

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 20, 1983

The sixty-ninth meeting of the Taxation Committee was called to order at 2:35 p.m. by Chairman Pat M. Goodover in Room 415 of the Capitol Building.


ROLL CALL: All members were present except Senator Lynch.

DISPOSITION OF HOUSE JOINT RESOLUTION 33: Senator Elliott moved that the amendments attached as Exhibit A be adopted. The motion was seconded. The committee briefly discussed the amendments presented, and Senator Towe also presented an outline of revenue projections, attached as Exhibit B.

A vote was taken on Senator Elliott's motion, and the motion passed, with Senator Towe voting no.

Senator Elliott then moved that the resolution as amended BE CONCURRED IN. The motion was seconded and passed, with Senator Towe voting no.

The meeting was adjourned at 2:45 p.m.


Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 4/20/83

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	✓		

HJR 33

April 20, 1983 corrected
AMENDING HJR 33, third reading copy,
blue, as follows:

Page 9, line 3.

Strike: "\$713,257,000"

Insert: "\$721,174,500"

Amend HJR 33 blue corrected third reading copy as follows:

~~from back of last page~~
1. Page 9, line 18

Strike: all columns in their entirety

Insert: 113,099,000 120,450,000 233,549,000

2. Page 9,

Following: line 20

Insert: "Assumptions: The inflation rates were lowered for FY84 and FY85 to reflect lower inflation rates used in the general appropriation bill, HB447. Projected increases in collections attributable to an increase in staff for the Department of Revenue will amount to \$3,750,000 over the biennium.

3. Page 10, line 25

Strike: all columns in their entirety

Insert: 32,317,000 32,317,000 64,634,000

4. Page 11,

Following: line 8

Insert: "Pursuant to HB454, interest from the Highway Special Revenue Fund will be credited to the general fund until July 1, 1985.

5. Page 13, line 13

Strike: all columns in their entirety

Insert: 2,133,000 1,699,000 3,832,000

6. Page 13

Following: line 13

Insert: "Assumptions: The anticipated tax revenue from increased production at the ASARCO mine amounts to \$1,300,000 for the biennium."

7. Page 15, chart

Strike: "HB479" and all corresponding columns in their entirety
Strike: "HB550" and all corresponding columns in their entirety
Strike: "HB631" and all corresponding columns in their entirety
Strike: "HB701" and all corresponding columns in their entirety
Strike: "HB721" and all corresponding columns in their entirety.

Strike: All figures in GENERAL FUND IMPACT columns (FY1984, FY1985 Biennium) for HB45, HB65, HB125, HB227, HB264, HB511, HB739 and SB244

Insert: Replacement figures as follows--

HB45	"700	700	1000" 1400
HB65	"(303,000)	(333,000)	(636,000)"
HB125	"(169,000)	(169,000)	(338,000)"
HB227	"(825,000)	(825,000)	(1,650,000)"
HB264	"(93,000)	(111,000)	(204,000)"
HB511	"3,500,000	3,500,000	7,000,000"

SB244

169,000
~~163,000~~163,000
~~163,000~~332,000
~~326,000~~

Following: "HB264" and corresponding columns

Insert:

"HB400	DISPLACED HOMEMAKERS	125,000	125,000	250,000 ✓
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Following: "HB673" and corresponding columns

Insert:

"HB682	AMBUL. LICENSING	34,000	36,000	70,000" ✓
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Following: "HB739" and corresponding columns

Insert:

"HB747	BENEFICIAL USE TAX			1,000,000
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Following: "SB53" and corresponding columns

Insert:

"SB56	WASTE GENERATOR FEES	10,000	10,000	20,000 ✓
SB84	MOVE POWER LINES	2,000	-0-	2,000 ✓
SB190	INST. REIMBURSEMENT	(203,000)	(213,000)	(416,000) ✓
SB232	CERT. COPY FEE	(34,000)	(34,000)	(68,000)" ✓

Following: SB244 and corresponding columns

Insert:

"SB312	INCREASE PER DIEM	(16,000)	(16,000)	(32,000) ✓
SB316	FARM/RANCH LOANS	(49,000)	(49,000)	(98,000) ✓

Following: "TOTAL"

Strike: All figures in GENERAL FUND IMPACT columns

Adjust totals to reflect Amendment 7

8. Page ¹⁵~~16~~,

Following: Total columns of chart

Insert: BE IT FURTHER RESOLVED THAT THE DEFEAT OF HB 550 WILL HAVE THE AFFECT OF DECREASING GENERAL FUND REVENUE BY \$2,400,000 OVER THE BIENNIUM.

9. Following: "ARE:"

Strike: All figures in GENERAL FUND IMPACT columns

Adjust totals to reflect Amendments 1 through 8

10. Page 16, chart

Strike: "HB419" and all corresponding columns in their entirety

Strike: "HB460" and all corresponding columns in their entirety

Strike: "HB550" and all corresponding columns in their entirety

Strike: "HB631" and all corresponding columns in their entirety

Strike: All figures in GENERAL FUND IMPACT COLUMNS for HB227

Insert: (275,000) (275,000) (550,000)"

Following: "HB227" and corresponding columns

Insert:

"HB264	ALT. ENERGY TAX CREDIT	(31,000)	(37,000)	(68,000)"
"HB685	MT CAPITAL COMPANIES	-0-	(246,000)	(246,000)"

Following: "HB739 INVESTMENT"

Strike: "CREDITS FOR CORPORATIONS

Insert: "TAX CREDITS"

Strike: All figures in GENERAL FUND IMPACT columns for SB94

Insert: "4,600,000 4,600,000 9,200,000"

Following: "SB94" and corresponding columns

Insert:

"SB95	FOREST FUNDS	-0-	(1,499,000)	(1,499,000)
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Following: "SB244" and corresponding columns

Insert:

"SB316	FARM/RANCH LOANS	(16,000)	(16,000)	(32,000)
SB413	WINDFALL PROFITS TAX	-0-	7,100,000	7,100,000"

Following: "TOTAL"

Strike: all figures in GENERAL FUND IMPACT columns

Adjust totals to reflect Amendment 10

11. Page 16

Following: chart

Insert: "BE IT FURTHER RESOLVED THAT THE DEFEAT OF HB550 WILL HAVE THE AFFECT OF DECREASING THE REVENUE EARMARKED TO THE FOUNDATION TRUST ACCOUNT BY \$800,000 OVER THE BIENNIUM.

12. Page 16, line 2

Strike: "55,000,000"

Insert: "24,000,000"

13. Page 16, line 3

Following: "This"

Strike: "includes"

Insert: "excludes"

14. Page 16, line 4

Following: "account"

Insert: "which is reappropriated in HB919"

15. Page 16

Following: chart

Insert" "BE IT FURTHER RESOLVED, that the anticipated ending balance on June 30, 1985 is expected to be \$ 15,751,000, taking into consideration all appropriations, expenditures and reversions.

APRIL 20, 1983

HJR 33

The Big Sky Country**MONTANA STATE SENATE**

SENATOR THOMAS E. TOWE
SENATE DISTRICT 34

HELENA ADDRESS:

P. O. BOX 127
CAPITOL STATION
HELENA, MONTANA 59620
HELENA PHONE (406) 449-4800

BILLINGS ADDRESS:

2525 SIXTH AVE. NORTH
BILLINGS, MONTANA 59101
BILLINGS PHONE (406) 248-7337

COMMITTEES:

TAXATION
STATE ADMINISTRATION
REVENUE OVERSIGHT
RULES

April 19, 1983

Speaker Dan Kemmis
Capitol Station
Helena, Montana 59620

Dear Speaker Kemmis:

In lieu of returning House Joint Resolution 33 to the House, the following figures are outlined as the revenue projections used by the Republicans and Democrats in the Senate, respectively:

REPUBLICAN ESTIMATE DEMOCRATIC ESTIMATE

GENERAL FUND REVENUE

1. Individual income tax	227.5	227.5
2. Long Range bond excess	55.5	55.5
3. Corporation tax	54.1	54.1
4. Coal Severance tax	41.0	41.0
5. Interest on investments	61.1	59.0
6. Coal Trust interest	42.6	43.3
7. Insurance premium tax	29.1	29.1
8. Liquor profits	11.7	11.7
9. Oil Severance tax	84.8	89.9
10. Inheritance tax	13.9	13.9
11. Institution reimbursements	26.9	24.8
12. Liquor Excise tax	14.8	14.8
13. Wine tax	1.9	1.9
14. Metal Mines tax	2.5	4.1
15. Electric Energy tax	3.7	3.7
16. Driver's License tax	1.9	1.9
17. Telephone tax	5.3	4.6
18. Beer License tax	2.5	2.5
19. Natural Gas tax	6.5	7.3
20. Freightline tax	3.5	3.5
21. Other revenues	22.3	22.3
TOTAL	713.3	716.5

OTHER REVENUE ADJUSTMENTS

1. Beginning fund balance	24	23
2. Estimated reversions	12	12
3. Less Investment tax credit (as adjusted with HB 739)	- 4.5	- 4.5
4. Less Baker Bank case	- 2.4	- 2.4
5. Less other tax bills	- 3.0	- 2.3
6. Less tip bill (HB 841)	- .8	0
7. Plus interest on HB 16 & HB 511	0	+ 3.5
8. Interest on HB 454	+ 3.5	+ 4.0
9. Plus Metalliferous Mines License tax	+ 1.6	Incl.
10. Plus adjustment to income tax:		
a. DOR audit	+ 3.8	+ 3.8
b. Inflation factor	+ 2.3	+ 2.3
TOTAL REVENUE	749.8	755.9

DISBURSEMENTS

1. Build Montana	3.2	3.2
2. HB 447 Appropriations	660.2	660.2
3. HB 600 Block Grant	3	3
4. HB 418 Block Grant (2% oil tax)	29.8	31.6
5. HB 798 Welfare	8	8
6. HB 902 Pay Plan	9.7	9.7
7. HB 919 Foundation Program (4+3) (Net of SB 94, 413 & 95)	11.5	11.5
8. Others:		
a. (Tax anticipation notes interest)	4.2	4.0
b. 85 Session	4.0	4.0
c. Miscellaneous	.7	.8
9. Ending fund balance	<u>15.5</u>	<u>15.0</u>
TOTAL DISBURSEMENTS	749.8	751.0
Surplus or deficit	0	+ 4.9

Sincerely yours,

STANDING COMMITTEE REPORT

April 20

19 83

MR. **PRESIDENT**

We, your committee on **taxation**

having had under consideration **House Joint Resolution** ~~RM~~ No. **33**

Ramirez (Elliott)

Respectfully report as follows: That **House Joint Resolution** ~~RM~~ No. **33**
corrected
/ **third reading copy, be amended** as set forth on the attached sheets,

(See Exhibit A to these minutes)

And, as so amended

BE CONCURRED IN

~~XXXXXX~~

STANDING COMMITTEE REPORT

April 20

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PRESIDENT

MR.

taxation

We, your committee on

House Joint Resolution

having had under consideration ~~xxx~~ No. 33

Ramirez (Elliott)

House Joint Resolution

~~xxx~~ No. 33

Respectfully report as follows: That

corrected third reading copy, be amended as shown on pages 2 through 5 of this report:

ERRATA

(Continued on page 2)

Chairman.

corrected third reading copy, be amended as follows:

1. Page 9, line 3.

Strike: "\$713,257,000"

Insert: "\$722,425,400"

2. Page 9, line 18.

Strike: "\$110,474,000"

"\$117,075,000"

"\$227,549,000"

Insert: "\$113,099,000"

"\$120,450,000"

"\$233,549,000"

3. Page 9.

Following: line 20

Insert: "Assumptions: The inflation rates were lowered for FY84 and FY85 to reflect lower inflation rates used in the general appropriation bill, HB 447. Projected increases in collections attributable to an increase in staff for the Department of Revenue will amount to \$3,750,000 over the biennium."

4. Page 10, line 25.

Strike: "30,567,000"

"30,567,000"

"61,134,000"

Insert: "32,317,000"

"32,317,000"

"64,634,000"

5. Page 11.

Following: line 8

Insert: "Pursuant to HB 454, interest from the Highway Special Revenue Fund will be credited to the general fund until July 1, 1985."

6. Page 13, line 13.

Strike: "1,483,000"

"1,049,000"

"2,532,000"

Insert: "2,133,000"

"1,699,000"

"3,832,000"

7. Page 13.

Following: line 13

Insert: "Assumptions: The anticipated tax revenue from increased production at the ASARCO mine amounts to \$1,300,000 for the biennium."

8. Page 14, line 13.

Strike: "\$341,963,000"

"\$371,294,000"

"\$713,257,000"

Insert: "\$346,988,000"

"\$377,069,000"

"\$724,057,000"

9. Page 15, chart.

Strike: "HB 479" and remainder of the line

Strike: "HB 550" and remainder of the line

Strike: "HB 631" and remainder of the line

Strike: "HB 701" and remainder of the line

Strike: "HB 721" and remainder of the line

(Continued on page 3) CAC

April 20

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Line HB 45.

Strike: "1,000"

Insert: "700"

"1,000"

"700"

"2,000"

"1,400"

Line HB 65.

Strike: "(259,000)"

Insert: "(303,000)"

"(284,000)"

"(333,000)"

"(543,000)"

"(636,000)"

Line HB 125.

Strike: "(144,000)"

Insert: "(169,000)"

"(144,000)"

"(169,000)"

"(288,000)"

"(338,000)"

Line HB 227.

Strike: "(704,000)"

Insert: "(825,000)"

"(704,000)"

"(825,000)"

"(1,408,000)"

"(1,650,000)"

Line HB 264.

Strike: "(79,000)"

Insert: "(93,000)"

"(95,000)"

"(111,000)"

"(174,000)"

"(204,000)"

Line HB 511.

Strike: "3,007,000"

Insert: "3,500,000"

"3,018,000"

"3,500,000"

"6,025,000"

"7,000,000"

Line SB 244.

Strike: "139,000"

Insert: "169,000"

"139,000"

"163,000"

"278,000"

"332,000"

Following: line HB 264

Insert: "HB 400 displaced homemakers"

"125,000"

"125,000"

"250,000"

Following: line HB 673

Insert: "HB 682 ambul. licensing"

"34,000"

"36,000"

"70,000"

Following: line HB 739

Insert: "HB 747 beneficial use tax"

"500,000"

"500,000"

"1,000,000"

Following: line SB 53

Insert: "SB 56 waste generator fees"

"10,000"

"10,000"

"20,000"

"SB 84 move power lines"

"2,000"

"-0-"

"2,000"

"SB 190 inst. reimbursement"

"(203,000)"

"(213,000)"

"(416,000)"

"SB 232 cert. copy fee"

"(34,000)"

"(34,000)"

"(68,000)"

(Continued on page 4)

Chairman.

April 20

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Following: line SB 244

Insert: "SB 312 increase per diem"		
"(16,000)"	"(16,000)"	"(32,000)"
"SB 316 farm/ranch loans"		
"(49,000)"	"(49,000)"	"(98,000)"

Line HB 465.

Strike: "457,000"

Insert: "467,000"

Line HB 739.

Strike: "(4,000,000)"	"(4,000,000)"	"(8,000,000)"
Insert: "(2,212,000)"	"(2,290,000)"	"(4,502,000)"

Line TOTAL

Strike: "\$ (972,000)"	"\$ (2,214,000)"	"\$3,186,000"
Insert: "\$966,700"	"\$ (198,300)"	"\$768,400"

Following: line TOTAL

Insert: "Defeat of HB 550 Disallow Fed. Deduc. for Corp."		
"(1,200,000)"	"(1,200,000)"	"(2,400,000)"

10. Page 15.

Following: "WITH THE ADOPTION OF THE FOREGOING MEASURES THE GENERAL FUND TOTALS ARE:"

Strike: "\$340,991,000"	"\$369,080,000"	"\$710,071,000"
Insert: "\$346,754,700"	"\$375,670,700"	"\$722,425,400"

11. Page 16, line 2.

Strike: "\$55,000,000"

Insert: "\$24,000,000"

12. Page 16, line 3.

Following: "This"

Strike: "includes"

Insert: "excludes"

13. Page 16, line 4.

Following: "account"

Insert: "which is reappropriated in HB 919"

14. Page 16, chart.

Strike: "HB 419" and remainder of the line

Strike: "HB 460" and remainder of the line

Strike: "HB 550" and remainder of the line

Strike: "HB 631" and remainder of the line

(Continued on page 5) 

April 20

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Line HB 227.

Strike:	"(31,000)"	"(37,000)"	"(68,000)"
Insert:	"(275,000)"	"(275,000)"	"(550,000)"

Following: line HB 227

Insert:

"HB 264 Alt. energy tax credit"			
"(31,000)"	"(37,000)"	"(68,000)"	
"HB 685 Mt capital companies"			
"-0-"	"(246,000)"	"(246,000)"	

Line HB 739.

Following: "INVESTMENT"

Strike: "CREDITS FOR CORPORATIONS"

Insert: "Tax credits"

Line SB 94.

Strike:	"4,250,000"	"4,250,000"	"8,500,000"
Insert:	"4,600,000"	"4,600,000"	"9,200,000"

Following: line SB 94.

Insert:	"SB 95 forest funds"		
"-0-"	"(1,499,000)"	"(1,499,000)"	

Following: line SB 244

Insert:	"SB 316 farm/ranch loans"		
"(16,000)"	"(16,000)"	"(32,000)"	
"SB 413 windfall profits tax"			
"-0-"	"7,100,000"	"7,100,000"	

Line HB 739.

Strike:	"(1,556,000)"	"(1,622,000)"	"(3,178,000)"
Insert:	"(737,000)"	"(763,000)"	"(1,500,000)"

Line SB 244.

Strike:	"55,000"	"55,000"	"111,000"
Insert:	"56,000"	"54,000"	"110,000"

Amend totals to conform

15. Page 16.

Following: chart

Insert: "BE IT FURTHER RESOLVED, that the defeat of HB 550 will have the effect of decreasing the revenue earmarked to the foundation trust account by \$800,000 over the biennium.

BE IT FURTHER RESOLVED, that the anticipated ending balance on June 30, 1985 is expected to be \$15,751,000, taking into consideration all appropriations, expenditures and reversions."

And, as so amended

BE CONCURRED IN

CHC