

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 13, 1985

The twenty-fifth meeting of the Taxation Committee was called to order in room 312-1 of the capitol building at 8:07 a.m. by Chairman Gerry Devlin.

ROLL CALL: All members were present with the exception of Representative Keenan. Also present were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, secretary.

CONSIDERATION OF HOUSE BILL 693: Representative Koehnke, District 32, explained that this bill was a rewritten version of House Bill 24 and that this bill exempts certain improvements to agricultural lands from property taxation.

PROPOSERS: Representative Ellison said that he was the chairman of this subcommittee and they decided that the simplest way to do this was just to put wells and sewage systems in the exempt section and the loss is not very big.

Mons Teigen, representing the Montana Stockgrowers Association, stated that they fully support this bill and it clears up an area that has been of some concern to rural Montanans.

Lorna Frank, representing the Montana Farm Bureau Federation, gave a statement in support of this bill. See Exhibit 1.

Gregg Groepper, representing the Department of Revenue, indicated that they do not have a position on this bill one way or the other but suggested that maybe they should have a strong statement of intent to accompany this bill.

Dennis Burr, representing the Montana Taxpayers' Association, stated that they might want to consider tightening up the green belt law.

There were no further proponents.

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Page Two

OPPONENTS: There were none.

QUESTIONS ON HOUSE BILL 693: Representative Zabrocki asked which three counties are they taxed in right now.

Mr. Groepper responded Lincoln, Ravalli and one other.

Representative Patterson asked if the definition that the federal government uses for agriculture would solve the problem.

Mr. Groepper responded that he was not sure what the federal government uses, but for the price support program, they have to have a minimum of 40 acres.

Representative Cohen asked some questions on the fiscal note and Mr. Groepper explained the note to him.

Representative Gilbert asked if irrigation systems are being taxed at the present time.

Mr. Groepper answered that since 1979, irrigation systems have been exempt.

There were no further questions.

Representative Koehnke closed and the hearing on this bill was closed.

CONSIDERATION OF HOUSE BILL 326: Representative Hannah, District 86, explained that this proposes for the state of Montana to piggyback on what the federal government is doing in filing the state income tax. He distributed to the committee Exhibit 2 and Exhibit 3.

PROPOSERS: There were none.

OPPONENTS: Ken Morrison, representing the Department of Revenue, stated that they stand as an opponent to the bill, but they are a proponent of the idea of tax simplification. He handed out to the committee a work sheet. See Exhibit 4.

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Dennis Burr, representing the Montana Taxpayers Association, told of some of the problems they had in Alaska when they tried to do this.

Michael Hunt, representing the Montana State Firemen's Association, indicated that they are not in opposition of this bill, but would like it to be amended for retirement for the teachers, P.E.R.S. employees and the highway patrol.

There were no further opponents.

QUESTIONS ON HOUSE BILL 326: Representative Ream asked if he knew what the rate would have to be for this to be a wash.

Representative Hannah replied that he had not done the research on that.

Representative Ellison asked if this would do away with indexing.

Representative Hannah responded that it would do away with indexing, but the federal government may be putting indexing on this year.

Representative Cohen asked a question concerning how much more revenue could be produced.

Mr. Morrison answered that the income tax program produced \$170 million last year and a 1% increase would produce \$1,700,000.00.

There were no further questions.

Representative Hannah stated that they should not close the door on this kind of concept and the majority of the people would like it.

The hearing on this bill was closed.

CONSIDERATION OF HOUSE BILL 651: Representative Winslow, District 89, explained that this bill deals with a local

government need that will become a crisis in the 1980s; and this bill provides an increase in the tax on alcohol to provide for a program of jail construction and reconstruction across the state. He continued that the tax would be increased on all liquors throughout the state and that 52 of the jails in the state presently do not meet federal standards. He informed the committee that the tax would be used for a bonding program and about \$4.4 million would be raised.

PROPONENTS: Gordon Morris, Executive Director of the Montana Association of Counties, indicated their unqualified support for this bill and that the 52 jails in Montana are in a situation of being in violation of certain constitutional requirements.

Marie McAlear, Commissioner from Madison County, said that their association ranked this as a very high priority as they have some very serious jail problems.

Dwight MacKay, County Commissioner from Yellowstone County and representing the Montana Association of Counties, said they passed a resolution unanimously in regard to the jail situation in Montana and gave testimony in support of this bill.

Tom Marvin, County Commissioner from Mineral County, stated that their jail was built about 1914 and is a brick two-story structure and the common cell block is on the second floor. He indicated that their immediate concern is to try and keep people from hurting themselves.

Bob Palmer, County Commissioner of Missoula County, gave a statement in support of this bill. He stated that since November, they have had 31 lawsuits brought by the inmates of the county jail.

Lloyd Allen, County Commissioner of Choteau County, informed the committee of the problems they had in trying to pass a bond issue to replace their 104-year-old jail.

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Robert Ziegler, County Commissioner from Dawson County, told of the problems they had in trying to build a new jail and would appreciate any help they could get from the legislature.

Tom Beck, President of the Montana Association of Counties, gave a statement in support of this bill.

H. S. Hanson, representing the Designing Project through the Montana Technical Council, offered an amendment which he felt was necessary for this bill. See Exhibit 5.

Ed Hall, representing the Montana Board of Crime Control, offered information on Montana jails. See Exhibit 6.

Chuck Reilly, Sheriff of Lewis and Clark County and President of Montana Sheriffs' and Peace Officers' Association, said that they are the people who are sued when a jail is not up to standards and offered complete support for this bill. He indicated that close to 80 or 85% of the crimes that they deal with is related to alcohol at some point and the counties are going to be forced to build jails in some fashion.

John Fitzpatrick, president of Montana International Consultants in Helena, explained why jails are so extremely expensive to build.

Jim Smith, representing the Montana Human Resource Development Association, indicated that they were happy that this bill would also establish an alcohol rehabilitation program for indigent youth and they believe that that need is acute and very real.

Steve Davis, representing the Developmental Disabilities Coalition, said that he was interested in the portion that does go to indigent youth and he indicated that it is very important to have some funding for youth to go to a treatment center to work on their problem of alcoholism.

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Greg Jackson, representing the Urban Coalition, said they wanted to be on record in support of this bill.

There were no further proponents.

OPPONENTS: Roger Tippy, representing the Montana Beer and Wine Wholesalers Association, gave a statement in opposition to this bill. See Exhibit 7.

Walter Jackl (?), a small bar owner in Butte, stated that this bill would impose a fine on the people who drink who have never been involved in a crime and never will be involved in a crime.

Steve Browning, representing Anheuser-Busch, indicated that they disagree with earmarking taxes to pay for these jails and this will fall only on the distributors. He noted that in the United States beer pays \$3 billion in taxes and that is three times higher than any other consumer product.

Phil Strobe, representing the Montana Taverns' Association, said that they have reached a point in Montana where the price of liquor is high enough it is attractive to bring liquor in from other places, and he urged a do not pass.

There were no further opponents.

Representative Harp asked Mr. Morris what his priorities were considering all the bills that have been introduced that affect taxes.

Mr. Morris replied that he would respond only as far as counties are concerned and the number one concern of counties across the state of Montana would be to address the issue of full funding for the local government block grant program and the motor vehicle reimbursement portion, which is the most critical part of funding at the local level. He continued second to that would be the bill that is before them - HB 651.

Representative Zabrocki asked if they ever considered designing an underground jail.

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Page Seven

Mr. MacKay responded that the underground issue is really not an issue because each cell has to have so much daylight.

Representative Gilbert asked if this was not a tax against the people of Montana, as very few of the people that drink go to jail.

Representative Winslow asked if the property tax was not a tax on the people of Montana and, in fact, is a tax on those who are totally innocent.

Representative Gilbert asked if he felt that a lot of the smaller counties will get the short end on this.

Representative Winslow answered that he didn't feel that way at all as the proposals will come before the Board of Crime Control and according to the needs they will grant the money out and will require 25% matching funds from the local governments.

Representative Asay asked what is the present disposition of the fines that are collected from DUI and alcohol related crimes.

Mr. Morris replied that those fines are directed to funding the general schools in the state of Montana and none of that revenue goes to local government at this time.

Representative Sands asked why he thought it was appropriate to have the state assume the burden for building jails and why isn't a local tax more appropriate to address that problem.

Mr. Morris replied that the majority of the people that are in jail are there because of laws that are passed by the state legislature and they feel that 10% of the burden is a light burden to bear when counties have to bear 90% of the operating costs.

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February 11, 1985
Page Eight

Chairman Devlin noted that \$1.00 of the beer tax goes into the general fund and he asked what that was going to be used for.

Representative Winslow said that this money will be appropriated to alcohol rehabilitation.

Chairman Devlin asked about the lawsuits that were filed in Missoula County.

Mr. Palmer replied that they were all in different stages of litigation but the problem is that the court could rule that they were not in compliance with federal standards and they might tell them to build a new jail and in some states, the courts have ruled personal liability against the commissioners themselves.

There were no further questions.

Representative Winslow closed by saying that alcohol does have a major impact on the jail population and that this is a fair tax and it is not going to hurt anyone.

The hearing on this bill was closed.

EXECUTIVE SESSION:

DISPOSITION OF HOUSE BILL 679: Representative Gilbert said that he thought this bill was never designed to pass and it is a bad-faith bill.

Representative Harp moved that they TABLE this bill. The motion carried with Representative Patterson and Representative Switzer voting no.

DISPOSITION OF HOUSE BILL 693: Representative Asay moved DO PASS. Representative Williams commented that he thought there should be a provision somewhere that the small acreages cannot be exempt and it has to be a truly farm or agricultural operation.

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Page Nine

Representative Williams said that he personally thought they should sit on this until they get the green belt law over here from the Senate and then if they amended the green belt law, they wouldn't need this.

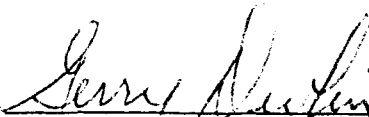
Representative Patterson indicated that the federal government does have a ruling on what they consider to be an agricultural unit, but he did not know if they based it on the size of acreage or the gross income.

Representative Koehnke made a substitute motion that they pass consideration on this bill for the day. The motion carried unanimously.

RECONSIDERATION OF HOUSE BILL 231: Representative Sands moved that they take this bill from the table.

After some discussion, a vote was taken on the motion and it failed with Representative Sands, Representative Switzer, Representative Patterson and Representative Hanson voting no.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:50 a.m.


GERRY DEVLIN, Chairman


Alice Omang, Secretary

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date _____

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.	X		
WILLIAMS, MEL, V. Chrm.	X		
ABRAMS, HUGH	X		
ASAY, TOM	X		
COHEN, BEN	X		
ELLISON, ORVAL	X		
GILBERT, BOB	X		
HANSON, MARIAN	X		
HARRINGTON, DAN	X		
HARP, JOHN	X		
IVERSON, DENNIS	X		
KEENAN, NANCY		X	
KOEHNKE, FRANCIS	X		
PATTERSON, JOHN	X		
RANEY, BOB	X		
REAM, BOB	X		
SANDS, JACK	X		
SCHYE, TED	X		
SWITZER, DEAN	X		
ZABROCKI, CARL	X		
	X		

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 693DATE February 13, 1985SPONSOR REPRESENTATIVE KOEHNKE

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Larna Frank	Boysenman	X	
Loraine Bellis	P. Phillipsburg	X	
Carol Mosher	Montana Board Belles	X	
Morris Tegen	McShockporeman	X	
Stan H. Doygt	mt. Ass. of F State Grazing Districts	X	
K.M. Kelly	Mont. IRRIGATORS	X	
Lavina Lubinus	WTFE	X	
Dennis Burr	Clancy, Montana	✓	
#			

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 651

DATE February 13, 1985

SPONSOR REPRESENTATIVE WINSLOW

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Chuck O'Reilly	mont shuff's & Peary officer class - Helena	X	
Don Yagel	Sharon Children's Hosp.	X	
Jim Smith	HRDCs	✓	
debra Fitzpatrick	Helena	X	
DWIGHT MACLEAN	MACO - Yellowstone	X	
G. Morris	MACO	X	
T. MARVIN	MACO - MINERAL CO	X	
Lloyd Z. Allen	Chouteau Co	X	
Bob Palmer	Missoula Co	X	
Harold Schwartz	Missoula Co	X	
Gene Beck	Prussell Co	X	
Robert Ziegler	Dawson Co	X	
Marie McAlister	Madison Co	X	
Ed Hall	Jefferson Co	X	
Steve Nelson	Bd. of Comm. Control	X	
HS Houson	MT Forest (Moose)	Altered	
Steve H. Juhl	BUTTE		X
Greg Jackson	Urban Coalition	X	
Roger Tenny	mt Beer Co Wine Wholesalers		X

HENRY GROSSMAN CHOUTEAU CO. COMM. ~~X~~
 IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

STEVE DAVIS

DISABILITIES COILITION

PLEASE LEAVE PREPARED

STATEMENT WITH SECRETARY.

David R. McMillen
 Steve Browning

Richland Co. Comm.
 Anheuser Busch

X

X

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 326

DATE February 13, 1985

SPONSOR REPRESENTATIVE HANNAH

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



502 South 19th

Bozeman, Montana 59715
Phone (406) 587-3153

Exhibit 1
HB 693

2/13/85
Frank

TESTIMONY BY: Lorna Frank


BILL # HB 693 DATE 2/13/85

SUPPORT X OPPOSE

Mr. Chairman and members of the committee, for the record my name is Lorna Frank. I am representing the Montana Farm Bureau Federation.

I am speaking in support of this bill, the delegates at the 1984 Montana Farm Bureau State Convention in December passed a policy opposing any effort to tax domestic and agricultural water wells and septic systems. The Montana Farm Bureau would appreciate a do-pass recommendation on HB 693. Thank you.

Lorna Frank
SIGNED

 Jo Brunner

AGRICULTURE LEGISLATIVE WORK

* Montana *

NAME Jo Brunner COMMITTEE House Taxation
ADDRESS 1496 Kodiak Road, Helena DATE _____
REPRESENTING Grange, Cattlefeeders, Cattlemen BILL NO. HB693
SUPPORT X OPPOSE _____ AMEND _____

Mr. Chairman, members of the committee, for the record, my name is Jo Brunner and I am testifying today for the Montana Grange, the Montana Cattlefeeders and the Montana Cattlemen, in support of HB 693.

We appreciate Representative Koehnke's perseverance in this matter and ask that you concur with HB 693.

Thank you.

WITNESS STATEMENT

Name CAROL MCSHER Committee On _____
Address AUGUSTA, MT. Date Feb. 13, 1975
Representing MONTANA COWBELLES Support X
Bill No. HB 693 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Makes TAXES more equitable.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.



Nebraska Individual Income Tax Return

for the taxable year January 1, 1983 through December 31, 1983 or other taxable year

FORM 1040N

1983

beginning

1983 and ending

19

First Name(s) and Initial(s)

Last Name

PLEASE DO NOT WRITE IN THIS SPACE

Exhibit 2
HB 326
2/13/85
Hannah

Home Address (Number and Street, or Rural Route)

City, Town, or Post Office

State

Zip Code

Public School District Data
County Name

Your Social Security Number

FARMERS, RANCHERS, OR FISHERMEN

☐ Please check box if your principal source of income is from farming, ranching, or fishing

County of Residence

School Identification Number

Spouse's Number, if Joint Return

FEDERAL FILING STATUS (see instructions and check only one)

- 1 ☐ Single
- 2 ☐ Married filing joint return (even if only one had income)
- 3 ☐ Married filing separately. If spouse is also filing, give social security number and full name of spouse
- 4 ☐ Head of household
- 5 ☐ Widow(er) with dependent child (year of death of spouse 19)

6 TYPE OF RETURN BEING FILED (check box 1 or 2)

- (1) ☐ Resident Taxpayer
If you have Nebraska adjustments to income, such as U.S. government bond interest, attach Nebraska Schedule I.
- (2) ☐ Nonresident or Partial-Year Resident Taxpayer
Attach Nebraska Schedule III. Partial-Year Residents enter period of residence in Nebraska from 1983 to 1983
- Month Day Month Day

FEDERAL EXEMPTIONS (see instructions)

- 7 Number of exemptions on your 1983 federal return 7
- FOOD SALES TAX CREDIT (complete if resident for more than six months)**
- 8 Yourself 8
- 9 Spouse 9
- 10 Number of dependent children living in Nebraska:
- a. Who are claimed as exemptions on your 1983 federal return. 10a
- b. For whom you received Aid to Families with Dependent Children (AFDC) not included on line 10a 10b
- c. In your custody who are claimed as exemptions on a nonresident's 1983 federal return. 10c
List nonresident's name and social security number
- d. In your custody who cannot be claimed as exemptions on any 1983 federal return due to income from social security or foster care programs. 10d
- 11 Number of other dependents residing in Nebraska claimed as federal exemptions. 11
- 12 Enter number of individuals qualifying for Nebraska food sales tax credit (total of lines 8 through 11) 12

Check Source Used to Compute Federal Tax

- (1) ☐ Tax Table (2) ☐ Tax Rate Schedules (3) ☐ Schedule G (4) ☐ Form 6251

13	Federal adjusted gross income (line 32, Federal Form 1040; or line 14, Federal Form 1040A; or line 3, Federal Form 1040EZ).	
14	Federal taxable income (line 37, Federal Form 1040; or line 19, Federal Form 1040A; or line 7, Federal Form 1040EZ). (If line 14 is zero, attach a copy of pages 1 and 2 of Federal Form 1040)	
15	Federal income tax before credits (total of line 38, Federal Form 1040, and alternative minimum tax, Federal Form 6251, if applicable [see instructions]; or line 20, Federal Form 1040A; or line 9, Federal Form 1040EZ; or line 38, Nebraska Schedule I; or line 59, Nebraska Schedule III)	
16	Nebraska income tax (20% of line 15). <i>Adjusted Annually Based on Legislation</i>	
17	Nebraska income tax withheld (attach Nebraska copies of Federal Form W-2 or Form 14N)	
18	Food sales tax credit (total on line 12 above multiplied by \$21)	
19	1983 estimated tax payments (include 1982 overpayment credited to 1983)	
20	Nonhighway use motor vehicle fuels credit (attach Form 4136N)	
21	Credit for tax paid to another state (attach Nebraska Schedule II and a complete copy of the return filed with the other state)	
22	Credit for the elderly (see instructions and attach copy of Fed. Schedules R&RP)	
23	Renewable energy source systems credit (attach Form 5695N)	
24	Total credits (total of lines 17 through 23)	
25	If line 16 is greater than line 24, enter amount of balance due (pay in full with return). If Form 2210N is attached, check here <input type="checkbox"/> . Include penalty in line 25, and show amount of penalty here	
26	If line 24 is greater than line 16, enter amount of overpayment	
27	Amount of overpayment, line 26, you wish credited to 1984 estimated tax	
28	Amount of overpayment, line 26, to be refunded (allow 8 weeks for your refund check)	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is correct and complete. I also declare that any food sales tax credit claimed above has not been claimed on any other return.

sign here

Your Signature

Date

Signature of Preparer Other than Taxpayer

Date

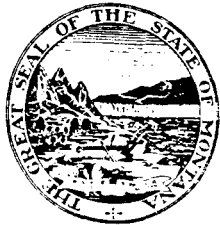
Spouse's Signature (if filing jointly, both taxpayers must sign)

City

State

Zip Code

Mail this return and payment to: NEBRASKA DEPARTMENT OF REVENUE, BOX 94818 LINCOLN NE 68509



JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/449-2986

Exhibit 3
2/13/85-
HB 326
Hannah

January 21, 1985

Representative Tom Hannah
Montana House of Representatives
State Capitol
Helena, MT 59620

Dear Representative Hannah:

As you requested, I have looked at the data you supplied on the relationship between Montana individual income tax liabilities and federal income taxes paid by Montanans. Based on that data, I believe a Montana income tax of 21 to 22 percent of the federal tax liability would generate approximately the same revenue as the current tax structure if the small business investment tax credit were retained. The percent required can be refined if the provisions of your proposed bill are amended.

If I can provide additional information, please contact me again.

Sincerely,

Judith Curtis Waldron

Judith Curtis Waldron
Senior Analyst

JCLEG:jt:TH 1-21-5



JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/449-2986

Exhibit 3
2/13/85
HB 326
Hannah

January 21, 1985

Representative Tom Hannah
Montana House of Representatives
State Capitol
Helena, MT 59620

Dear Representative Hannah:

As you requested, I have looked at the data you supplied on the relationship between Montana individual income tax liabilities and federal income taxes paid by Montanans. Based on that data, I believe a Montana income tax of 21 to 22 percent of the federal tax liability would generate approximately the same revenue as the current tax structure if the small business investment tax credit were retained. The percent required can be refined if the provisions of your proposed bill are amended.

If I can provide additional information, please contact me again.

Sincerely,

Judith Curtis Waldron

Judith Curtis Waldron
Senior Analyst

JCLEG:jt:TH 1-21-5

House Bill 326

Exhibit 4
HB 326
2/13/85
Monahan

<u>Items</u>	<u>Treatment</u>
Federal Adjusted Gross Income	No Change
Non Resident Alternative Tax .5% of Sales.	Repealed
Adjustments to Federal Adjusted Gross Income	
Interest on obligation of the U.S.	No Change
Interest on other States obligations	No Longer Taxed
Federal refund	No Longer Taxed
Elderly interest exclusion	Repealed
Federal retirement exclusion (\$3,600)	No Change
Benefits from private retirement (\$360)	Change to \$3,600
Teachers retirement	No Change
Public employees retirement	No Change
Highway patrol retirement	No Change
Montana income tax refund	No Change
Firemen retirement	Taxable
Policeman retirement	Taxable
Gain from Liquidating Corp.	Taxed Twice
Tip Income	Taxable
Sub S Corporation	No Change
Disc	No Change
Adjustment for federal jobs credit	Repealed
Exemptions	Same as Federal (no indexing)
Handicapped child exemption	Repealed
Veterans bonus and military salary exclusion	Repealed
Itemized Deductions	
State income Tax Paid	Deductible
Federal income tax paid	Repealed
Child and dependent care expenses	Repealed
Deduction for political contribution	Repealed
Organic fertilizer deduction	Repealed
License plate fees	Repealed
Standard Deduction	Federal -0- bracket amount not indexed

Out-of-state Credit	No change but there is no Montana Adjusted Gross Income to calculate it from
Credit for energy conservation	Repealed
Deduction for Sub S donation of computer equipment	Repealed
Nonresidents	
Standard and Itemized Deductions	% deductible
Definition of nonresident income	Repealed
Part year residents	Repealed
Partnership	No Change
Non-game wildlife	No Change
Investment Credit	No Change
Credit for the elderly	Repealed
Energy conservation credit	Repealed
Alternative energy credit	Repealed
Wind generate electricity	Disallowed on individual but allows Sub S and partnership but the only way they could get this is a pass-thru to the individual which is disallowed.

Exhibit 5
HB 651
2/12/85

Hanson

Amend Line 1, p.4, to read as follows:

facilities; and after a hearing has been held by the
board with respect to their duties contained in
this subsection, rules relating to plan submission,
plan review, building and equipment standards,
a public hearing by the department is not required,
as specified in Section 50-60-204, MCA. The
proposed rules are effective upon approval
of the department and filing with the
secretary of state as a part of the state
building code; and