business.

Sincerely yours,

Virginia Chatham

Mrs. Paul E. Christensen

We are opposed to Senate Bill #329 — the Inventory Tax Bill! Please vote against this bill.

Marc W. Smuck *future* *Luckin- Robbins*
HOLIDAY VILLAGE MALL
 Great Falls, Montana

HOLIDAY VILLAGE MALL
Great Falls, Montana

Jessie M. Smith partner

SB 327-26

DATE Jul 10 - 83 19

Gen. Pat. Gooden

IM ACCOUNT WITH

DISBROW'S, INC.

MILLTOWN, MONTANA 59851

Phone (406) 258-6251

Vote against	SB	329
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The first keep for
small trunks in

Monday, 29 April

Would increase our

Calculation too much.

Small businesses are

Having a hard time to
swim in

Reuritz

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408</
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apple. To preserve with

graduated one million

as other

Care C. Duttons Esq. New Bedford

A Finance Charge of 1½% per month will be made on all accounts that are not paid by the last day of the month following month of purchase. This is an annual percentage rate of 18%.

SB 329-No

WAYNE L. RICHARDSON, D.D.S.

913 S.W. HIGGINS
MISSOULA, MONTANA 59801
Telephone 406/721-3679

February 11, 1983

Pat Goodover
State Capitol
Helena, MT 59601

Pat Goodover, Chairman:

I am opposed to Senate Bill #329, reinstating
the business inventory tax. I feel that it would
be detrimental to the success of small businesses.

Sincerely,



Wayne Richardson, DDS

SB 329 - NO
Teesdale Conoco
P.O. Box 484
Bridger, Mt. 59014

SEN. PAT GOODOVER
CH. SENATE TAXATION COMM.
HELENA, MONTANA 59601

DEAR SENATOR:

I am writing to you in reference to the bill SB 329. Reinstatement of this bill would be harmful to my business as well as hundreds of other small businesses. At a time when small businesses are taking a beating from a depressed economy, this bill would only add fuel to our problems. Many of my friends are wage earners and make more money than I do, so why should I, as a small business man, have to foot the bill to provide fiscal assistance to local governments? I think this is an unfair tax and should not be levied against small businesses.

Sincerely,
Kevin L. Teesdale

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

KIDDLYWINKS

KIDDLYWINKS

HOLIDAY VILLAGE MALL

Great Falls, Montana

James Square

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

James Kattay
HOLIDAY VILLAGE MALL
Great Falls, Montana

RIDDLE & RINGLER
1200 10th Ave. South
Holiday Village
Great Falls, MT 59405

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Joe Martin Manager
HOLIDAY VILLAGE MALL
Great Falls, Montana

FRED J. STOUT, D.D.S.
628 SOUTH AVENUE WEST
MISSOULA, MONTANA 59801

Telephone 549-6081

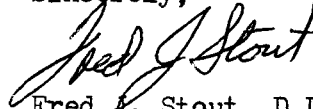
Feb. 9, 1983

Senator Pat Goodover
Chairman
Senate Taxation Committee
State Capitol
Helena, MT 59601

Dear Senator Goodover:

I would appreciate your support in killing SB 329-A Bill to Reinstate the Business Inventory Tax- which is currently in the Senate Taxation Committee awaiting a hearing date. This bill is repressive to the small businesses who are the backbone of our State's economy. In this economic atmosphere, we need to stimulate not penalize small business.

Sincerely,



Fred J. Stout, D.D.S.

cc Senators Halligan
Marbut
Norman
Van Valkenburg

Representatives Eudaily
Hanson
Kadas
Lory
Ream
Veleber
Waldron

**Nelson
Tire
Company**

Formerly Nelson-Scofield Tire Co.

SENATE TAXATION COMMITTEE
EXHIBIT 5, p. 14
FEBRUARY 10, 1983
ORBITREAD SB 329



RETREADS

500 Second Avenue South
Great Falls, Montana 59401
Phone 453-4365

February 10, 1983

Senator Pat Goodover
State Capitol
Helena, MT 59601

Dear Senator Goodover:

I would like to inform you of my opposition to the inventory tax (SB329). The legislature repealed this bill once, we don't need it again.

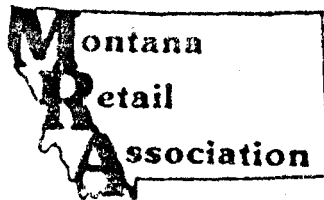
Please help support the Montana Tire Dealers in this issue. Thank you.

Sincerely,

NELSON TIRE COMPANY


John F. Nelson

rjs



SENATE TAXATION COMMITTEE
EXHIBIT *S.p. 15*
FEBRUARY 10, 1983
SB 329

LEGISLATIVE REPORT

SB 329-No
34 West Sixth Ave.
P. O. Box 440
Helena, Mt 59624
Phone: (406) 442-3388

URGENT!

URGENT!

URGENT!

RECEIVED FEB 04 1983

Dear Members,

As you know the inventory tax legislation bill has been introduced.

Senate Bill #329, if passed, will reinstate the inventory tax with a \$9,000.00 limit. DON'T BE MISLEAD ON THIS LIMIT! If the bill passes this year - what about the next session?? It is extremely easy for an amendment to be put in to reduce the limit to five thousand, four thousand, One thousand or even zero.

This is a bad bill!!! We need your action today. Unfortunately every merchant in your town does not belong to the Montana Retail Association. Please contact all the merchants in your town and get their support. Go through your Merchant's Association or Chamber of Commerce. We must take action to get this bill killed in committee. If that fails the bill will go to the full legislature.

The members on the committee are:

Pat Goodover, Chairman (R) Great Falls
George McCallum, Vice Chairman (R) Niarada
Bob Brown (R) Whitefish
Bruce Crippen (R) Billings
Roger Ellicott (R) Columbia Falls
Delwyn Gage (R) Cut Bank
Jean Turnage (R) Polson
Elmer Severson (R) Stevensville
Tom Hager (R) Billings
Dorothy Eck (D) Bozeman
Mike Halligan (D) Missoula
John Lynch (D) Butte
Joseph Mazurek (D) Helena
Bill Norman (D) Missoula
Thomas Towe (D) Billings

If you live in the same town or area as one of the committee members your letter is extremely important, but every merchant needs to contact all of these committee members. A post card sent to the legislator at the State Capitol Building, Helena, 59620 or a phone call to 449-4800 will reach them. By calling toll free 1-800-332-3408, you can receive an update on any legislation.

We will keep you posted.

Thanks,
George
GEORGE E. ALLEN
Executive Vice President

McELROY AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

1800 RUSSELL, P. O. BOX 4946
MISSOULA, MONTANA 59806
406-728-4670

P. O. BOX 297
SUPERIOR, MONTANA 59872
406-822-4661

February 11, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

RE: Inventory Tax

Honorable Pat Goodover:

The Inventory Tax should not be reinstated. Business finds the tax to be harmful in competing in the market place. One reason was that new businesses would not come to Montana. If it is reinstated some present businesses will be forced out of operation. The limit referred to in the bill is only a cover to make the bill palatable. In a few years the limit could be raised. The tax is unfair to business. Please vote against the tax.

Sincerely,

Eddie K. McElroy

Eddie K. McElroy, CPA
McElroy & Associates

EKM/sz

Enclosures

Fergus Equipment Inc.

"Serving Central Montana's Farmers and Ranchers"

SENATE TAXATION COMMITTEE

EXHIBIT *S, p. 17*

FEB. 10, 1983

SB 329

SB 329 - NO

February 11, 1983

Senator Pat M. Goodover
Montana State Senate
Capitol Station
Helena MT 59620


Reference: Senate Bill 329 - Inventory Tax

Dear Senator Goodover,

There has to be a better way to generate money than to inflict a tax burden on the small businesses of Montana. You must realize there is no way to pass an inventory tax on the the customer. This means the tax directly reduces cash flow which is the life blood of any business. I believe the last legislature knew an inventory tax was a bad tax and that is why they repealed the law.

Perhaps a select sales tax is the answer, that would replace the inventory and property taxes. Of course, a sales tax bill would have to guarantee there would never be a property or inventory tax.

Sincerely yours,



W.M. Frisbee
President

WMF/pjf



Deister, Ward & Witcher, Inc.
NATIONWIDE TITLE ABSTRACTING SERVICE

February 11, 1983

Senator Pat M. Goodover, Chairman
Taxation Committee
Montana Senate
Capitol Station
Helena, MT 59624

Dear Senator Goodover: RE: SB-159 SB-231

I am a relatively new resident of Montana (1976), but the family company I work for opened here in 1952. Since our company works exclusively for mineral companies, our fate is pretty well tied to the energy industry.

In the short time I have been here, I have witnessed the "boom to bust" cycle this industry has experienced. This is due in part to world economics, but more directly, I feel, to the legislative climate of heavy taxation levied specifically on energy development. This is doing more harm to Montana businesses than to the "big" oil and coal companies that have been the rationalization for this legislation.

In 1976, the Coal Severance Tax virtually stopped the title work we were doing at the time. I believe this tax has stopped any serious development of Montana coal for the foreseeable future. The jobs this industry could have provided would, I'm sure, be welcome now to many families in Butte and Anaconda.

Again, on the oil and gas side, taxes and a hostile business environment are discouraging this industry and hurting Montana through loss of revenue and loss of jobs.

Although we are a small company, our Montana staff has been cut 30% and our sales and taxable profits are likewise suffering.

In looking at the current situation, I see legislation to bring in new industry and in the next breath legislation that is killing the existing energy business.

There are bills before the legislature that will ease this burden. I urge you to vote for them. The beneficiary will be Montana and its people.

Sincerely,

W. E. Witcher
Vice President

WEW/bg

SERVING THE OIL, GAS, COAL AND MINERAL INDUSTRY

HOME OFFICE: Petroleum Building; Billings, Montana 59103 (406) 248-6481

DIVISION OFFICE: 6952 S. Tuscon Way, Unit A; Englewood, CO 80112 (303) 770-1303

DISTRICT OFFICES: 103 1/2 3rd Street; Bismarck, North Dakota 58501 (701) 223-9113 ■ 933 14th St. West Suite 6; Casper, Wyoming 82601 (307) First Bank & Trust Company; Mount Vernon, Illinois 62864 (618) 242-5080 ■ 412 N. 6th Street, Suite D; Fort Smith, Arkansas 72901 (501) 782-744

Lance Swanson, Owner
1100 Tenth Avenue South
GREAT FALLS, MONTANA 59405
Phone: 727-5550

SENATE TAXATION COMMITTEE
EXHIBIT *S, #19* *SB 329-NO*
FEB. 10, 1983
SB 329

TOTAL HARDWARE

Coast to Coast

February 10, 1983

ATTENTION: Senate Taxation Committee

Dear Pat

I am writing to voice my opposition to Senate Bill #329 relating to reinstatement of the business inventory tax.

In my opinion, this is bad legislation for the following reasons:

1. Retail business in the state of Montana is already depressed. Imposing a tax on inventory could be a significant factor in retarding recovery and could result in more lay-offs in the retail business field.
2. Many retailers are already in financial trouble. Imposing an inventory tax could be the "last straw" for some.
3. Most of us agree that we need new businesses in the state of Montana. The tax structure of a state is many times the determining factor in whether or not new business enters our state. An inventory tax would be just another obstacle in attracting new business.

I strongly urge that you do everything possible to defeat this measure.

Sincerely,

Lance

JANUARY 10, 1983

SB 329

SB 329-No



2-9-83

Senate Taxation Committee
 Pat Goodover, Chairman

Dear Senator Goodover:

This letter is to express my total opposition
 to SB 329. It is a patently unfair tax and should
 not see the light of day.

Using inventory worth as a tax base
 totally ignores the ability of that inventory to
 create a profit and penalizes the person or
 business who happens to be in the wrong
 business. Let's have an environment where
 the businessman does not have to worry
 about buying inventory because he might
 have to pay tax on it. He should be given

encouragement to carry inventory - the
more he buys the more jobs are created
and no one will argue about the need
for more jobs.

Regards

Darrell W. Norell

DARRELL W. NORELL

Box 334

ARLEE 59821



SENATE TAXATION COMMITTEE
EXHIBIT ^{5, 27}
Don's Office Machine Company
FEBRUARY 10, 1983
SB 329

SB 329-10

2009 Harrison Avenue
Butte, Montana 59701
Phone (406) 723-5469

February 10, 1983

Sen. Pat Goodover
State Capitol Bldg.
Helena, MT 59620

Dear Senator Goodover,

The reason I am writing is with reference to the inventory tax bills that are to be reinstated in the state of Montana. I do believe this tax to be very discriminatory against us, as small business people. Some of the reasons I will note below:

1. Taxes are only a part of the business community, most generally the small businessman who can least afford it, allowing doctors, lawyers, bankers, catalog houses, etc. from not having to pay these taxes.
2. It discourages investment in inventories and most certainly is a great factor in the reluctance of wholesalers locating in Montana.
3. In general, it is the most regressive tax against business people of Montana, particularly now, when the depressed economy makes it difficult to meet the payroll, keeping people employed in this great state.

I would greatly appreciate you working to defeat any move to reinstate the inventory tax or any current bills that may come before you with reference to any type of inventory tax.

Sincerely yours,

Richard H. McLaughlin, Pres.

RHM/nlr



EQUIPMENT

221 FIRST AVENUE SOUTH
LEWISTOWN, MONTANA 59457
Ph. 538-9207 OFFICE
Ph. 538-2381 PARTS

SENATE TAXATION COMMITTEE
EXHIBIT *S, p. 22*
FEBRUARY 10, 1983
SB 329

SB 329 N

February 9, 1983

Pat M Goodover
2442 Gold Rush Avenue
Helena, Montana 59601

Dear Pat:

We would like to register our dislike for SB329 which would reinpose the business inventory tax.

This tax imposes an unfair and detrimental burden on many businesses. The tax bears no real relationship to sales levels and profits. It imposes an additional tax burden at the worst possible time in the business cycle - when sales slow and inventory backs up, as you can appreciate this is the same time competition heats up and gross profit margins are reduced.

One of the real problems with this tax is the effect it has on expansion or decisions for businesses to start-up in Montana. Any expansion generally requires an increase in inventory and under SB329 an increase in taxes.

Please direct your efforts at defeating SB329. Montana may very well need increased tax revenues but, we do not need them bad enough to place this added burden on small businesses.

Very truly yours;

R. J. Ammerman

Quality + is product plus support



SENATE TAXATION COMMITTEE
EXHIBIT 5 p. 23
FEB. 10, 1983
SB 329

Bell System 22 Call Memo BS-20
(10-80)

To Sen Goodover
From Dean Houch
Tel. No. 365-5284 Ext.

Bell System Call Memo BS-20
(10-80)

To Pat Goodover
From Dev. Roskin
Tel. No. 727-2650 Ext.

☐ URGENT ☐ Will Call Later ☐ Job Ready ☐ Contact

Bell System Call Memo BS-20
(10-80)

To PAT GOODOVER
From JAY O. VIGORS
Tel. No. 323-2102 Ext.

☐ URGENT ☐ Will Call Later ☐ Job Ready ☐ Contact

☐ Called ☐ To See You ☐ Repro. ☐ WP Ctr.
☐ Please Call ☐ Was Here ☐ Graphics ☐ Comm. Ctr.
☐ Returned Your Call

Rec'd By _____ Date 2/8 Time 11:30

SB 329 - oppose

HB 354 - support

Round-Up

Bell System #22 Call Memo BS-20
(10-80)

To Sen Goodover
From Dick Peterson
Tel. No. 222-0750 Ext.

Bell System Call Memo BS-20
(10-80)

To Pat Goodover
From Dean Hawk
Tel. No. 365-5284 Ext.

☐ URGENT ☐ Will Call Later ☐ Job Ready ☐ Contact

Bell System #22 Call Memo BS-20
(10-80)

To S Goodover
From John Cadby (OR)
Tel. No. 443-4121 Ext.

☐ URGENT ☐ Will Call Later ☐ Job Ready ☐ Contact

☐ Called ☐ To See You ☐ Repro. ☐ WP Ctr.
☒ Please Call ☐ Was Here ☐ Graphics ☐ Comm. Ctr.
☐ Returned Your Call

Rec'd By _____ Date 2-9 Time 8:30

Int Bankers Assn.

Jeff Wimmer

ACTION T. V.

SENATE TAXATION COMMITTEE

EXHIBIT S, p. 24

With Care - Because We Care. 10, 1983

910 SO. THIRD W. • MISSOULA, MT. 59801

PHONE 543-8571

message

TO

Senator Pat Tudor
State Capitol
Helena, Mt.

DATE

Feb. 9 '83

FROM

Re: SB329. Reinstating business inven-
tory tax -

You - (Government) - tax our
building - tax our profits - tax our
payrolls - tax our equipment - and
you tax my patience! The inventory
tax doubly so -

As a service shop providing
warranty service for specific brands
we are required to carry extensive

reply

"new parts" inventories as each
new model comes out. Rarely are
these parts required in the first
year - or years - of use. We are,
therefore, carrying these items
on inventory many years before
turning them over. We pay an
inventory tax on the same item
many times so that any profit
has been expended in taxes by
the time the part is used.

Please do not approve
SB329.

SIGNED

Sincerely
Eldon Rieger

SENDER: Snap out Yellow copy only. Send White & Pink with carbons in set.

RECEIVER: Write reply, keep White original, return Pink copy to sender

807 Main Street
Miles City, MT 59301
February 8, 1983

Senator Pat Goodover
Chairman
Senate Taxation Committee
State Capitol
Helena, MT 59601

Dear Senator Goodover:

SUBJECT: SB 329

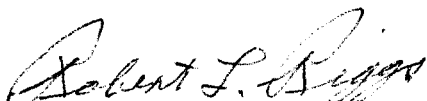
As a small independent businessman, I am against the reinstatement of the business inventory tax.

This tax represents not only an unfair double taxation, but also a penalty on unsold merchandise for which I am already penalized through lost profits.

This is a tax which effectively drains the life from business, the lifeblood of every community.

I hope you will continue to ardently oppose any attempts to reinstate this unjust tax.

Sincerely,


Robert L. Riggs

dmh

TO

FROM

SENATE TAXATION COMMITTEE
 EXHIBIT 5 Hobart Sales & Service
 FEB. 10, 1983 2905 York Rd.
 SB 329 Helena, MT 59601
 Tel: 406 442-8750 227-5917
 Harvey L. Marshall - District Sales Agent

SB 329

SUBJECT

DATE

2-8-83

MESSAGE

REPLY

I oppose - SB-329

I support HB-354

Please take ~~in~~ consideration
 my thoughts with the above bills
 and my intentions to try & keep 5
 people employed at our business. We
 can not SIGNED no matter how good
 the cause, continue to be taxed

Yours Truly
 Harvey L. Marshall

DATE

SIGNED

CULBERTSON IMPLEMENT CO.

John Deere Implements & Repairs
Box 497
Culbertson, Montana 59218

SENATE TAXATION
EXHIBIT 28-1
FEB 10 1983
SB 329



Exh. 5, p. 27

John Deere Agricultural Equipment

February 9, 1983

Senator Pat M. Goodover
Montana State Senate
Capitol Station
Helena, Mt. 59620

Dear Senator Goodover:

I am writing to voice my opposition to SB#329 which is presently awaiting a hearing date.

As a small businessperson, I view this inventory tax as grossly unfair. In order to sell equipment, I must have the machinery setting on my lot. It is not my machinery, I have not paid for it, but it has been shipped to me and I must inventory it. When tractors are selling for \$70,000 and combines for \$80,000, you can see how quickly this equipment adds up. The tax credit of \$9000 the bill calls for would not always be enough for us and very seldom represent the entire tax paid by some of the larger businesses.

Sales are down all over and that of course, leaves me with a larger than usual inventory. Just when I can least afford it my taxes will be higher than ever. This means I won't be adding to my inventory as I deplete it for the simple fact, I don't want to be taxed on it. This tax has nothing to do with our profit-loss picture. It must be paid in spite of a slowdown in business. I think this tax will do its share of closing even more small businesses in Montana.

I understand Governor Schwinden has a block grant program proposal to aid local governments. If I understand what I read in the paper, this would make available to local governments about the same amount of money the inventory tax would raise.

Looking into the future, how easy it would be for a future legislature to revoke the tax credit. Too easy.

Thank you for your time.

Sincerely,

Mrs. Marylyn L. Weeks

Marylyn L. Weeks, President
Culbertson Implement Co.
Culbertson, Mt. 59218



February 9, 1983

Pat Goodover
Chairman, Senate Taxation Committee
State Capital
Helena, MT 59601

SUBJECT: SB 329 Reinstatement of Business Inventory
Tax.

Dear Senator Goodover;

I wish to state that I am against Senate Bill #329
and feel it should be killed.

Regards,

Marjorie Bothman
Marjorie Bothman
Broker

MB/ht

Each Office Independently Owned And Operated

P.O. Box AF
820 Main Avenue
Libby, Montana 59923
Telephone (406) 293-7719

P.O. Box 832
Troy, Montana 59935
Telephone (406) 295-5821

The logo consists of a stylized "R" inside a square, followed by the text "MLS" in a large, bold, sans-serif font, and "REALTOR" in a smaller, sans-serif font below it.

P. O. Box 467
Absarokee, Montana 59001
10 February 1983

Senator Pat Goodover
Chairman, Taxation Committee
Montana State Senate
Helena, Montana 59620

Dear Senator Goodover:

I am herewith submitting a statement for the hearing record on SB 299, revising the metalliferous mines tax and establishing a trust fund to help meet some of the costs resulting from impacts of hard-rock mining not covered by existing legislation.

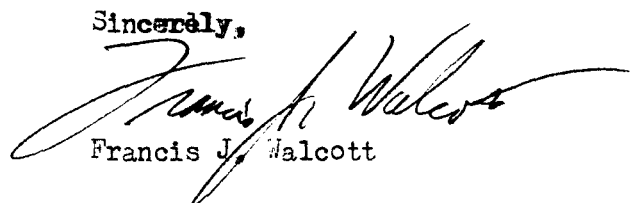
A measure of this sort is badly needed. Recent events in Anaconda and Butte demonstrate this need. With new mining activity being started or proposed the chance that this kind of occurrence will be repeated elsewhere is increased. This bill seems to meet at least a minimum of the need for revenue to cover costs resulting from mining activity and the sudden cessation of such activity. Further, it does not in any way restrict mining activity. Proposed taxation levels are reasonable, only increasing significantly for large-scale operations, and even being eliminated for small operations. In conjunction with the legislation enacted in the last session by the passage of HB 718 it will help to meet the extra costs forced on communities by mining, although the full effectiveness of that measure is yet to be adequately tested.

The provision in SB 299 of base prices for metal or mineral products seems reasonable. Mining of these products could be carried out successfully at the prices listed and the suggested taxation level. If the prices were to increase, it would not be a burden on the mining company to pay taxes at slightly higher rates, thereby easing the strain on the community brought on by changed activity. Other provisions of the bill, too, seem appropriate and reasonable.

I support this bill as the minimum needed to assist communities and counties burdened with the many added costs brought on by mining activities and especially by the closing down of such activities.

Thank you for considering these views.

Sincerely,



Francis J. Walcott



JERRY NOBLE TIRES

SENATE TERMINATION COMMITTEE

SB 329

*Exhibit 5, p. 3
February 10, 1983*

February 9, 1983

Senator Pat Goodover
State Capitol
Helena, Montana 59601

Senator Pat Goodover:

Pat, speaking for myself and the tire industry in the State of Montana, please do not reinstate the inventory tax (SB329). This always was a bad inequitable tax and the legislature has repealed it.

We, (Montana Tire Dealers), and myself need your help.

Thank you,

Jerry Noble
Jerry Noble

JN:kk

H·C·L EQUIPMENT

Incorporated

BILLINGS

P.O. Box 1338—Ph. 252-5154
218 N. 16th St. 59103

GREAT FALLS

P.O. Box 1662—Ph. 453-3261
Vaughn Road 59401

Reply To: Billings

February 3, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
Capital Station
Helena, MT 59620

Dear Senator Goodover:

Reference is made to the Senate Bill No. 329 which has been introduced by Tom Towe and is a bill designed to provide for taxation on the inventory carried by Montana businessmen.

The small businessman in the State of Montana has been plagued for years with this unfair taxation on inventory. Of all the things that are taxed, this probably was the most unfair since it penalized a firm desiring to be of the best service to the people of the State of Montana. As you well know, all inventories were reduced greatly each year in order to try and keep from paying this unfair tax. It is irresponsible taxation to assess a tax on products that remain unsold.

As businessmen struggling to stay in business under existing conditions, we sincerely hope that this Senate Bill No. 329 will be killed in committee and will proceed no further. We would appreciate it very much if you would do what you can to stop any further action on this bill.

Very truly yours,

H-C-L Equipment, Inc.


Ben A. Laws

BAL/cmm



OMAHA
STANDARD



MONTANA TAXPAYERS Association

P. O. BOX 4909

1706 NINTH AVENUE

HELENA, MONTANA 59604



406/4

February 4, 1983

Senator Pat Goodover
State Capitol Bldg.
Helena, MT 59620


Dear Senator Goodover:

I share great concern, with many of our members, as to the implications of Senate Bill 329 having to do with the business inventory tax. We would like to have sufficient time to alert our members to the implications of this legislation so they can respond to the committee either in writing or appear at the hearing.

This certainly isn't the time to impose an additional tax burden upon the business community. Better to keep the status quo and wait until the 1985 session to see how our economy responds. We have had enough business closures as it is.

We would appreciate as much advance notice of the hearing as possible and your cooperation is greatly appreciated.

Sincerely yours,


S. KEITH ANDERSON
President

FEBRUARY 10, 1983

PC 313

KINGS MOUNTAIN SHOP - KINGS FASHION BAR

P. O. BOX 21057 - BILLINGS, MONTANA 59104 - (406) 259-4502

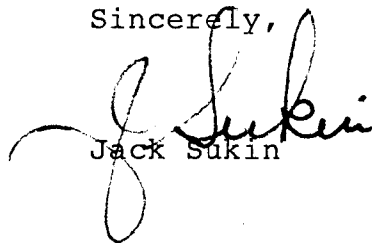
February 4, 1983

Pat Goodover
State Capitol Building
Helena, Montana 59620

Dear Legislator,

The inventory tax is unfair to Montana and its citizens. Taxes that are equally assessed are the only equitable taxes. Please vote no to inventory tax for Montana!

Sincerely,



Jack Sukin

Pat Goodover


State Capital Building

Helena, MT 59620


TO
SENATE TAXATION COMMITTEE
EXHIBIT S.p. 34
FEBRUARY 10, 1983 OWNERS
SB 329 CENTRAL AVENUE
BOX 333
HARLOWTON, MONTANA 59036

SUBJECT: Reinstatement of the inventory tax

DATE: 2/4/83

FOLD  Dear Committee Members,

Please support the governor's Block Grant program for cities and towns and oppose any plan to reinstate the inventory tax. Thank you for your support. I am opposed to Senate Bill # 329.
Sincerely,

RETURN TO 

SIGNED:

Carla Ann

DATE: 2/4/83

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT



FORM NO. PK100R-3
AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • ANAHEIM, CALIF.

PERSON ADDRESSED RETURN THIS COPY TO SENDER

PRINTED IN U.S.A.

LOT

Cartmill's Inc.

6400 S. Frontage Rd.
Billings, Montana 59102
(406) 656-7703

2-4-83

Mr. Goodover

We need to fight Bill #
329. We in the retail business
are already enough of a tax
collector.

Oppose!

Thank you
John Cartmill



CHARLES P. SCHEEL
PARTNER

February 4, 1983

Senator Pat Goodover
State Capitol Building
Helena, MT 59620

Dear Pat,

I'm concerned about the current Inventory Tax legislation proposals. I'm aware of the need for revenue but this is a grossly unfair tax because it singles out one segment of the population and asks them to tax themselves. Because of the unfairness, it was relieved and let's let it lie in the grave where it belongs.

If you believe that it can be fair then ask the Dept. of Revenue to tax homeowners on the value they report as the current value of their homes. I hope I can depend on you to oppose such unfairness.

Sincerely,

Chuck Scheel

SCHEELS HARDWARES & SPORT SHOPS, INC.

1233 W. 24TH STREET

BILLINGS, MONTANA 59102

MONTANA

MINNESOTA

IOWA

NORTH DAKOTA

SOUTH DAKOTA

Pat Goodover
State Capital Building
Helena, MT 59620

SENATE TAXATION COMMITTEE
EXHIBIT Spec 37
FEBRUARY 10, 1983
SB 329
BOX 335
HARLOWTON, MONTANA 59033

SUBJECT: Reinstatement of the inventory tax

DATE: 2/4/83

FOLD Dear Committee Members,

Please support the governor's Block Grant program for cities and towns and oppose any plan to reinstate the inventory tax. Thank you for your support. I am opposed to Senate Bill # 329.

Sincerely,

Pat J. Goodover

PLEASE REPLY TO ►

SIGNED:

DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT

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FORM NO. PK100R-3

AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • ANAHEIM, CALIF.

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LOT 3879B

JCPenney

SENATE TAXATION COMMITTEE
EXHIBIT S.p.38
FEBRUARY 10, 1983
SB 329

February 2, 1983

Senator Pat Goodover
Senate Taxation Committee
State Capitol Building
Helena, Montana 59601

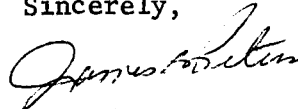
Re: Senate Bill 329

Dear Senator Goodover,

I understand you are on a committee considering the above bill, the addition of an inventory tax. I am opposed to such an unfair tax and urge you to help kill this bill in committee.

Thanks for your help.

Sincerely,



James B. Peters
Manager

February 3, 1983

Senator Pat Goodover
Capital Building
Helena, Montana 59620

SB 329

Dear Pat:

I am writing in regards to Senate Bill #328 as introduced by Senator Tom Towe.

As the sales manager for a wholesale-distributor in Billings, I greatly oppose Senate Bill #328.

Inventory tax destroys the wholesale business for the last 45 to 60 days of each year. It was a pleasure to do business in the last part of 1982 without the tax. It is hard enough to do wholesale business in Montana in December without being hampered with an inventory tax.

Thank you for any consideration you give in opposing this Bill.

Sincerely,



Gerald R. Stevenson
PO Box 1999
Billings, Mt. 59103

CLAPPER



COMPANY

P.O. BOX 2118 2102 SECOND AVE. NO.
PH. (406) 252-9385 TELX - 319-454
BILLINGS, MONTANA 59103-2118

February 3, 1983

Pat Goodover
Chairman
Senate Taxation Committee
c/o Capital Building
Helena, MT 59620

Subject: SB - 329

Dear Pat:

Reference to the above Senate bill - I would appreciate anything you can do to defeat this bill as introduced by Tom Towe. We certainly do not need the re-establishment of the inventory tax now or ever. It took a long time to get it out and now our friend wants to put it back in.

I'm sure that the tax credit portion designed for the "Small Business Man" is there only to help get it passed. Once it is passed this will disappear.

Your help would be appreciated.

Regards,

A handwritten signature in cursive script that reads 'Robert A. Clapper'.

Robert A. Clapper
President

RC/ds

Pat Goodover

State Capital Building
Helena, MT 59620

RAE SPORTS & WESTERN WEAR
EXHIBIT 3 ALMA HINAND, OWNERS
FEBRUARY 1983 CENTRAL AVENUE
SB 329 BOX 306
HARLOWTON, MONTANA 59036

Exhibit
5, p. 41
Feb. 10, 1983

SUBJECT: Reinstatement of the inventory tax

DATE: 2/4/83

FOLD Dear Committee Member,

Please support the governor's Block Grant program
for cities and towns and oppose any plan to
reinstate the inventory tax. Thank you for
your support. I am opposed to Senate Bill # 329.
Sincerely,

PLEASE REPLY TO SIGNED: Alvin Thurnell Owner

DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT



FORM NO. PK100R-3

AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • ANAHEIM, CALIF.

THIS COPY FOR PERSON ADDRESSED

PRINTED IN U.S.A.

LOT 3879B

TO Pat Goodover
State Capital Building
Helena, MT 59620

RAY'S SPORT & WESTERN WEAR
EXTRA 18 ALMA HINAND, OWNERS
FEBRUARY 24 CENTRAL AVENUE
SD 329 BOX 306
HARLOWTON, MONTANA 59036
Exh. 5
Feb 10 1983

SUBJECT: Reinstatement of the inventory tax

DATE: 2/4/83

FOLD Dear Committee Member,

Please support the governor's Block Grant program
for cities and towns and oppose any plan to
reinstall the inventory tax. Thank you for
your support. I am opposed to Senate Bill # 329.

Sincerely,

Pat Goodover

PLEASE REPLY TO ►

SIGNED:

DATE:

SIGNED:



FORM NO. PK100R-3
AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • ANAHEIM, CALIF.

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LOT 3879B

Pat Goodover

State Capital Building
Helena, MT 59620

TO

SENATE TAXATION COMMITTEE

EXHIBIT S.P. 43

FEBRUARY 10, 1983


SB 329

BOX 205

HARLOWTON, MONTANA 59030

SUBJECT: Reinstatement of the inventory tax

DATE: 2/4/83

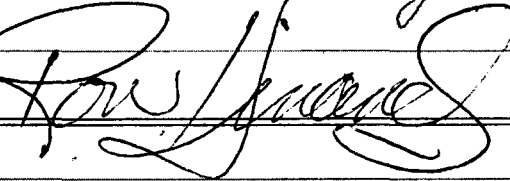
FOLD  Dear Committee Members,

Please support the governor's Block Grant program for cities and towns and oppose any plan to reinstate the inventory tax. Thank you for your support. I am opposed to State Bill # 329.

Sincerely,

RETURN TO 

SIGNED:



DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT



FORM NO. PK100R-3
AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • ANAHEIM, CALIF.

PERSON ADDRESSED RETURN THIS COPY TO SENDER

PRINTED IN U.S.A.

LOT 3879B

CARBON IMPLEMENT, INC.

1838 King Ave. West
P.O. Box 30118
Billings, MT 59107-0118
(406) 656-9250

February 3, 1983

Senator Goodover
Chairman Senate Taxation Committee
Capitol Station
Helena, MT 59620

RE: SB-329 Business Inventory Tax

Dear Senator:

We urge your opposition to SB-329 as we believe that property taxes on resale business inventories are inequitable.

Every different type of business has a different turn-over rate on inventory, and also a different margin of gross profit on the resale of that inventory. Ideally, the lower the turn-over on inventory, the higher the margin--and conversely the higher the turn-over, the lower the margin. Thus the return on investment would be the same. But in reality this does not follow, as demand and competition are always affecting the ideal.

Our industry is under severe stress in the current depressed farm economy. We have high-cost inventories that in the best of years rarely move more than twice on-the-average and are now moving at a snail's pace. Coupled with poor turn-over we have drastically lower margins because of low demand and intense competition.

The reinstatement of an inventory tax on this industries' business inventory would not only be inequitable, it would be disastrous.

In general, capital goods items held in inventory move slower than consumer goods items. Repair parts for farm and ranch machines that are used for many more years than the average family car or recreation vehicle need to be stocked in extensive variety. This also inhibits normal turn-over. So inventory taxes impact terribly on our kind of business.

Please oppose this Bill and support revenue means that are user based.

Sincerely yours,

H. J. Olcott
H. J. Olcott, Gen. Mgr.

EVERSMAN

HESSTON

INTERNATIONAL

NEW HOLLAND



And Associates

SENATE TAXATION COMMITTEE

EXHIBIT *S.p. 45*

FEBRUARY 10, 1983

SB 329

GAMER SHOE CO.

Main Office, Capital Hill Center

P. O. Box 818

Helena, Montana 59624

(406) 442-0777

February 5, 1983

GAMER STORES

Helena • Butte
Missoula • Kalispell

CARLSON STORES

Great Falls • Havre

GARBER STORES

Nampa • Boise
Idaho Falls • Twin Falls

KENKEL SHOES

Great Falls

THE SHOE BOX

Spokane

NATURALIZER SHOPS

Missoula • Nampa
Bozeman

GAMER

DISTRIBUTION WAREHOUSE
Helena

TO: Representatives and Senators

RE: SENATE BILL #327 INVENTORY TAX...

Dear Sirs:

We are calling your attention to SENATE BILL #329,
which will re-instate the Montana INVENTORY TAX...

We must point out that we do business in three states,
and MONTANA is the only one with this unfair tax.

Why should we be penalized, as merchants, because we
maintain a selection in inventory for our customers,
when you allow catalog stores, mail order houses that
are in competition with us be exempt from this tax?
These firms do millions and pay absolutely NOTHING.

Why has General Motors parts supply moved to another
state? Why has Uniroyal and General Electric Supply
moved their warehouses to Utah and Nevada? These moves
are a result of the INVENTORY TAX in Montana. They
have moved to where they are encouraged to do business.

Why should MacDonald's hamburgers, and Col. Sanders be
exempt?

The state of Delaware has a "merchandise for resale" tax
that is fair to all. In this way, they collect from all
mail order houses, catalog stores, Fuller Brush vendors,
Amway distributorsWendy's Hamburgers, Dental Supply
Houses and the Avon Lady.....all paying their share.

You are picking on a LOCAL merchant that tries to bring a
selection to his customers, and exempting the huge mail
order business. That should remain on your conscience
if you vote for SB 327.

WE SOLICIT YOUR VOTE:

AGAINST THE INVENTORY TAX

W. R. Miles, Jr.
GAMER SHOE STORES
& Associates....

Call Memo ^{BS-20}
(10-80) # 22

To Pat Doodover
From Mr. Uselman
Tel. No. 151-1 787-6201 Ext.

☐ Will Call Later ☐ Job Ready ☐ Contact
☐ Called ☐ To See You ☐ WP Ctr.
☐ Please Call ☐ Was Here ☐ Comm. Ctr.
☐ Returned Your Call ☐

Date 2/10 Time 9:10

3329

Uselman

Call Memo ^{BS-20}
(10-80) # 22

To Pat Doodover
From Mr. Uselman
Tel. No. 151-1 787-6201 Ext.

☐ Will Call Later ☐ Job Ready ☐ Contact
☐ Called ☐ To See You ☐ WP Ctr.
☐ Please Call ☐ Was Here ☐ Comm. Ctr.
☐ Returned Your Call ☐

Date 2/10 Time 9:10

3329

Uselman

Call Memo ^{BS-20}
(10-80) # 22

To Sen Doodover
From Mr. Uselman
Tel. No. 151-1 787-6201 Ext.

☐ Will Call Later ☐ Job Ready ☐ Contact
☐ Called ☐ To See You ☐ WP Ctr.
☐ Please Call ☐ Was Here ☐ Comm. Ctr.
☐ Returned Your Call ☐

Date 2-9 Time 4:11

3329

Uselman

Call Memo ^{BS-20}
(10-80) # 22

To Pat Doodover
From Mr. Uselman
Tel. No. 151-1 787-6201 Ext.

☐ Will Call Later ☐ Job Ready ☐ Contact
☐ Called ☐ To See You ☐ WP Ctr.
☐ Please Call ☐ Was Here ☐ Comm. Ctr.
☐ Returned Your Call ☐

Date 2/10 Time 9:10

3329

Uselman

Ben System

Ben System

S.B. 329

1119 of p 3000 3000

(no fair way)
A must have fair way

LB 329 opposing

TO SENATOR Pat Goodover
State Capitol
Helena MT 59601

SENATE TAXATION COMMITTEE
EXHIBIT S 48
FEB. 10, 1983 **DWL DRUG**
SB 329 P. O. BOX 281
LEWISTOWN, MONTANA 59457

SUBJECT: SB 329

DATE: 2/8/83

FOLD ☒ Dear Senator Goodover,

I have been informed that Senator Towe has introduced a bill to reinstate the business inventory tax. The business people in Montana want to get the tax removed, and ~~and~~ I for one do not wish to have it reinstated. Thank you.

(^{sent} copy to Senator Dover)

PLEASE REPLY TO ►

SIGNED:

Steven M. Reesor (Steven M. Reesor)

DATE:

SIGNED:

DETACH YELLOW COPY — SEND WHITE AND PINK COPIES WITH CARBONS INTACT



FORM NO. PK100R-3
AVAILABLE FROM BUSINESS ENVELOPE MANUFACTURERS, INC. • PEARL RIVER, N.Y. • BRONX, N.Y. • CLINTON, TENN. • MELROSE PARK, ILL. • ANAHEIM, CALIF.
PRINTED IN U.S.A.

THIS COPY FOR PERSON ADDRESSED

745294-1



DAVIS BUSINESS MACHINES,

INC.

1429 HELENA AVENUE
PHONE 406/442-9810
HELENA, MONTANA 59601

February 9, 1983

Pat Goodover
Chairman
Senate Taxation Committee
Capitol Station
Helena, MT 59620

Subject: Senate Bill No. 327 To Reinstate The Inventory Tax.

Dear Sir:

I want to go on record as opposing this bill and would encourage the killing of this bill in committee. This bill is not only detrimental to the businesses in Montana but also to the consumer. If you will please refer to the testimony in the last session when the Inventory Tax was eliminated, I'm certain that you will agree that this is a very biased and unfair tax. For the betterment of the business community and for the State of Montana to encourage new businesses coming into the state, please put thumbs down to this Senate Bill No. 327.

Sincerely,

Loren W. Davis

LWD/df

EXHIBIT Sup. 50
FEB. 10, 1983
SR 329



Town & Ranch Servicenter

P.O. Box 828

GLASGOW, MONTANA 59230



HIGHWAY 2 EAST

PHONE 228-2401

OWATONNA

Dear Sir:

Subject Senate Bill # 329

I am opposed to reinstating the business inventory Tax. It is an unfair Tax to a business trying to build up an inventory to service the Product you sell. We are in the farm Implement business. This Tax is just another burden on the small business man trying to make a living.

We employ 8 people who are paying Social Security Tax, unemployment Tax, Highway use Tax, state Tax, Federal Income Tax, D V W Tax, License Fee, Property Tax, Vehicle Tax, Gas & Fuel Tax, phone Tax, Insurance & Interest.

I hope you can see we do not need more taxes.

We need less spending & waste

Thank you
Don Latter
Pres.



RIEDER & CO., INC.

Box 207
Hwy 213 North
Cut Bank, Montana 59427

SENATE TAXATION COMMITTEE
EXHIBIT S.p. 51
FEB. 10, 1983
SB 329



to SENATOR PAT GOODOVER
STATE CAPITOL
HELENA, MONT.

subject _____

date 2-9-83

PAT,

message

WE ARE VERY DISTURBED WITH TOWERS SB-329
ON REINSTATING THE BUSINESS INVENTORY TAX.

AS YOU KNOW AGRICULTURE IS VERY DEPRESSED
RIGHT NOW & BUSINESS FAILURES ARE VERY
HIGH.

THIS BILL IS GOING TO HURT BOTH OUR
FARMERS & THE SMALL BUSINESS COMMUNITY.

WE WOULD APPRECIATE YOUR OPPOSITION TO THIS
BILL & ALSO THE PENALTY PART IS VERY
BAD.

signed

THANKS.

Ed Smith.

reply

date _____

signed _____

SENDER: Mail buff and pink copies with carbon intact.

RECEIVER: Reply, retain buff copy, return pink copy.

B & B Grocery

P. O. BOX 97
DUTTON, MONTANA 59433

2-9-83

Dear Senator Pat.

Pat, I think this Bill SB 329 should
be killed. Reason, I've been taxed once already
on my inventory, ~~most~~ ^{over} of my inventory was taxed ^{over}
income tax out of my profit by selling it. also it's
been repealed ^{once} in 1981 by ^{the} 1981 Legislature. So
Please work hard & get this SB 329 Killed.

Thanks
Robert L. Lusk
owner B & B Grocery

P. S.
Keep up the good
work. also I'm
a member of the N.F.I.B.

PENNINGTON'S

The House of Service
P.O. Box 2546
GREAT FALLS, MONTANA 59403
(406) 453-7628

SENATE TAXATION COMMITTEE
EXHIBIT *S. 329*
FEB. 10, 1983
SB 329

February 8, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
Capitol Post Office
Helena MT 59620

Dear Pat:

I am writing to urge your, do not pass recommendation on Senate Bill #329, a bill to reinstate the business inventory tax. Montana business and wholesalers, in particular, cannot afford reinstatement of a costly and disruptive inventory tax. In years past our business was greatly disrupted as we scrambled at year end to reduce our inventories and therefore, our tax burden. I think business inventory is an unreliable tax base for our cities, and that this legislature should follow the wisdom of the 1981 legislature.

Once again I urge your "no" vote on Senate bill #329.

Thank you!

PENNINGTON'S, INC.



Mike Parker
Secretary/Treasurer

MWP: jr

WALKER LUMBER CO., INC.

PHONE 761-8287
AREA CODE 406



1004 - 21ST AVE. SO.
GREAT FALLS, MONT. 59401

Feb 8-1983

RE: KILL BILL
SB 329

Senator Pat Goodlover
Ch. Senate Taxation Committee
Helena, Montana 59601

Dear Sir:

Please make every effort to
kill Bill 329 which would reinstate
the business inventory tax.
This bill would be harmful
to our business.

Respectfully Yours

Walter E. Ester

PRESIDENT & OWNER
Walker Lumber Co.
Member of NFIB

Thank You

FEB. 10, 1983



February 8, 1983

Senator Pat M. Goodover, Chairman
Senate Committee on Taxation
State of Montana
Capital Building
Helena, MT 59601

Dear Pat:

By means of this letter, I wish to inform you that as a Montana business man for over thirty years I am very much opposed to Senate Bill 329.

In my firm opinion, the inventory tax is the most unfair and targeted form of taxation we could possibly have in the State of Montana. It has not only caused business failures in our state in the past but I personally know of several instances where businesses who were considering locating in Montana have rejected our state from their thinking and planning because of the existance of this tax in the past.

I, therefore, enlist and encourage you and your fellow committee members to preferably let this piece of legislation die in committee or if nothing else, come out with a Do Not Pass recommendation.

Thank you for your consideration.

Sincerely,



William J. Fitzgerald, President
Fitzgerald Associates - Consultants

WJF:klk

MILNE IMPLEMENT COMPANY

Box 1208
GLEN DIVE, MONTANA 59330

Phone 365-2533

SENATE TAXATION COMMITTEE

EXHIBIT *S.p. 56*

FEB. 10, 1983

DATE 329 *2-8-83*

TO

SUBJECT

Sen. Pat Goodover
Senate Taxation Comm.

SB 329

Dear Pat,

> Having been in business for over 25 years I have seen the impact the "Business Inventory Tax" employs. I want to express my opposition toward SB 329 and the negative effects it has on business today.

Take a stand against SB 329!

Thank-you

SIGNED

Curt Milne

☐ PLEASE REPLY

☐ NO REPLY NECESSARY

Senator Pat. Goddard
CH. Senate Taxation Committee
State Capitol.
Helena, Mont. 59601

Feb. 8, 1983

R.E. SB 329

Dear Senator Goddard,

It is my understanding SB. 329
is a bill to reinstate the Montana
Business Inventory Tax.

It is my feeling that when the
1981 Legislature did away with the
inventory tax small business was
given a much needed boost.

It is not only the paying of
this tax but the burdensome record
keeping that makes this an unfair
tax.

In our area business are
laying off men from needed jobs and
this coupled with the recent survey
of Montana being 25 on the list
as states favorable to business are
signs that business in Montana does
not need any more burdens on their
backs.

(2)

SENATE TAXATION COMMITTEE
EXHIBIT S.p. 57(b)
FEB. 10, 1983, SB 329

It is my wish and hope
that you will do what is necessary
to see that the 1983 Legislature does
not reinstate the Business Inventory
tax.

Sincerely,
Mel Castells
P.O. Box 176
Whitefish, Mt.
59937



Kalispell Area Chamber of Commerce Post Office Box 978 Kalispell, Montana 59901 Telephone (406) 755-6166

February 9, 1983

Chairman Pat M. Goodover
Senate Taxation Committee
Montana Legislature
State Capitol
Helena, Montana 59601

Dear Chairman Goodover:

The Board of Directors of the Kalispell Area Chamber of Commerce wishes to go on record in strenuous opposition to Senate Bill 329.

The recent history relative to the elimination of the business inventories tax is probably reason enough to give "do not pass" recommendation to Senate Bill 329.

It is important to the business community of Montana that it be able to predict with some certainty the results of prior legislation and not be subject to continual and inconsistent changes in tax structure.

The elimination of the tax previously was a small part of an incentive program to help improve the business climate of the State of Montana.

It is most inappropriate now to again raise the cloud and to rehash old arguments. The Board of Directors of the Kalispell Chamber requests that this letter be made a part of any hearing held on Senate Bill 329 and sincerely solicits the support of the Committee in opposition to Senate Bill 329.

Very truly yours

KALISPELL AREA CHAMBER OF COMMERCE

By

John F. Amerson
President

By

B. Robinson
Chairman, Legislative Affairs

SENATE TAXATION COMMITTEE

EXHIBIT 5, p. 59

MICHAEL B. AGEE, M.D. FEB. 10, 1983, SB 329

Diplomate American Board of Urology, Fellow American College of Surgeons

Kalispell Medical Arts Building

210 Sunny View Lane

Kalispell, Montana 59901

Phone 406-257-7311

February 7, 1983

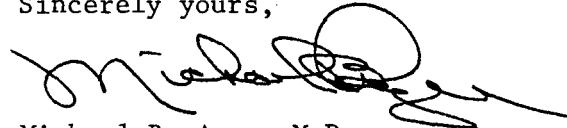
Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Dear Senator Goodover:

I am writing to you at this time to express my opposition to Senate Bill 329.

It seems to be a way to reinstate the business inventory tax, after the 1981 legislature had repealed it. I think it will only serve to be detrimental to business, and small business in particular, which we certainly do not need in this type of economic climate.

Sincerely yours,



Michael B. Agee, M.D.

MBA/pl

bathtique
FASHIONS FOR THE HOME AND BATH®
Main Mall Shopping Center
2825 West Main - Unit 5D
Bozeman, Montana. 59715
Phone: 406/586-2284

7 February 1983

Sen. Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

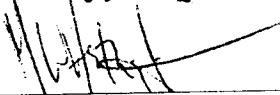
RE: SB 329

Dear Senator Goodover,

I'm sure you're getting lots of mail on this inventory tax bill but thought it important enough to ask you to read another. I have two small businesses here in Bozeman - the Bathtique and the Karmelkorn Shoppe. Both are small retail businesses which would easily qualify for the tax credit making the proposed reinstitution of the tax of no net consequence to me. But that's not true - all taxes end up being paid by people like me and my customers.

An especially indiscriminate tax, an inventory tax is like the old, much discredited head taxes - they tax only because something exists. I could be losing my shirt but still have to pay an inventory tax for the privilege of having inventory. Even though the exemption or rather credit would eliminate my tax liability, I'd still be paying for it through higher product prices of those unfortunate companies that have the ill fortune of being large. The '81 legislature did more to get the government off my back taxwise than any in memory. Please don't turn the clock back to higher taxes from any source - you and I will end up paying for them. Thanks for your time.

Sincerely,



bathtique
FASHIONS FOR THE HOME AND BATH
MAIN MALL SHOPPING CENTER
2825 WEST MAIN - UNIT 5 D
BOZEMAN, MONTANA 59715
PHONE: 406/586-2284

MIKE & KATHY HETHERINGTON
LOCALLY OWNED & OPERATED

MACLEOD MOTOR SUPPLY

AUTOMOTIVE WHOLESALE

1316 - 10th St., West
BILLINGS, MONTANA 59102

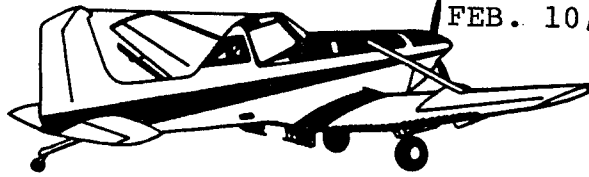
Sen. Pat Goodover
Ch: Senate Taxation Comm.
State Capitol
Helena. MT 59601

Dear sir.

I understand the Senate is trying to reinstate (SB. 329) the business inventory tax. To me this is the most unfair of taxations. We pay income tax on our profits from this inventory - we do not have it for our amusement or pleasure. Cost of doing business is high now.

I feel that a sales tax should be enacted in Montana. It is far more equitable.

Sincerely
R. B. MacLeod



Agwagons, Inc.

February 8, 1983

Senator Pat M. Goodover
State Capitol
Helena, Montana 59601

Dear Senator Goodover,

I wish to convey to you my opposition to SB 329 which is currently awaiting a hearing date in the Senate Taxation Committee.

I myself am now going through the final phases of closing down a business which served its customers in Southwestern Montana since 1956, and served them well. I have been in the Aviation Business since I started as a youngster in 1956 working for my father, and I can state very clearly that taxation was a part of the reasons which ultimately caused that business to fail. During the last three years the property tax rose from \$6,000.00 the first year to \$10,000.00 the second, and \$16,000.00 the third and final year. This occurred in spite of the fact that our property was declining in value as well as quantity.

Experience tells me that the very local government which Senator Towe says needs a greater contribution from business has already received more than adequate monetary support therefrom!

This Aerial Application business which is seasonal by nature, and all I have left cannot support further taxation, and unless government begins to participate with its citizenry in the decline in the economy, I fear it may finally crush its only means of support. Please do not reinstate the Business Inventory Tax!

Sincerely,

Paul G. Newby
Paul G. Newby, Pres.

PGN/cp

ESTABLISHED 1894

SENATE TAXATION COMMITTEE

EXHIBIT *S.p. 63*

FEB. 10, 1983, SB 329

CAIRD ENGINEERING WORKS

COMPLETE STEEL WAREHOUSE SERVICE

R. A. PORTE, PRESIDENT

POST OFFICE BOX 5837 1311 N. MONTANA AVE.
HELENA, MONTANA 59601

TELEPHONE: 442-7957
AREA CODE 406

February 9, 1983

Senate Taxation Committee
State Capitol
Helena, MT 59620

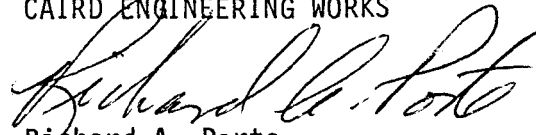
ATTN: Sen. Pat Goodover
Chairman

Re: SB 329

Gentlemen:

This is to voice my opposition to SB 329. Reinstatement of the business inventory tax is something small businesses such as ours cannot stand in these already tough times.

Yours very truly,
CAIRD ENGINEERING WORKS


Richard A. Porte
President

RAP/cm

Steel Warehouse

Foundry

Machine Shop

Boiler Shop

Steel Fabricating

Boats & Motors

CAIRD Feed Rolls and Steamers

Welding Supplies

GEORGE A SCHUMAN PRESIDENT RYAN
PO BOX 30117
BILLINGS MT 59107

western union

Mailgram®



4-049175S040 02/09/83 ICS IPMMTZZ CSP HELA
4062523805 MGM TDMT BILLINGS MT 81 02-09 0648P EST

SB 329-No

*Exhibit 5, p. 64
Feb 10, 1983*

PAT GOODOVER, CHAIRMAN
SENATE TAXATION COMMITTEE
STATE CAPITAL BUILDIN
HELENA MT 59601

WE URGE YOUR OPPOSITION TO SENATE BILL 329, A REINSTATEMENT OF THE INVENTORY TAX. IT IS A TAX ON BUSINESS EXPANSION AND A DETRIMENT TO ALL RETAIL AND WHOLESALE BUSINESS. A \$9,000 CREDIT WILL NOT RELIEVE MOST WHOLESALERS OF THE TAX. PLEASE VOTE FOR THE EXPANSION OF ENVIRONMENTALLY CLEAN BUSINESS BY OPPOSING SENATE BILL 329

GEORGE A SCHUMAN PRESIDENT RYAN'S WHOLESALE FOOD DISTRIBUTORS
PO BOX 30117
BILLINGS MT 59107

1858 EST

MGMCOMP MGM

KINGS MOUNTAIN SHOP - KINGS FASHION BAR

P. O. BOX 21057 - BILLINGS, MONTANA 59104 - (406) 259-4502

Feb. 8, 1983

Pat Goodover
State Capitol Bldg.
Helena, Mont. 59620

Dear Legislator,

The Inventory Tax is unfair, discrimination against a Particular group of citizens. It is unfair to tax, single out, discriminate against a group and expect them to bear the burden. I sincerely hope you will not support this Senate Bill #329, and will oppose it to your fullest ability.

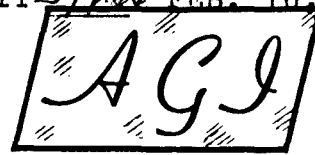
Sincerely yours,

Robert Sukin

ASSOCIATED GLASS, INC.

Contract and Supply

BOX 20979 • 2231 KING AVE. WEST • BILLINGS, MONTANA 59104 • (406) 656-5817



February 8, 1983

Senator Pat Goodover
Montana State Capitol
Helena, Montana 59601

Dear Sir:

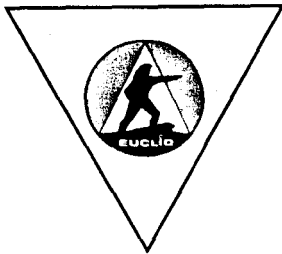
I am writing in reference to Senate Bill 329 - a bill to re-instate the business inventory tax. In these times a business needs all the cash flow it can muster, not TAXES. We are currently expanding our business, which in turn will in no doubt create openings for new employees. We are doing our part to help ourselves, our employees and the economy; and I feel we do not need the added burden of an inventory tax.

Your help in this matter would be greatly appreciated.

Sincerely,

Ed Monson
Ed Monson

EM/em



FIAT-ALLIS

TRI-STATE EQUIPMENT, INC.

P.O. Box 1298 Phone 406-245-3188
Billings, Montana 59103

February 7, 1983

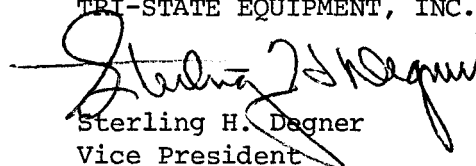
Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Am writing in regards to SB-329, a Bill to reinstate the Business
Inventory Tax.

I feel that this tax is unfair to the small business man in
Montana and I am against it being reinstated.

Very truly yours,

TRI-STATE EQUIPMENT, INC.


Sterling H. Dagner
Vice President

SHD/dms

P.O. BOX 768

Ph. 406-826-3601

Clark Fork Valley Hospital

PLAINS, MONTANA 59859

SENATE TAXATION COMMITTEE
EXHIBIT *S, p. 65* FEB. 10, 1983
SB 329

February 8, 1983

Senator Pat Goodover, Chairman
Montana State Senate Taxation Committee
Capitol Building
Helena, Montana 59620

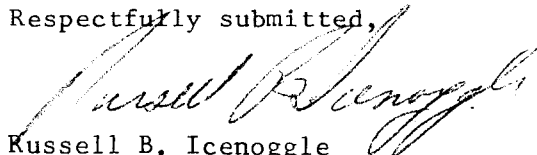
Dear Senator Goodover:

My letter is in regard to Senate Bill 329, the business inventory tax bill. SB 329 it would appear to me is a means by which the recently repealed inventory tax can be reinstated and eventually expanded in later sessions.

In my opinion, the inventory tax, although providing short term gains to our general fund, has the reverse effect of reducing needed revenues for expansion, reducing commerce per se by holding down inventories and varieties. In service industries, such as Clark Fork Valley Hospital, Inc., we have no alternative but to maintain both pharmacy and central supply item inventories of a specific level and variety to meet the physician and patient need. An inventory tax serves no purpose other than to increase patient care cost and reduce critically needed cashflow at this small rural hospital.

I respectfully urge all members of the Taxation Committee to consider the adverse effects of SB 329.

Respectfully submitted,


Russell B. Icenoggle
Executive Director

RBI:js



SENATE TAXATION COMMITTEE
EXHIBIT Sp69, FEB. 10, 1983
SB 329
TECHNICAL ASSISTANCE CORPORATION
437 BERNARD
Phone (406) 248-7496
BILLINGS, MONTANA 59101

February 9, 1983

Boilers & Burners
Inspection
Maintenance
Water Treatment



Cleveland Controls
Representative

Heating & Ventilating
Air & Water
Heating - Cooling
System Balancing
& Maintenance

Refrigeration &
Air Conditioners
Service & Installation



Temperature
Controls

Specializing
In Service
On All Makes

Senator Pat Goodover
Chairman, Senate Taxation Committee
State Capitol Building
Helena, Montana 59601

RE: SB 329 - A Bill to Reinstate the Business Inventory Tax

Senator Goodover:

I am writing in reference to the SB 329 bill currently before the Senate taxation committee. I understand this bill was introduced by Senator Tom Towe.

As a small business owner and operator, I object to this unfair tax being reinstated. Small businesses are having a difficult enough time keeping their doors open now, without the addition of an inventory tax that was repealed by the 1981 legislature because it was deemed unfair at that time.

I feel this SB 329 bill should be stopped in committee now. Please keep me posted.

Very truly yours,

TECHNICAL ASSISTANCE CORPORATION

Glenn A. Streets
Glenn A. Streets, President

GAS;mer



Big Sky Insulations Unlimited

P.O. BOX 838, 15 ARDEN DRIVE
BELGRADE, MONTANA 59714
MANUFACTURERS OF SNO-FOAM

February 8, 1983

Sen. Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, MT 59601

Re: SB 329

Dear Senator Goodover:

I'm writing in regard to Senate Bill 329 which I believe is before your committee for consideration. I, as a small business owner in Montana, must strongly object to the possibility of the reinstatement of the business inventory tax. Business taxes and business expenses are rising annually, and the relief provided by the repeal of the business inventory tax was long overdue. To reinstate it one year later must be met with strong objection.

I hope you will show support for my opinion by working to defeat the passage of this bill. Thank you for your consideration.

Sincerely,

Michael S. Huempfer
President

MSH:clh

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Debbie Rothman

HOLIDAY VILLAGE MALL

Great Falls, Montana

Miss Trudip

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Deby (Nikola) Taylor

HOLIDAY VILLAGE MALL

Great Falls, Montana

*Put this bill
in the bill
is bad news!*

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Shawn Devine

HOLIDAY VILLAGE MALL

Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

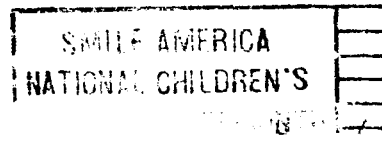
Art Minor - Hobby World

HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Sharon L. Haines
Optical World

HOLIDAY VILLAGE MALL
Great Falls, Montana



We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Art Minor - Auto Electronics

HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

MONTGOMERY WARD No. 1486
900 10th Avenue South
Great Falls, Montana 59405

HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Young America —
HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Thomas R. Smiley
HOLIDAY VILLAGE MALL
Great Falls, Montana

The Curiosity Shop

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Amber Lights

761-2691

Picadilly Lane

Holiday Village

Great Falls, MT 59403


HOLIDAY VILLAGE MALL

Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.


HOLIDAY VILLAGE MALL

Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.


HOLIDAY VILLAGE MALL

Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Mary Kidd - Treasurer *Cone*
HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Glenn Schmaser - *Uke's Sports*
HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Mitzi McLeod
HOLIDAY VILLAGE MALL
Great Falls, Montana

MITZI-M

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Bill Goens

SCHEELS HARDWARE & SPORT SHOP

HOLIDAY VILLAGE MALL
Great Falls, Montana

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Kidstuff

HOLIDAY VILLAGE MALL
Great Falls, Montana

Nicky McIntosh

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

John Jones

HOLIDAY VILLAGE MALL
Great Falls, Montana

MAURICES
Holiday Village Mall
1200 10th Ave. So.
Great Falls, MT 59401

FROM

Memo

LEWISTOWN OK HARDWARE, INC.

Dear Senator Cardon,

I am a small business-
man just trying to survive
and keep my business from
going under. The inventory
tax has always been a
tremendous burden but more
importantly it is a totally
unfair tax in many ways.
The last legislature was to
be commended for abolishing
such an unfair tax. Now it rears
its ugly head again. Please
recommend do not pass S.B. 329
Thank You,

Daniel S. Burt
415 W. Main St.
Lewistown, MT. 59457

- : SB. 329 -

Dear Sen. Goodover -

We have fought long & hard to repeal this unfair inventory tax - Now some money hungry senator wants to reinstate it before we have a chance to see how it works.

— Please Kill SB 329 —

Its hard enough to make ends meet. The bar business is not all that great, yet they seem to tax us every way they can -

We are against the reinstatement of this bill -

— thank you
Shirley Smith

<<DONALD N DUTRO<VICE-PRES CONRA
BOX 1207
CONRAD MT 59425

western union

Mailgram®



4-049974S03S 02/07/83 ICS IPMNIZZ CSP HELA
4062785373 MGM IDMT CONRAD MT 200 02-07 0616P EST

SB 329-No

Eph. 5, p. 79

Feb. 10, 1983

► SENATOR PAT M GOODCOVER
STATE CAPITOL
HELENA MT 59601

DEAR SENATOR

MY NAME IS DON DUTRO FROM CONRAD MONTANA AND AFFILIATED WITH CONRAD IMPLEMENT COMPANY. AS A FARM EQUIPMENT DEALER OUR MAJOR LINES ARE JOHN DEERE CATERPILLAR RENN AND MELROE. I'M CONTACTING YOU WITH CONCERN ABOUT SENATE BILL 329 INTRODUCED BY SENATOR TOWE. THIS WILL REIMPOSE THE INVENTORY TAX. I BELIEVE THIS IS AN UNFAIR TAX AND I URGE YOU TO VOTE AGAINST IT. SOME OF OUR EQUIPMENT IS HELD OVER FROM YEAR TO YEAR. FOR EXAMPLE WE HAVE HAD SOME SNOWMOBILES FROM 1980. WE WOULD HAVE HAD TO PAY TAXES ON THEM 3 TIMES. ALSO AT TIMES WE HAVE COMBINES THAT ARE HELD OVER ON CERTAIN YEARS. ANOTHER PRIMARY CONCERN TO ME AS AN AGRICULTURAL DEALER AND BUSINESSMAN IS WE HAVE TO GIVE SERVICE AND TO DO THAT WE NEED A LARGE INVENTORY OF PARTS. THE INVENTORY TAX PUTS A PENALTY ON US FOR CARRYING A LARGE INVENTORY THEREFORE MAKING US UNABLE TO GIVE AS GOOD AS SERVICE AS WE ARE CAPABLE OF NOW. AGAIN I URGE YOU TO VOTE AGAINST SENATE BILL 329 REIMPOSING THE INVENTORY TAX.

DONALD N DUTRO
VICE-PRES CONRAD IMPLEMENT CO
BOX 1207
CONRAD MT 59425

1827 EST

MGMCOMP MGM

**AGRITURF
INTERNATIONAL INC.**

P.O. BOX 21074
BILLINGS, MT 59104

SENATE TAXATION COMMITTEE
EXHIBIT *S.F. 80*
FEBRUARY 15, 1983
SB 329
3150 KING AVENUE WEST
PHONE (406) 656-4865
SB 329-16

February 7, 1983

Senator Pat Goodover
Capitol Station
Helena, Montana 59601

Dear Senator Goodover:

I belong to the Agricultural Committee of the Billings Area Chamber of Commerce and I'm also the owner of the small business listed above.

I am particularly concerned about Senate Bill # 329, which is attempting to bring the Inventory Tax back into existence. I am against the bill completely, even if it would include a \$9,000.00 exemption. Before we know it some future Legislature would throw out the \$9,000.00 and we'd be right back where we were.

May I recommend that if you want to do something good for the State in the taxation field, sponsor a Sales Tax with the understanding that that money would be credited towards the lowering of property taxes.

I might add that the Billings Chamber of Commerce is also against Senate Bill #329.

Sincerely,

Earl Morrison

Earl Morrison

EM:el

cc: Billings Area Chamber of Commerce



February 7, 1983

Senator Pat Goodover
Senate Taxation Committee
State House
Helena, Montana 59601

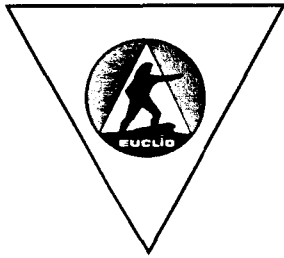
Dear Senator Pat Goodover:

It has come to my attention that Senate Bill #329 on Inventory Taxation is being considered by the Taxation Committee for reinstatement of Inventory Tax for retail stores.

We consider this tax a very unfair tax to be levied against our business and would appreciate your support in voting against this bill.

Thank you,

Mr. Andrew Bida
President
Hennessy's Company



SENATE TAXATION COMMITTEE
EXHIBITS *SB 329-NO*
FEBRUARY 10, 1983
SB 329



TRI-STATE EQUIPMENT, INC.

P.O. Box 1298 Phone 406-245-3188
Billings, Montana 59103

February 7, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Please be advised I am strongly against SB-329, a Bill to
reinstate the Business Inventory Tax.

I believe that this tax unfairly burdens the small business
man in Montana.

Very truly yours,

TRI-STATE EQUIPMENT, INC.

L. J. TISOR
Treasurer

LJT/dms

TO

Pat Hoover
Ch. Senate Taxation Committee

FROM

SENATE TAXATION COMMITTEE
WHOLESALE FLOORING INC.
FEBRUARY 17th 1983 SO.
SB 329 GREAT FALLS, MT. 59405
Exhibit 5, p. 83

SUBJECT:

SB-329

DATE:

2/7/83

FOLD ↑

I think this bill is a sneaky ploy
to reinstate the business inventory
tax, which was repealed by the
1981 Legislature. I am against this
bill. Your support would
help kill this.

PLEASE REPLY TO →

SIGNED

Ken Plank

REPLY

DATE:

SIGNED

THIS COPY FOR PERSON ADDRESSED

FORM F270 WHEELER GROUP

LEEPER SALES CO.
1005 CENT. AVE. WEST
GREAT FALLS, MT 59404
(406) 452-1081

SENATE TAXATION COMMITTEE
EXHIBIT *S. 84*
FEBRUARY 10, 1983
SB 329

SB 329
No

2/7/83

Sen. Pat Goodover
Senate Tax Committee

SB 329

FOLD

I do not want the "Business Inventory Tax" reinstated in any form - refundable or not!

If local government needs more money it should come from an equitable tax - which the inventory tax is not.

This pay a refund business is ridiculous - too much is lost in paper shuffling & govt - B.S.

I have yet to receive a refund on taxes I paid two years ago!

Thank You
Ned Leeper

6
5
4
3
2
1

Clark's Orthopedic

513 - 1ST AVENUE SOUTH
(406) 452-8428
GREAT FALLS, MONTANA 59401

February 7, 1983

State Senator Pat Goodover
Chairman Senate Taxation Committee
State Capital
Helena, Mt. 59601

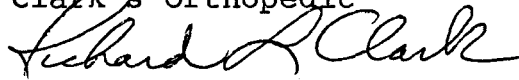
Dear Senator Goodover,

Concerning S B. 329--- I'm against it. There's no more abused tax. Only the honest are taxed, and the dishonest get by free.

Secondly, small business is in serious jeopardy. In today's economy with many going to bankruptcy every month. Let's not hinder their ability to try to recover and improve the job situation.

Sincerely,

Clark's Orthopedic



Richard L. Clark, C.P.O.

RLC/lrs

SALES-RENTALS

HP
SERVICE-PARTS

HALL-PERRY

Machinery CO.

SENATE TAXATION COMMITTEE
EXHIBIT *Sept 86* *SB 329-NO*
FEBRUARY 10, 1983, SB 329

P.O. BOX 30518

(406) 259-5536

BILLINGS, MONTANA 59107

February 7, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
Capitol Station
Helena, Montana 59620

RE: SB 329

Dear Senator Goodover,

It is my understanding that your Committee now has under consideration a bill that would reinstate the business inventory tax. As a businessman in Montana, I would like to express my views on this type of taxation.

Contrary to what may be in the minds of people in the Legislature, the business man is not the "fat cat" and is not in a position to absorb this type of tax. At the present time most of the businesses in this State are fighting for their economic lives and really don't need any extra burden on their shoulders. This inventory tax is one that is practically impossible to pass on to the consumer. It's very difficult to isolate and extend to individual items. Also, in the very competitive market that we have, the end result is that the businessman absorbs the tax. And of course this affects the bottom line profit.

I personally don't see any justification for taxing inventory that is available for re-sale. This is an obsolete concept and the past Legislature had the wisdom to eliminate the tax, which has been a burden to businessman for many years. Also, the State of Montana is trying to attract new businesses to broaden our base and stimulate our economy. Certainly inventory tax is not an inviting situation to any company that is looking toward Montana for the start of a new business.

I certainly hope that you share my views and understand the situation that we businessmen face; and that your Committee will not look with favor on reinstating this very unpopular tax.

Very truly yours,



Lloyd J. Klingler
General Manager

LJK/amc
copy: file



HAWK ELECTRIC AND PLUMBING SUPPLY, INC.

4258 10TH AVENUE SOUTH
GREAT FALLS, MONTANA 59405

PHONE 761-5410

February 7, 1983

Senator Tom Towe
State Capitol
Helena, Montana 59601

RE: SB 329

Dear Senator,

I was appalled when I received the NFIB Bulletin and read you wanted to reinstate the inventory tax. I have worked very hard to express my views to state senators and representatives to appeal this tax. It can be replaced with a gross revenue tax like the business and occupation tax. Everyone in business will pay their fair share.

Inventory tax is unfair and Montana is one of the few states that has an inventory tax. We need a fair tax which includes everyone; doctors, lawyers, catalog houses, ect. Everyone will no where they stand and everyone will pay their fair share.

In my tenure of business, I have found the simplist way is the best way. Why should we pay five people to figure our taxes? Why should just a few people carry the burden? Why should people be penalized because they inventory goods for the Montana Consumer? A business cannot stock to much to sell because of the inventory tax. That is just one reason why I am strongly against the inventory tax.

There are tens of millions of dollars from out of state chain stores through catalog warehouses from Denver, Spokane, Seattle and further points east, and they pay a token amount of inventory tax. For example, a chain store in Glasgow pays \$30-\$50 per year with approximately \$ 1,000,000 volume. I have a store in Glasgow and pay \$ 3,000-\$ 5,000 per year with an approximate volume of \$ 300,000. Is this fair? This is the only example I will give but there are many more. I hope you give this some consideration and remember a business and occupation tax of gross revenue will create more dollars for our state and local governments.

Sincerely,

Pete McEwen
S.R. "Pete" McEwen, President

SRM/dl

WHOLESALE, ELECTRICAL AND PLUMBING SUPPLIES

SB 329-NO

2-7-83

Senator Goodover,

This letter concerns
senate bill number 329.

The 1981 legislature repealed
the inventory tax and now
Tom Toure is trying to
get it in the back door.

This tax is unfair to
me in the grocery
business, I must have
inventory to maintain
a business and it is taxed.

Insurance brokers,
food brokers and salesmen
have no inventory and
therefore pay no tax of
this nature. They are
selling a product just
like I am. Please see
that this bill is killed.
I am a member of the NFIB
and the Montana taxpayers
association.

Douglas Peterson
Rex's Thriftway
Choteau, MT.
59422

-No

2-7-83

Sen Pat Goodover
State Capitol
Helena, MT 59601

Re: SB 329, A bill to reinstate the business inventory tax.

As a business man and a member of NFIB, I definitely am not in favor of reinstating the business inventory tax. New taxes, or additional taxes, will not help the operators of small businesses to keep their doors open. We need more taxes in this country like we need more diseases.

Taxing me on my inventory will cause me to have fewer items on the shelf; the customer tends to buy more in the big stores, thus pushing my business toward an earlier demise.

sincerely,

I E Johnston
Gold Creek Store
Gold Creek, MT 59733



BIG HORN

Distributors Factory Representatives

Corporation



February 7, 1983

2102 2nd AVE. NORTH
P.O. BOX 2036
PHONE (406) 252-4154
BILLINGS, MONTANA 59103

Senator Pat Goodover, Chairman
Senate Taxation Committee
Capitol Station
Helena, MT 59620

Dear Senator Goodover:

The purpose of this letter is to voice my opposition to Senate Bill SB 329. I feel that a business inventory tax is a grossly unfair tax.

Small businesses such as ours are often required to borrow money to provide an inventory necessary to service our customers. Then on top of the high interest rate we have to pay, some individuals propose a tax to make it even more difficult to stay in business.

This tax was recently repealed, now two years hence, here we are trying to reinstate it. It is a big disadvantage to my business and I think it acts as a deterrent to companies moving into Montana.

Might it not be a good idea to tax the number of law books you inventory in your place of business?

Yours truly,

BIG HORN CORPORATION

William H. Bug
William H. Bug

WHB/ss

Gardner

DISTRIBUTING CO.

SENATE TAXATION COMMITTEE
EXHIBIT *SB 329 No*
FEB. 10, 1983 *191*
SB 329

P.O. Box 1934
710 Daniel St.
Billings, MT 59103
(406) 245-6496

February 7, 1983

Pat Goodover, Chairman
Capitol Station
Helena, MT 59620

Dear Pat:

Senate Bill #329, which would reinstate the inventory tax, must be killed in committee. If passed, it will add a crippling blow to wholesalers and retailers already suffering from the high cost of interest expense to stock inventory.

I am a locally owned stocking wholesale distributor of lawn and garden and pet supplies. I compete with distributors in Denver, Minneapolis, Salt Lake, and Spokane. Our cost of doing business with our limited market in Montana is one of the highest anywhere.

We need to stimulate business and jobs in Montana; a state which already has an anti-business image to our neighbors looking for expansion.

Please don't do anything more to put me out of business.

Sincerely,

GARDNER DISTRIBUTING CO.

Gardner C. Tonigan
Gardner C. Tonigan
President

GCT/jkh

Pat,
You should remember me. I was Ray Cornish's asst.
at Sears 1972-76.

Please give this matter your consideration.

G. Tonigan

Gro™
group
DISTRIBUTOR



SENATE TAXATION COMMITTEE
EXHIBIT *SB 329 No*
FEBRUARY 10, 1983
SB 329
Executive Office
P.O. Box 440
34 West Sixth
Helena, MT 59624
Phone (406) 442-3388

7 February, 1983

Senator Pat Goodover
State Capital Building
Helena, Montana 59620

Dear Senator Goodover,

I just wanted to take a minute and thank you for your splendid support you have given the retailers in this and prior sessions.

Your Committee will be hearing Senate Bill #329 this Thursday. It would be just great if you could kill this bad piece of legislation in Committee.

Again, thanks a million for your support. All the retailers in Montana really appreciate it.

Sincerely,

A handwritten signature in cursive script, appearing to read "George E. Allen".

GEORGE E. ALLEN
Executive Vice President

P.S. I have a letter from the Governor saying he is opposed to reinstating the inventory tax.

GEA:b



INTERMOUNTAIN

DISTRIBUTION CENTER

"THE LUMBER PEOPLE"

SENATE BILL SB 329 No
EXHIBIT 5, 93
FEBRUARY 10, 1983
SB 329

PHONE 728-4750

119 RUSSELL

P. O. BOX 3928

MISSOULA, MONTANA 59806

SEN. PAT GOODOVER

RE: SB 329

Why would ANYONE in their Right mind want to
REINSTATE the BUSINESS INVENTORY TAX?

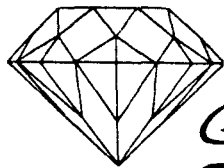
SMALL BUSINESSES HAVE ENOUGH PROBLEMS WITHOUT
BEING PENALIZED FOR MAINTAINING A GOOD INVENTORY.

THE BACKBONE OF A BUSINESS IS TO HAVE THE
PRODUCT TO SELL ON DEMAND.

I AM STRONGLY AGAINST
SB 329.

SINCERELY

DEP A. LYNCH JR.
Dep A. Lynch Jr.
MANAGER.



Glenn's
Gems

215 South First Street • Highway 93 South • Hamilton, Montana 59840 • 363-6186

SENATE TAXATION COMMITTEE
EXHIBIT Sp. 94
FEBRUARY 15, 1983
SB 329

A. GLENN JACKSON
DIANNE JACKSON

7 Feb 83

Sen. Pat Goodover
Chairman, Senate Taxation Comm.

Sir:

the 1981 Legislature was
correct in doing away with
the Business Inventory Tax.

Please see that
Senate Bill, SB-329 is
defeated.

Thank you

SEN. PAT GOODOVER
CHAIRMAN, SENATE TAXATION COMMITTEE
STATE CAPITOL
HELENA, MT. 59601

SENATE TAXATION COMMITTEE
EXHIBIT *S. 95*
FEB. 10, 1983, SB 329
MISSION DRUG

46 BLAINE ST.

ST. IGNATIUS, MONT. 59865

(406) 745-3000

2.7.83

SB 329

DEAR SENATOR GOODOVER,

I AM WRITING TO YOU TO EXPRESS MY CONCERN ABOUT SENATE BILL No. 329, TO REINSTATE THE BUSINESS INVENTORY TAX. I AM DEFINITELY AGAINST REINSTATEMENT OF THE BUSINESS INVENTORY TAX THAT WAS REPEALED BY THE 1981 LEGISLATURE.

AS I AM SURE YOU ARE AWARE, THERE ARE MANY SMALL COMMUNITIES IN OUR STATE. WHICH ARE COMPOSED OF ONLY SMALL BUSINESSES LIKE MINE. THERE IS NO WAY THAT WE CAN COMPETE WITH THE LARGER CHAIN STORES WITH UNLIMITED RESOURCES BEHIND THEM ON PRICES. THEREFORE, MY STORE AND MOST SMALL STORES IN THE STATE CAN ONLY COMPETE WITH THE LARGER CONCERNS BY SERVICE, OR BY CARRYING THE SLOWER MOVING ITEMS THAT PEOPLE DESIRE OCCASIONALLY BUT THAT LARGER STORES WILL NOT STOCK DUE TO SLOW TURNOVER. THE REPEAL OF THE INVENTORY TAX IN 1981 WILL NOW ALLOW MANY OF US TO CARRY THE OCCASIONALLY NEEDED ITEMS AND THEREFORE COMPETE VIA THE SERVICE METHOD. REPEALING THIS REDUCTION WOULD NEGATE OUR ABILITY TO DO SO. PLEASE VOTE AGAINST SB 329. THANK YOU!

Ken W. Hurt (KEN W. HURT)

DATE OF REPLY

SIGNED

THIS COPY FOR PERSON ADDRESSED

Exh. S, p. 96
Feb 10, 1983 SB 329 No

HARDIN AUTO CO.

SENATE TAXATION COMMITTEE



PHONE 665-1211

HARDIN, MONTANA 59034

America's BEST BUY Long Life - Service and Beauty

February 7, 1983

Senator Pat Goodover
Chairman, Senate Taxation Committee
Helena, MT 59601

Dear Senator Goodover:

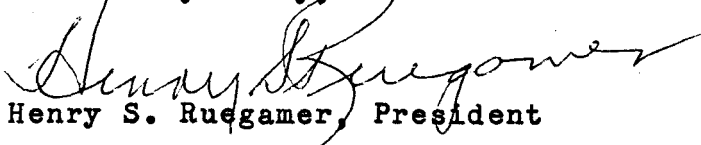
It is my understanding that S.B. 329 will be, or is in your hands at this time awaiting a hearing.

The inventory tax, in my opinion, is a very badly conceived tax because it covers various items for sale, and it has absolutely no value until the sale is made.

Because of this very unpopular discriminatory tax the legislature in its wisdom removed this tax from the books and it was to the pleasure of all business people to see it disappear. Levying a tax of this nature on business at this time is the wrong approach when we are trying to emerge from a very serious recession.

Please give this your best judgment, and I do hope that you will see that this proposed legislation is defeated.

Yours very truly,


Henry S. Ruegamer, President

HSR:dmg



A & I Distributors

(Automotive & Industrial Distributors)

P.O. Box 1999 • 2112 - 4th Ave. No. • Phone (406) 245-6443 • Billings, Montana 59103-1999

SENATE TAXATION COMMITTEE
EXHIBIT SB 329
FEB. 10, 1983, SB 329



SB 329-NO

February 4, 1983

Senator Pat Goodover
Capital Building
Helena, MT 59620

Dear Pat:

I'm writing in regards to Tom Towe's Senate Bill #328.

As the office manager for a wholesale-distributor in Billings,
I greatly oppose Senate Bill #328. I would appreciate your
considering apposing this bill.

Sincerely,

A & I DISTRIBUTORS

Betty Thormahlen
Office Manager

SENATE TAXATION COMMITTEE
EXHIBIT *SB 329*
FEB. 10 1983
85-329

St. Joseph Nursing and Retirement Center

Phone 883-4378

P.O. Box 1530

Polson, Montana 59860

February 8, 1983

Senator Pat Goodover, Chairman
Senate Taxation Committee
State Capitol
Helena, MT 59601

Re: SB329

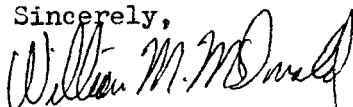
Dear Senator Goodover,

The above named bill SB 329, proposes to reinstate the business inventory tax while providing for a tax credit up to a maximum of \$9,000.00 for business inventory paid.

Reinstatement of the business tax would be very harmful to this facility. It will place a financial burden on this and many other small businesses throughout the State of Montana.

I ask for your support to kill this bill which the prior legislature, 1981, had repealed.

Sincerely,



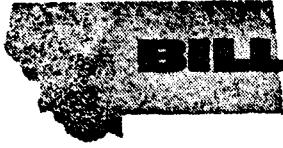
William M. McDonald
Administrator

WMM/rjw

CC: Senator Jean Turnage
State Capitol
Helena, MT 59601

SENATE TAXATION COMMITTEE
EXHIBIT **SB 329**
FEB. 11 1983
SB 329

SB 329-No



BILLINGS

Claims Service

DON WICKER, OWNER

INSURANCE INVESTIGATION & ADJUSTMENT

3615 MONTANA AVE. • PHONE 406 - 248-1576 • BILLINGS, MONTANA 59101

2/7/83

Senator Pat Hoover
Ch. Senate Taxation Committee
State Capitol
Helena, Mt. 59601

Re: SB 329.

We urge defeat of this bill to re-instate
the business inventory tax. Thanks

Don Wicker, owner.



- CASE
- STEIGER
- GEHL
- FRIGGSTAD
- WIL-RICH

Torgerson Tractor Power

Tractor Specialists

Highway 87 West • Lewistown, MT 59457 • (406) 538-3408

February 7, 1983

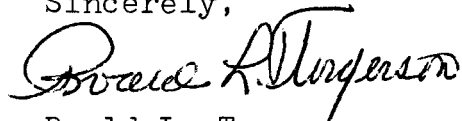
Senator Pat M. Goodover
Capital Station
Helena, MT 59620

Re: Senate Bill 329

This taxation bill is extremely unfair to the Montana business community. To place a hidden tax on the farmers and ranchers is not a reasonable approach to finance government. This does not tax production nor consumption and is very inflationary. Businesses certainly are not able to absorb this tax as some may think.

Please register a No vote on Senate Bill 329.

Sincerely,



Roald L. Torgerson

RT/kc

SB 329 No

February 7, 1983

Senator Pat Goodover
Chairman - Senate Taxation Committee
State Capitol
Helena, Mt 59601

Dear Senator Goodover

I am writing in regard to S.B. 329.

I think the inventory tax discriminates against Montana Business, especially in these bad economic times. It is a real hard ship on a lot of small businesses.

Please give it some serious consideration.

Thanks

John W. Morgan
John W. Morgan
President

JWM/lk

BIG SKY BOTTLING, INC.

DBA

COCA COLA BOTTLING CO.

OF

MISSOULA



PHONE 406/549-4132
2010 SOUTH THIRD WEST
MISSOULA, MONTANA 59801



NEILL AVE. TIRE CO., INC.

Phone 442-2001
34 NEILL AVENUE
HELENA, MONTANA 59601

SENATE TAXATION COMMITTEE
HELENA, MONTANA
FEB. 10, 1983
SB 329

SB 329-ND

Exh. S., p. 10

Feb. 10, 1983

Feb. 7, 1983

Senator Pat Goodover,
Taxation Committee,
State Capitol,
Helena, Mt. 59601

Dear Senator Goodover.

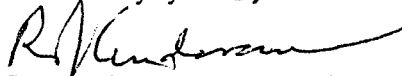
This refers to SB 329.

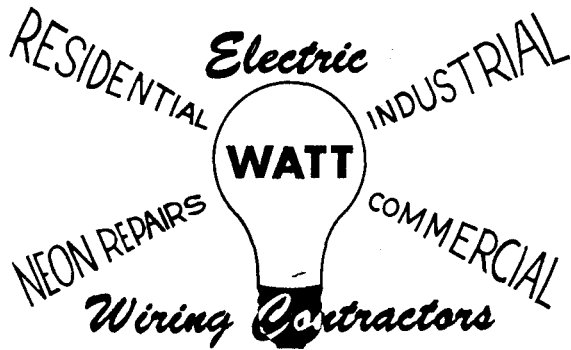
We have been in business in Helena for almost 50 years. As far as small business is concerned we find the inventory tax the most unfair and regressive of all. It appears that some efforts are being made to reinstate it.

If we are to compete with major chain stores, we must buy in quantity to be competitive and in the past the inventory tax has hurt severely by causing limited purchases and limited stock on hand.

We will appreciate your efforts in defeating SB 329.

Sincerely yours,


R. J. Anderson
Secretary-Treasurer.



27103, p. 103
SB 329-NO
SENATE TAXATION COMMITTEE
FEB. 10, 1983
SB 329

GEORGE D. WATT

SB-354-yes

Phone 543-8442

Area Code 406

Box 3447

1750 NORTH AVENUE WEST — MISSOULA, MONTANA 59801

February 7, 1983

Sen. Pat Goodover, CH
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Dear Sir.

Re HB 354

Please veto SB 329 and install HB 354. Don't you think we in Montana are having enough problems. Certainly the tax credit is more logical than to add more taxes to the already over taxed small business.

Sincerely,

ELECTRIC WATT WIRING CONTRACTORS

George D Watt

George D. Watt, owner, mgr.

GDW/aew

(406) 683-2223



SENATE TAXATION COMMITTEE
EXHIBIT *S.p. 104*
FEB. 10, 1983
SB 329

(406) 683-5358

DILLON GLASS & SUPPLIES

AUTOMOTIVE - RESIDENTIAL - COMMERCIAL

GLASS & PLASTICS OF ALL TYPES

STAN SHAFER

224 SOUTH MONTANA

DILLON, MONTANA

February 8, 1983

Senator Pat Goodover
Chairman, Senate Taxation Committee
State Capitol
Helena, Montana 59601

Dear Senator Goodover:

In reference to bill #SB 329 - To reinstate the Business
Inventory Tax.

We are a small business concern in Dillon and are finding
it very hard at present to even keep operating because of
the economy. One more tax to be paid is an additional burden
and it just may be the straw that breaks the camels back as
far as our company is concerned.

Please vote to have this bill killed for our business' sake
and the sake of all small businesses in Montana.

Thank you for your consideration,

Stanley D. Shafer
Dillon Glass & Supplies

db

FEB. 10, 1983

SB 329

**MONTANA
AIR FILTERS****A FARR STOCKING DISTRIBUTOR****2139 BROADWATER AVE. SUITE A, BILLINGS, MT. 59102****406 - 656 - 2708**

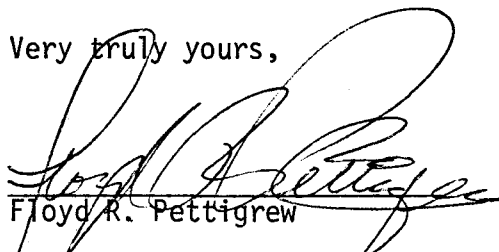
February 8, 1983

Pat Goodover
Senate Taxation Committee
State Capitol
Helena, Mt. 59601

Dear Sir:

Referring to SB-329 by Senator Towe (A bill to reinstate the business inventory tax), the 1981 legislature repealed this tax. This is a clever cover-up to get the tax reinstated. Why should a small businessman have to pay inventory tax, then fight red tape and bureaucrats to claim a credit? This is an unfair tax that places an extra burden on the businesses that wish to carry goods in stock locally, to service their customers. Why should all Montana people have to wait for materials from a factory, because no one can afford to inventory? It was repealed once, it's mandatory that small business is relieved of this unfair tax once and for all.

Very truly yours,


Floyd R. Pettigrew

FRP/bcw

cc: Rep. Jack Ramirez

WILLIAM D. BAKER
BOX 583
DEER LODGE, MT.
59722

TO:
HON. SEN. PAT GOODOVER
CH. SENATE TAXATION COMMITTEE

I AM TRYING TO RUN A SMALL BUSINESS IN DEER LODGE AND BELIEVE THAT SENATOR TOM TOWE'S BILL SB 329 SHOULD BE KILLED IN COMMITTEE. THIS BILL WOULD IN FACT PUT ME OUT OF BUSINESS. I RUN A SECOND HAND STORE AND ANY MORE TAXS WOULD HAVE TO BE PASSED ON TO THE CUSTIMER . MOST PEOPLE JUST WILL NOT BUY SECOND HAND GOODS IF THE PRICE IS TO HIGH THEY WILL BUY NEW GOODS INSTEAD.

MY BUSINESS IS HAVING A HARD TIME NOW .I HAVE ENOUGH OF A TIME TRYING TO PAY THE HEAT AND RENT ON THE BUSINESS WITH OUT TRYING TO COME UP WITH MORE TAXES. PLEASE KILL SENATOR TOWE'S BILL SB 329

THANK YOU.

William D Baker
WILLIAM D. BAKER

Bryan's

202 MAIN

SENATE TAXATION COMMITTEE

EXHIBIT SB 329

FEB. 10, 1983

SB 329

PHONE 653-1450

WOLF POINT, MONTANA 59201

Sen Pat Goodover
Chm. Senate Taxation Committee
Capitol Station
Helena - Montana

2/7/83

Dear Senator Goodover -

To reinstate the Business Inventory Tax - SB-239
is not the way to provide fiscal assistance to local
Government. Sears sells thousands of dollars as
does J. C. Penny in small rural communities, through
Catalogs & does not pay 1% of inventory tax
& this help is harmful to small business &
Economic development in our state & should be
killed in committee

Sincerely, Jim Bryan



L.M. Larsen, Inc.

Box 227 • Forsyth, Montana 59327 • 406/356-2122

February 8, 1983

Senator Pat M. Goodover, Chrm.
Senate Taxation Committee
Capitol Station
Helena, Mt. 59620

Re: SB 329
Business Inventory Tax

Dear Senator;

I would like to register my strong opposition to the proposed legislation, SB 329, called the Business Inventory Tax. Please consider the following objections:

At a time when it is absolutely essential that private enterprise prosper in order to rebuild the economy, you are considering a tax measure (SB 329) which unfairly taxes retail business enterprise in Montana.

The Tax is repressive because it inhibits retail businesses from maintaining a consistent inventory. It may tend to discourage some small businesses from restocking their stores at a time when it would be an incentive to the economy if they began placing new orders for goods to sell at retail.

The business inventory tax/income tax credit proposal included in the bill is especially weak. If the retail business does not make a profit, they will not owe any income taxes to take tax credits against!

From a management standpoint the tax is not conducive to orderly stock rotation because, in the past, inventories have been allowed to be depleted by the end of the year in order to lessen the tax burden from business inventory taxes and therefore lower operating costs.

I realize the problem is trying to find sources of income for local governments. I submit to you a far better system could be one of direct payments from State revenues to local governments on a per capita or block grant basis rather than re-imposing an unfair and non-productive even counter-productive, tax measure such as the Business Inventory Tax.

Sincerely,

LeRoy Larsen, Pres.
L. M. Larsen, Inc.

LL/vw

CC: All Taxation Committee Members
Dave Manning
Tom Asay
Montana Hardware & Implement Association

809 Main Street
Miles City, MT 59301
February 8, 1983

Senator Pat Goodover
Chairman
Senate Taxation Committee
State Capitol
Helena, MT 59601

Dear Senator Goodover:

SUBJECT: SB 329

As a small, independent businessman, I am against the reinstatement of the business inventory tax.

This tax represents not only an unfair double taxation, but also a penalty on unsold merchandise for which I am already penalized through lost profits.

Business is the lifeblood of every community, and this tax effectively drains that life from business.

I hope you will continue to ardently oppose any attempts to reinstate this unjust tax.

Sincerely,



Milo D. Huber

dmh



Phone 775-3232 EKALAKA, MONTANA 59324

Feb. 7, 1983

Hon. Sen. Pat Goodover,
Chairman
Senate Taxation Committee

Dear sir:

I am dismayed at the re-emergence of the Business Inventory Tax, as purposed by SB 329. This not only hurt this business indirectly by adversely/every merchant on Main Street, affecting it also was a big nuisance by scaring our wholesalers into trying to keep zilch on hand. Everybody wanted to backorder everything, and it is with real dismay that we envision a return to that can of worms.

Please do all you can to prevent passage of this bill.

Yours sincerely,

Tom C. Taylor
Tom C. Taylor, Pub.
Ekalaka Eagle
Ekalaka, Montana 59324

TO

PAT GOODOVER

CH. SENATE TAXATION COMMITTEE
STATE CAPITAL

HELENA, MT 59601

FROM

PETEK'S AG SUPER MARKET

EXHIBITS, 1111 S. 3rd St., Helena, MT 59601

P. O. Box 780 Ph. (406) 632-5832

Harlowton, Montana 59036

SUBJECT CB-329: A BILL TO REINSTATE THE BUSINESS INVENTORY TAX DATE 2 / 7 / 83

MESSAGE I LIVE IN A SMALL TOWN AND AM REQUIRED TO CARRY A LARGE INVENTORY AND VARIETY OF ITEMS. MANY WHICH TURN OVER VERY SLOWLY. I MUST DO THIS IN ORDER TO HAVE WHAT PEOPLE WANT WHEN THEY WANT IT. I MUST ALSO PROVIDE IT AT A COST THAT COMPETES WITH LARGER CITIES. THIS TAX WOULD ADD TO THE COST OF ALL ITEMS. YOUR SUPPORT TO DEFEAT THIS BILL WOULD BE APPRECIATED.

SIGNED

Robert E. Petek

REPLY

SIGNED

DATE / /

SEND PARTS 1 AND 3 WITH CARBON INTACT - PART 3 WILL BE RETURNED WITH REPLY

Rediform® 45 472

Poly Pak (50 sets) 4P472

TEMP-RIGHT SERVICE, INC.
1521 Cooper
MISSOULA, MONTANA 59801

2-7-83

Senator Pat Goodover
C.H. Senate Taxation Comm.
State Capitol
Helena mt. 59601

I am against S.B. 329 because it
would have to be detrimental to
small business. This type of taxation
will only serve to drive business out
of Montana. I would like to see this
Bill Killed.

Sincerely
C.R. Campbell Pres.

(406) 728-1111

Hanson Office Machines & Supplies

508 WEST MAIN

LEWISTOWN, MT 59457

February 8, 1983

Senator Pat Goodover
Chairman, Senate Taxation Committee
State Capitol
Helena, MT 59601

Senator Goodover:

I am writing in regard to SB329 concerning the business inventory tax reinstatement and strongly urge you to vote against it. This was one of the most grossly unfair taxes ever levied and I hope we never see it again in Montana. It encouraged deceit and cheating among the business sector in order to make ends meet. It also discouraged keeping any large amounts of inventory on hand, such as manufacturers and large retailers must, as this tax works against their profit structure.

I plead for your good judgment in keeping this tax off the businessman's back. Thank you for your help.

Sincerely,

HANSON OFFICE MACHINES & SUPPLIES



Hank Hanson

HH/plh

Glasgow Implement Dealers Assn.Dear *Pat* -

The implement dealers in Glasgow, Montana urge you to vote AGAINST SB329. We feel the inventory tax, which was repealed in 1981, should not be reinstated.

We also ask that you support HB 354. This bill will help to reduce the tax burden for small businesses and give an incentive for investments that keep businesses current with the times.

Your assistance in these matters would be deeply appreciated.

Sincerely,

Harry Wesen
PresidentFARM EQUIPMENT
SALES, INC.MARKLE'S
IMPLEMENTTOWN & RANCH
SERVICENTERVALLEY IMPLEMENT
CO., INC.

ZERBE BROTHERS

ARNOT'S

HOME FURNISHING HEADQUARTERS FOR NORTHERN MONTANA

P.O. BOX 786

PHONE 278-5581

CONRAD, MONTANA 59425

February 8, 1983

Senator Pat Goodover
State Capitol Building
Helena, Montana 59620

Dear Senator Goodover:

We would like to urge your careful consideration
on Senate Bill #329.

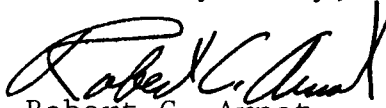
We feel this is a very unfair way to tax the
public by going through the merchants.

We had the tax repealed once, why renew a
dead issue? How can we expect Montana to grow with a
tax like this hanging over our heads?

Please kill this in committee so you can get
on to more important business.

Thank you for your attentive ear.

Yours Very Truly,


Robert C. Arnot
President

Okies

ELECTRIC and MACHINE

SENATE TAXATION COMMITTEE
EXHIBIT 5, p. 116
FEB. 10, 1983
SB 329

3755 NORTH RESERVE STREET - P.O. BOX 8322
MISSOULA, MONTANA 59807
PHONE (406) 721-3250

2-7-83

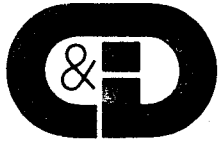
Senator Pat Goodover
Chairman, Senate Taxation Committee
State Capitol
Helena, Mont.

Dear Senator:

As the owner of a small business in Missoula, I wanted to let you know that I am very opposed to S.B. 329 presented by Tom Tawe, Billings. In 1981 the legislature repealed the inventory tax. Please keep it that way! A re-instatement of this tax would force my business into bankruptcy. I carry \$70,000 worth of inventory which I am paying for on borrowed money at 15% interest. I just cannot make enough profit to pay another inventory tax. Between State income tax, Federal taxes, city taxes, County taxes, workmens comp., unemployment tax, social security tax, there is not enough money left over to pay me a decent living; yet I own my own business. Please kill SB 329. Thank you

Sincerely

Ernie Blotz



**C&D
INDUSTRIES**

3721 GRANT CREEK RD. • MISSOULA, MT 59801 • PHONE: 728-1338

SENATE TAXATION COMMITTEE

EXHIBIT 5, p. 117

FEB. 10, 1983

SB 329

2/7/83.

Senator Pat Goodlover.
Ch. Senate Taxation Committee
Helena, Montana 59601

Dear Sir,

I am greatly disturbed that SB 329 would be introduced much less be considered. The repeal of the business inventory tax was one of the few items of constructive work the last legislative body did to help small business in Montana. It is getting increasingly difficult to compete against large out of state concerns. Placing the tax upon us is a negative incentive to adequately serve the Montana consumer. I would favor doing away completely with SB 329.

Thank you.

G. W. Deschamps Jr.

cc Lloyd Suppen.

BOB WARD & SONS, INC.

Jewelry and Sporting Goods

BOB WARD'S CLOTHING MART
(a division of Bob Ward & Sons, Inc.)
MEN'S & LADIES' CLOTHING
321 NORTH HIGGINS AVE.
MISSOULA, MONTANA 59801
PH. 406-728-1660

ESTABLISHED IN 1917

WHOLESALE & RETAIL

Watchmakers and Jewelers

Keepsake Diamond Rings - Bulova Watches

MAIN OFFICES & STORE NO. 1
HWY. 93 AT SOUTH AVE.
MISSOULA, MONTANA 59801
PH. 406-728-3220

SENATE JUDICIARY COMMITTEE
BRANCH STORE NO. 2
3103 HARRISON AVE.
BUTTE, MONTANA 59701
PH. 406-494-3445

BRANCH STORE NO. 3
2320 WEST MAIN ST.
BOZEMAN, MONTANA 59715
PH. 406-586-4381

BRANCH STORE NO. 4
600 NORTH FIRST ST.
HAMILTON, MONTANA 59840
PH. 406-363-6204

ARCHERY - FOOTWEAR - OUTDOOR CLOTHING - GUNS AND AMMUNITION - RELOADING SUPPLIES - BACKPACKING
TENNIS - GOLF - EVERYTHING FOR HUNTING AND FISHING - WINTER SPORTS HEADQUARTERS - SKI SHOP - ATHLETIC EQUIPMENT

February 8, 1983

Mr. Pat Goodover
State Capitol Bldg.
Helena, Montana 59624

Ref: Senate Bill # 329

Dear Pat,

We thought that we had the Inventory Tax removed, but here it comes again!

In order to reserve operating money in these times it is necessary to cut inventories at tax time below good operating levels, leaving a shortage of merchandise for consumers to buy.

It is not practical for any distributing firm to locate in Montana with an inventory tax. This hurts jobs for people in Montana.

This tax is also on merchandise left over at inventory time in most businesses and is hard to justify adding a tax cost to it.

I feel inventory taxing is bad legislation and would appreciate your support in defeating this bill.

Sincerely,



BOB WARD AND SONS, INC.
Irvine C. Ward / President

ICW/bk

"EVERY DEPARTMENT A SPECIALTY SHOP"

SEN PAT GOODOVER
CHAIRMAN SENATE TAXATION COMMITTEE
STATE CAPITOL
HELENA, MONTANA.

SENATE TAXATION COMMITTEE
MUSSELSHELL VALLEY EQUIP. CO.
EXHIBIT S 2.11.9, FEB. 10, 1983
Buick Chev. Int'l New Holland Hesston
SB 329 418 MAIN ST.
ROUNDUP, MONT. 59072
Phone 323-2605

DATE 2-8-83 SUBJECT SB329

DEAR SENATOR GOODOVER;

EXCUSE THE QUICK NOTE, I, LIKE ALL OF OUR PEOPLE HAVE BEEN SO BUSY TRYING TO KEEP THE FRONT DOOR OPEN THAT I JUST TAKE THE QUICKEST ROUTE TO DO THINGS.

THE ABOVE NUMBERED BILL, ALONG WITH ALL THE OTHERS ATTEMPTING TO GET THE INVENTORY TAX RESTORED, WOULD SURE WORK A HARDSHIP ON US. WE HAVE 22 EMPLOYEES AND ARE ATTEMPTING TO KEEP ALL OF THEM ON THE PAYROLL. THIS WIT AUTOS, TRUCKS, AND FARM EQUIPMENT TO SELL IS A TOUGH JOB. WE NEED THE PEOPLE THO AS WE HAVE MANY CUSTOMERS WHO WE ARE BOUND TO TAKE CARE OF THAT HAVE BEEN DOING BUSINESS WITH US FOR THE LAST 36 YEARS.. THE TAX IS A TOUGH ONE, ESPECIALLY WHEN WE DROPPED A LOT OF DOLLARS LAST YEAR AND CAN'T LOOK FORWARD TO MUCH BETTER THIS YEAR. WE DO WANT TO KEEP EVERYONE WORKING.. THIS IS IMPORTANT TO US AND THE RENEWAL OF INVENTORY TAX WILL HURT AND THATS OUR ONLY WAY TO CUT..PEOPLE..

APRECIATE YOUR HELP.. P. G. FUNK PRES

DATE OF REPLY

Paul Funk

SIGNED _____

THIS COPY FOR PERSON ADDRESSED

drug fair**northwest**

905 1st Ave. No./Box 2007 • Great Falls, MT 59403 • 406/453-3251

February 8, 1983

Senator Pat M. Goodover, Chairman
Committee on Taxation
Montana State Senate
Capital Building
Helena, MT 59601

Dear Pat:

As a business man who has operated retail food and drug stores throughout Montana dating back to the days of my grandfather in the 1880's, I would like to express my firm opposition to Senate Bill 329.

I do not believe I need to reiterate all of the points established in the last session when the inventory tax was considered and the outcome of the measure at that time. I would, however, hasten to point out that this form of taxation is, in my opinion and all business people's opinion, the most unfair and targeted form of taxation that has ever been on the book in our state.

The inventory tax in the past has meant the downfall of many small businesses in Montana in the past and has also discouraged new business from entering our state, and the two combined has greatly weakened our overall tax base as well as contributed to our lack of growth, unemployment, and the general economic condition of our present unhealthy business community.

By means of this letter, I would earnestly encourage you and the other members of the Senate Taxation Committee to oppose Senate Bill 329 primarily in your committee by killing it there or at least rendering a do not pass recommendation to the floor of the Senate.

Thank you for your consideration and your support in this matter will be greatly appreciated.

Sincerely,

DRUG FAIR NORTHWEST

Paul E. Matteucci
Paul E. (Ed) Matteucci
President

PEM:klk

SB 329
St. Ignatius, MT
February 8, 1983

Dear Pat Goodover and Taxation Committee,

I note that you are over Senate SB 329 and HB 354 regarding inventory tax and tax credit.

I am a retail hardware and lumber merchant and I am also on the city council so I understand your problems. Let me just state hover that:

1. For all the reasons you're undoubtedly very familiar with, the inventory is an unfair and regressive tax.
2. To continue to assess it and then give credit is not effective or efficient. There has been a program like this, so they tell me, for the last couple of years. I have yet to have someone tell me where I can get forms for a tax credit and to what do I credit it. I have talked to tax people in Helena, local county commissioners, and state representatives. Not one knew much about the program. Business is complicated without compounding it. You are saying, we have your money, try to get it back.
3. What percentage of businesses figured how to get their money back?
4. Program Now:
 - a. Inventory assessment to county
 - b. County levies tax in conjunction with property tax
 - c. Business tries to figure what the actual tax was on the inventory.
 - d. Somehow you get forms for tax credit.
 - e. Pay income tax (I think) with proper adjustment credit.
5. Simple Way:
 - a. no inventory tax levied
 - b. state collects normal income tax and takes what would have been credit on inventory tax and pays that to local government.
6. Result:
 - a. no problems for business
 - b. less problems for State government
 - c. local governments get their tax money.

Please consider this solution.

Sincerely,

Bruce W. Papenfuss
Box 640
St. Ignatius, MT 59865

AL'S OUTBOARD SERVICE

SENATE TAXATION COMMITTEE
EXHIBIT 5, 122
FEBRUARY 10, 1983
SB 329

3614 Hwy. 200 East, East Missoula, Montana 59801

406-543-7300

2-8-83

Senator Pat Gorkover
Chairman, Senate Taxation Committee
State Capitol, Helena, Mt. 59601

Dear Sir:

We are concerned about SB 329. We do not believe it is in the best interest of small business. We do not consider it a good bill and believe it should be killed. Please consider our input when you have your hearing about the bill.

Sincerely,
Rose Croonenbergh
and Croonenbergh
Robert A Croonenbergh



ELMER "MICK" SIELER
ALLEN SIELER, MGR.

Feb. 7, 1983

Senator Pat Goodover
Ch. Senate Taxation Committee
State Capitol Building
Helena, Montana 59601

Dear Senator Goodover:

Regarding SB 329

Please do what you can to kill this bill. It is in direct contrast to the best interest of businesses like ours to pay an inventory tax. This tax has, fortunately, just been repealed and I surely do not wish to have it reinstated, under any conditions.

I would appreciate your efforts in eliminating this tax threat before it reaches the legislature and comes to a vote.

Thank you kindly.

Elmer M. Sieler, President
S & S Canopies & Campers Mfg. Inc.

cc: NFIB



SILK SCREENED T-SHIRTS

LAEL DIEHM

CARL WETZLER

DEAR SENATOR GOODOVER,

As a small business owner for 6 years,
I am utterly dismayed and disheartened
that SB 329 is now in committee awaiting
a hearing date. After being repealed in
1981, an attempt to reconstitute it is truly
an insult to all shop owners who
could never understand the logic in
taxing a business on the way inventory
they needed to operate profitably. During
these rather depressed times we need all
the help we can garner.

Please render SB 329 a quick and
final death. Our small business will be
rendered same.

Sincerely,
Carl E. Wetzler

TO Senator Pat Goodover
State Capitol
Helena, Mt, 59601

FROM SENATE TAXATION COMMITTEE
West Electric Distributors, Inc.
EXH. S, p. 125 WHOLESALE DISTRIBUTORS 2/10/83
OF ELECTRICAL SUPPLIES and EQUIPMENT SB 329
P. O. Box 8028 101 Trade Street Missoula, Montana 59807

SUBJECT: SB 329.

DATE: 2-8-83

FOLD ↑ Dear Senator: I have been informed by NFIB that the above bill is to reinstate the business inventory ^{tax} and strongly object to this in so much a distributor such as myself must carry a huge inventory to service our customers and should not be penalized for doing so. Good inventories keeps the business in Montana.

PLEASE REPLY TO →

SIGNED

Sincerely,
William P. Cunningham, President

REPLY

DATE:

SIGNED

GRAYARC CO., INC. BROOKLYN, N.Y. 11232 (3) CBNLS

THIS COPY FOR PERSON ADDRESSED

DENNING PRINTING

EXH. *S. p. 126*
314 Mineral Avenue
Libby, Montana 59923
(406) 293-9741

2/10/83
SB329

February 7, 1983

SENATOR PAT GOODOVER, Chairman
Senate Taxation Committee
State Capitol
Helena, Montana 59601

Dear Sir:

Being a small business we were very much in favor when the 1981 legislature repealed the business inventory tax. Now according to the NFIB of which we are a member there is a bill, SB 329 to reinstate the business inventory tax.

We are against that bill - small business establishments have enough struggle to continue without a tax on the merchandise which has already been paid for!

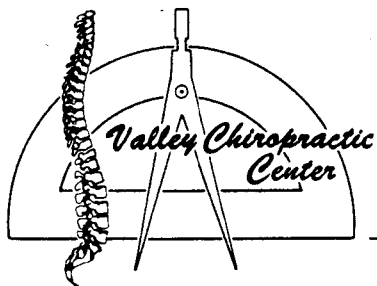
We are AGAINST SB 329

Sincerely

Kyle H. Denning, owner

Denning Printing

SENATE TAXATION COMMITTEE



EXH. S p. 127

2/10/83
SB329

Dr. THOMAS P. FULLERTON *Chiropractor*

211 Mineral Ave. , Libby, Mont. 59923

293-8736

Senator Pat Goodover
Ch. Senate Taxation Committee
State Capitol
Helena, Mt. 59601

Re: SB 329

Dear Senator,

As a small businessman I consider this bill to be detrimental to my business. A business inventory tax can only make it more difficult for small businesses to survive in these difficult times. Put me down for a NO vote. Thank you.

Thomas P. Fullerton D.C.

Thomas P. Fullerton D.C.

TO SENATOR PAT GOODOVER
STATE CAPITOL
HELENA, MT. 59601

FROM KEN PRESTON / WES HABECK
WESTERN AUTO DEALER
216 MINERAL AVE.
LIBBY, MT 59523

SUBJECT SB 329

MESSAGE

DATE 2-7-83

-FOLD

SENATOR GOODOVER,

WE, AS SMALL BUSINESSMEN, ARE STRONGLY
OPPOSED TO SB 329. AS YOU KNOW, PROFITS ARE
TAXED EACH YEAR FOR ALL BUSINESSES. INVENTORY
IS PURCHASED WITH PROFITS, WE DON'T NEED
TO TAX PROFITS TWICE.

THE 1981 LEGISLATURE REPEALED THE INVENTORY
TAX FOR GOOD REASON — TO GIVE SMALL BUSINESSES
A SHOT IN THE ARM.

SIGNED

REPLY

YOURS TRULY,
Kenneth Z. Preston

-FOLD

RETURN TO _____

DATE _____

SIGNED _____

REPLIER — RETAIN WHITE COPY

Anne Mooney

Fran Doran



131 West Park

Phone 723-3263

Butte, Montana 59701

2 - 7 - 83

Senator Pat Goodover
Ch. Senate Taxation Committee

Dear Senator Goodover:

Regarding SB 329, I feel
reinstatement of the Business Inventory
Tax would be harmful to independent
businesses. Please vote no.

Thank you,
Fran Doran
owner.

Gallatin Equipment Co.

1140
P.O. Box 1160
Belgrade, Montana 59714

Highway I-90 Exit #298
406/388-4177

7 Feb. '83

Senator Pat Goodover
State Capitol
Helena, Montana

Dear Senator Pat Goodover;

I am very concerned about Tom Towe and the SB 329 to reinstate the business inventory tax that he is proposing.

I am sure local government needs all the assistance they can get, but that is not all they need. The biggest problem with government today is the unwillingness to cut back expenses as small business have been forced to do in order to just stay in business. Let us be to the point, small business has just about covered as many expenses as they possibly can handle. I don't think it would take you too long to count the advantages of being in small business, or to find very many programs subsidizing small business today.

Please vote against SB 329 to reinstate the business inventory tax.

I am a member of the National Federation of Independent Business.

PLEASE support HB 354 to make permanent the small business investment tax credit.

Thank you for allowing me to take a minute from your busy schedule.

Sincerely;

Darrell Burkenpas

cc Dan Yardley
Dorothy Eck
Paul Boylan
Ken Nordtvedt

We are opposed to Senate Bill #329 — the
Inventory Tax Bill! Please vote against this bill.

Marilyn Falcon - Daisy
HOLIDAY VILLAGE MALL
Great Falls, Montana

Please vote "NO"
on Senate Bill #329.

Thank you.
L. Roy Lane

LANE'S SERVICE INC.
LAVINA, MONT. 59046

2/8/83

Dear Mr. Goodover -

We strongly oppose Senate
Bill #329. It is bad
legislation!

B. B. Stores

By J. E. Brown
Kalsigall

John W. Helms, D.D.S.

FEB. 10, 1983, SB 329

Suite B, Bitterroot Building
1547 South Higgins Avenue
Missoula, Montana 59801

Phone 728-3848

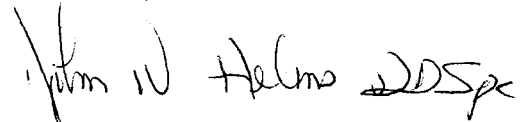
February 7, 1983

Senator Pat Goodover
Chairman, Senate Taxation Committee
State Capitol
Helena, MT 59601

Dear Senator Goodover:

I believe that the bill SB 329 should be killed. The re-instatement of the business inventory tax would be harmful to my business. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "John W. Helms D.D.S.", with a stylized flourish at the end.

John W. Helms D.D.S., P.C.

lar

J. S. Solberg Company

108 McLEOD ST. - BOX 817 - BIG TIMBER, MONTANA 59011 - PHONE 932-2393

Feb. 7, 1983

Sen. Pat Goodover
Ch. Senate Taxation Committee
Helena, Montana 59601

Dear Sir;

I would like to voice our opposition to SB329. We do not want to see the Business Inventory Tax reinstated. The 1981 Legislature gave Small Business a break and we do not want to see Sen. Towe put this penalty back on us. We have been in business for 95 years, since 1888 and have seen years of struggle to hold on. Now in 1983, we are having even more problems to remain solvent and we certainly do not need the Inventory Tax adding another nail in our coffin.

Very truly yours,

J. S. Solberg Co.

W. Johnson Pres.

HENNESSY LUMBER CO.

Phone 278-3612

Incorporated 1928

Conrad, Montana 59425

February 7, 1983

Dear Senator Goodover,

As a small businessman and as a Director of the Montana Building Materials Dealers Assoc, I am writing to you regarding Senate Bill 329 - The Inventory Tax.

I feel that this tax would be unfair in a number of ways:

1. It falls hardest during hard times- just when a retailer can least afford it, the tax falls hardest. A large business inventory generally means that the store has had small sales.
2. Inventories would be held down to low levels. Customers would not have products available when needed. The manufacturers and wholesalers would not sell as much. All business would suffer.
3. A great number of small businesses are failing today. Why make it more difficult for them with this tax?
4. It is unfair for a businessman to have to pay a tax on an item that he hasn't turned over year after year. This same item is taxed many times.
5. The investment credit could be cut out by any legislature. It is just a ploy to get this bill passed.
6. If this tax bill is passed, next would come taxes on other inventories, such as farm products. Can you imagine what a tax on a farmers' inventory of wheat, for example, would do to the economy of our state?

I implore you to do all in your power to defeat this unfair tax proposal.

Sincerely yours,

John J. Stibel
John J. Stibel, mgr.

Hennessy Lbr. Co.

Conrad, Montana 59425

DODD'S WHOLESALERS INC.

West Railroad Street

Cut Bank, Montana 59427

TO

Sen. Pat Goodover

Ch. Senate Taxation Committee

State Capitol

SUBJECT: Helena, Mt. 59601

FOLD HERE

DATE

2-8-82

MESSAGE

S.B. 329 Bill to reinstate business inventory TAX.

After all these years of fighting to get rid of this tax
and help small business be able to stock a good inventory,
I can't believe someone is trying to get it back in
any form. Would you please vote ~~against~~ to kill this
bill.
Thank you.

SIGNED

William Ekins, Pres.

DATE

REPLY

SIGNED

RECIPIENT: RETAIN WHITE COPY, RETURN PINK COPY

LETTER-LIMINATOR



1120 Kensington

Missoula, Montana 59801

(406) 728-9400

Feb 7, 1983

Sen. Pat Goodover
Ch. Senate Taxation Comm.
State Capitol
Helena, Montana 59601

Dear Sir,

We are writing in regards to Senate Bill 329. We do not want the business inventory tax to be reinstated as it is detrimental to our business. Please do your part to see that this bill is killed.

Thank you,

Gus & Jack's

1120 Kensington

Missoula, Montana

59801

Day Equipment Co.

535 West Idaho
Kalispell, Montana 59901

February 7, 1983

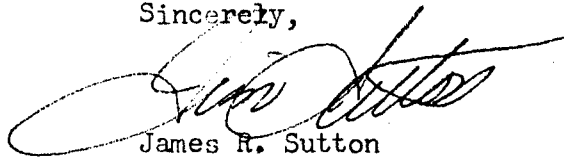
Phone
(406) 755-7300

Mr. Bob Brown
State Capital
Helena, Montana 59604

Sir:

We are very much opposed to reimposing the income tax with income tax credit (Senate Bill #329.) We feel that in order to adequately service the agriculture industry it is necessary for us to keep reasonable inventory in our store and would appreciate the continued cooperation and relief we have had in the past.

Sincerely,



James R. Sutton
President

cc:

Pat M. Goodover
George McCallum
Bruce Crippen
Dorothy Eck
Roger Elliott
Delwyn Gage
Tom Hager

Mike Halligan
J. D. Mazurek
Bill Norman
Elmer Severson
Tom Towe
Jeane Turnage

JRS:en

P. S. We are also in favor of HB 354 which would make permanent the small business investment tax credit.

TO

Senator Pat Goodover
State Capitol
Helena, Mt. 59601

FROM

SENATE TAXATION COMMITTEE
EXHIBIT 5, p. 138
DUTCH'S BIG SKY EGGS
FEB. 10, 1983, SB 329
320 NINTH AVENUE SOUTH
GREAT FALLS, MONTANA 59405

SUBJECT: SB 329- Reinstatement Inventory Tax DATE: 2-8-83

FOLD ↑

The inventory tax is unfair. It is necessary to have a product in order to sell it! The Xmas holidays are our biggest selling time and it is impossible for us to cut back or we could lose valuable customers to competitors, many of whom are from out of state, and pay no Montana taxes! Small business employs most of the labor force in

PLEASE REPLY TO →

SIGNED

this country and yet are the targets for every form of tax that comes along. My wife and I could run our business by ourselves. Right now, we are trying to keep jobs open for our two fulltime employees, both of which have families, but as costs of staying in business get higher from both federal and state, their jobs are in doubt.

DATE

SIGNED

M. J. De Roos

THIS COPY FOR PERSON ADDRESSED



KEMP DISTRIBUTING
P. O. BOX 256
LIBBY, MONTANA 59923



Sen Pat Goodover.

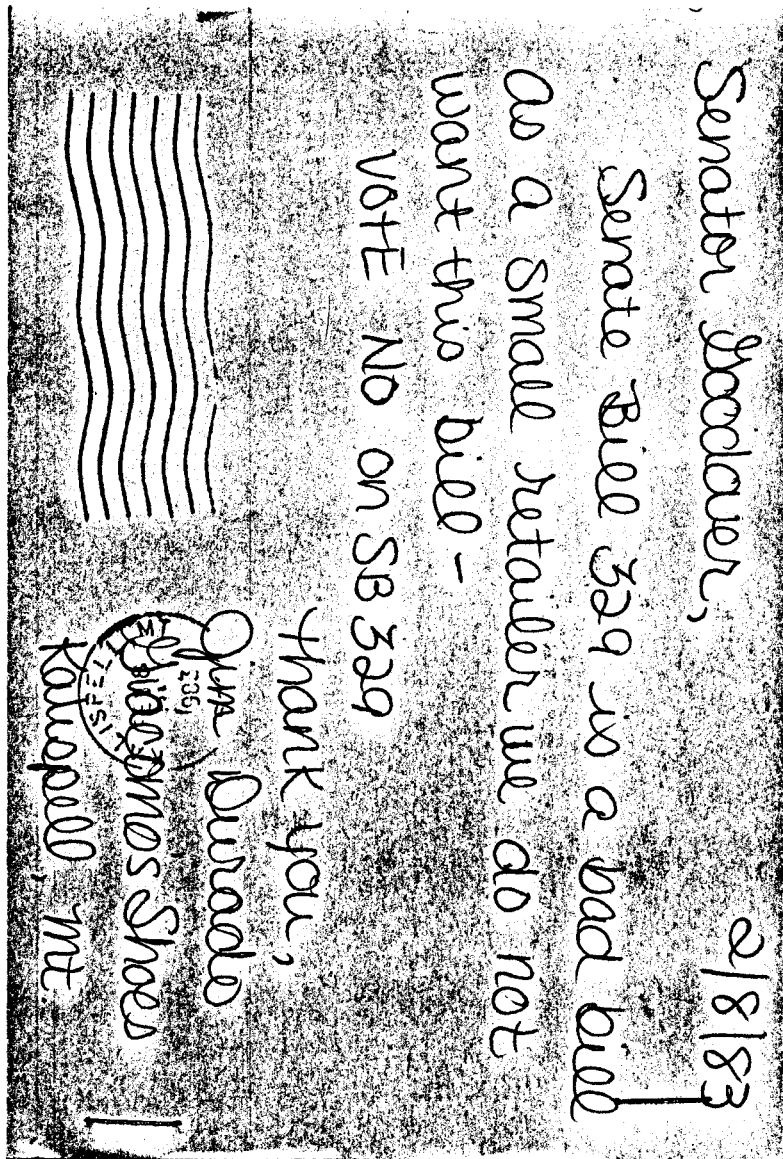
2-7-83

Dear Sir

Absolutely and Forever NO!!

SB 329 - a Bill to reinstate
the Business Inventory Tax. Aren't
we about taxed to death? How
much more can small business
such as mine stand?

Sincerely
Dennis Brown



JOHNSON'S

AUTO WRECKING

NEW & USED PARTS

6767

6800 GRAND AVE.

BILLINGS, MONT 59102

PHONE 656-8935

A-1

A-1

Senator Pat Goodover
State Capital
Helena Mt. 59601

Dear Friend:

Concerning SB 329 we
are very much Against this
Bill to Reinstate Business
Inventory tax. Business
right now is having enough
trouble

Help! Thanks

Sincerely

K. Johnson

melstone mt 59034

Q-6-83

Senator Pat Goodover
Tax Committee
Helena, mt. 59601

Dear Mr. Goodover

I have just heard of SB 329
by Tom Towe and really can't
go along with it & would like
to see it killed in the
Committee

what is this deal that
some one is always offering a
new tax to replace another
ones, we still have to pay
either way & about all the
change does is clutter up
the law books & confuse the
people just to make it look
he is trying to it make

looks he is really working
and doing something.

It looks like there are enough
good bills to work on with out
having to handle all those
garbage bills introduced.

The same goes for the intended
sales tax again to replace some
thing else in the tax line. It
wouldnt replace anything & if
& when more revenue is needed
why not just increase the existing
ones a little bit to cover it. we
will have to pay it no matter
what it is called. also there
wouldnt be the cost of admin-
isterating the new ones.

I say kill SB 329

save H B 354

Sincerely

James F. Anderson
melstone, mt 59054

Box 325



Sen. Goodover
M Goodover

TIME 9:50 am DATE 2-9-83

By DA

Please Call Don Nerdig (Blue Printers Inc)

Returned Your Call ☐ Will Call Again ☐

Message: VERY unhappy about

Sen Tome's SB 329 - will be ^{con}ker
to them - wants you to let th know he disapproves
also asked to have you call him at
755 - 5100.

Bell System #22 Call Memo BS-20 (10-80)

Sen Goodover
Joe Killham
232-1345

GENT ☐ Will Call Later ☐ Job Ready ☐ Contact

Bell System #22 Call Memo BS-20 (10-80)

Sen Goodover
Don Stanaway
245-6443

GENT ☐ Will Call Later ☐ Job Ready ☐ Contact

Bell System Call Memo 22 BS-20 (10-80)

To Pat Goodover
From Sam Ferraro

Tel. No. 587-2721 Ext.

☐ URGENT ☐ Will Call Later ☐ Job Ready ☐ Contact

☐ Called ☐ To See You ☐ Repro. ☐ WP Ctr.

☐ Please Call ☐ Was Here ☐ Graphics ☐ Comm. Ctr.

☐ Returned Your Call

Rec'd By 2/7 Date 7/1-

587-9704

opposed

Bozeman

From the desk of

JERRY FISHER

2-8-83

Dear Sir:

I do not want SB 329
to get off the ground -
we cannot afford a business
inventory tax. It was repealed
last year and we business
owners don't want this
tax back.

Thank you,
Jerry Fisher

HARBOR LIGHT
Furniture & Flooring
415 Main — (406) 883-4177
Polson, Montana 59860

STANDING COMMITTEE REPORT

February 10 19 83

MR. **PRESIDENT**

We, your committee on **taxation**

having had under consideration **Senate** Bill No. **94**

Respectfully report as follows: That **Senate** Bill No. **94**

be amended as follows:

1. Title, line 5.
Following: "AN ACT TO"
Strike: "ELIMINATE"
Insert: "PHASE OUT"

2. Title, line 7.
Following: "DISTRICTS"
Insert: "OVER A THREE YEAR PERIOD"

3. Title, line 13.
Following: "20-9-351"
Strike: ", "
Insert: "THROUGH"

~~DO PASS~~

(CONTINUED ON PAGE 2)

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4. Title, line 14.

Following: line 13

Strike: "AND"

Following: "MCA;"

Strike: "AND"

5. Title, line 15.

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

6. Page 27, line 5.

Following: "35"

Insert: "28 mills in fiscal year 1983-84,
31 mills in fiscal year 1984-85, and"

Following: "34 mills"

Insert: "in fiscal year 1985-86 and thereafter"

7. Page 27, line 19.

Following: "basic levy"

Strike: "of 25 34 mills"

Insert: "prescribed by this section"

8. Page 29, line 8.

Following: "15"

Insert: "17 mills in fiscal year 1983-84
19 mills in fiscal year 1984-85, and"

Following: "21 mills"

Insert: "in fiscal year 1985-86 and thereafter"

9. Page 29, line 22.

Following: "basic levy"

Strike: "of 15 21 mills"

Insert: "prescribed by this section"

10. Page 32, line 24.

Following: line 23

Insert: "Section 18. Section 20-9-353, MCA, is amended to read:

"20-9-352. Permissive amount and permissive levy. (1)
Whenever the trustees of any district shall deem it
necessary to adopt a general fund budget in excess of the
foundation program amount but not in excess of the maximum
general fund budget amount for such district as established by
the schedules in 20-9-316 through 20-9-321, the trustees shall
adopt a resolution stating the reasons and purposes for
exceeding the foundation program amount. Such excess above

(CONTINUED ON PAGE 3)

the foundation program amount shall be known as the "permissive amount", and it shall be financed by a levy on the taxable value of all taxable property within the district as prescribed in 20-9-141, supplemented with any biennial appropriation by the legislature for this purpose.

(2) The district levies to be set for the purpose of funding the permissive amount are determined as follows:

(a) For each elementary school district, the county commissioners shall annually set a levy not exceeding 9 mills 6 mills in fiscal year 1983-84, and 3 mills in fiscal year 1984-85 on all the taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive amount to the maximum permissive amount by 9 6 in fiscal year 1983-84 and 3 in fiscal year 1984-85 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the earmarked revenue fund according to the provisions of 20-9-351 and subsection (3) of this section.

(b) For each high school district, the county commissioners shall annually set a levy not exceeding 6 4 mills in fiscal year 1983-84 and 2 mills in fiscal year 1984-85 on all taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive levy to the maximum permissive amount by 6 4 in fiscal year 1983-84 and 2 in fiscal year 1984-85 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the earmarked revenue fund according to the provisions of 20-9-351 and subsection (3) of this section. The superintendent of public instruction shall, if the appropriation by the legislature for the permissive account [program] for the biennium is insufficient, request the budget director to submit a request for a supplemental appropriation in the second year of the biennium.

(CONTINUED ON PAGE 4)

February 10 19 83

(3) Such distribution shall be made in two payments. The first payment shall be made at the same time as the first distribution of state equalization aid is made after January 1 of the fiscal year. The second payment shall be made at the same time as the last payment of state equalization aid is made for the fiscal year. If the appropriation is not sufficient to finance the deficiencies of the districts as determined according to subsection (2), each district will receive the same percentage of its deficiency. Surplus revenue in the second year of the biennium may be used to reduce the appropriation required for the next succeeding biennium or may be transferred to the state equalization aid earmarked revenue fund if revenues in that fund are insufficient to meet foundation program requirements."

Renumber: subsequent sections

10. Page 35, line 7.

Following: line 6

Insert: "Section 21. Effective date. (1) Except as provided in subsection (2), this act is effective on July 1, 1985.

(2) Sections 14, 15, and 18 are effective on passage and approval."

AND AS AMENDED

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 10, 1983 Senate Bill No. 94 Time 8:18 a.m.

NAME	YES	NO
SENATOR GOODOVER, CHAIRMAN	✓	
SENATOR McCALLUM, VICE CHAIRMAN	✓	
SENATOR BROWN	✓	
SENATOR CRIPPEN	✓	
SENATOR ELLIOTT	✓	
SENATOR GAGE	✓	
SENATOR TURNAGE	✓	
SENATOR SEVERSON	✓	✗
SENATOR HAGER	✓	
SENATOR ECK		✓
SENATOR HALLIGAN		✓
SENATOR LYNCH		✓
SENATOR NORMAN		✓
SENATOR TOWE		✓
SENATOR MAZUREK		✓

*(Also signed
time.)*

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

SB 94 amendments. (Crippen's)

recalled

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

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 10, 1983 Senate Bill No. 94 Time 8:35 a.m.

NAME	YES	NO
SENATOR GOODOVER, CHAIRMAN		✓
SENATOR McCALLUM, VICE CHAIRMAN		✓
SENATOR BROWN	✓	
SENATOR CRIPPEN	✓	
SENATOR ELLIOTT		✓
SENATOR GAGE		✓
SENATOR TURNAGE		✓
SENATOR SEVERSON		✓
SENATOR HAGER	✓	
SENATOR ECK	✓	
SENATOR HALLIGAN	✓	
SENATOR LYNCH	✓	
SENATOR NORMAN	✓	
SENATOR TOWE	✓	
SENATOR MAZUREK	✓	

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

SB 94 passed as amended.

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