

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

March 13, 1985

The fortieth meeting of the Taxation Committee was called to order in room 312-1 of the state capitol at 8:06 a.m. by Chairman Gerry Devlin.

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

CONSIDERATION OF SENATE BILL 44: Senator Towe stated that this bill was requested by the Department of Revenue with the blessings of the Revenue Oversight Committee. He indicated that this deals with an area of the law that is unclear and there has been some litigation over this. He explained that if a nonresident earns income in Montana, he has to pay taxes on it or if a nonresident runs a business in Montana, he has to pay taxes on it. He informed the committee that the question is what happens when a nonresident sells the business - does he pay taxes on the capital gains and on the interest. He concluded, saying that this bill clarifies that and makes it clear that the interest is to be taxed.

PROPONENTS: Ken Morrison, representing the Department of Revenue, emphasized that this bill is talking about a tax and this would be the same type of tax that is paid by the residents of Montana.

There were no further proponents.

OPPONENTS: David Johnson, a lawyer residing in Billings, gave testimony in opposition to this bill. See Exhibit 1.

There were no further opponents.

QUESTIONS ON SENATE BILL 44: Representative Cohen asked Mr. Johnson who his client was; and he responded it was an individual from Texas by the name of Mr. Fulbertson.

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Representative Cohen asked if the sale price of a business is not often dependent upon the terms.

Mr. Johnson responded that it can be; however, there are now significant and strong rules from the Internal Revenue Service which require the establishment of a minimal rate of interest, so the gains the taxpayer has by increasing the selling price and decreasing the interest rate are no longer available. He continued even if that were to occur, that would benefit the state of Montana because an increase in the selling price would create a greater capital gain and that clearly is taxable in Montana.

Representative Sands noted that in Mr. Johnson's testimony he referred to a Department of Revenue regulation, which said, "Interest received on deferred payments of the selling price of property situated in Montana is allocable to the state of the nonresident's commercial domicile." He asked if this bill does not change that.

Mr. Morrison responded that that is a section of rules that apply to residents who are operating businesses in two states and are subject to the allocation of income as well as the corporation tax and he does not think it does. He continued that they have another rule that applies in this particular case.

Representative Ellison asked if they have been collecting taxes on the interest on these installment contracts in the past.

Mr. Morrison answered that they have been and there are many taxpayers who have been filing according to their interpretation all along.

Representative Ellison inquired as to how long the statute has been on the books; and Mr. Morrison replied that it has been more than ten years.

Representative Sands asked Mr. Johnson about Mr. Morrison's referral to the Department of Revenue's regulation.

Mr. Johnson answered that this is the same story he has been hearing for the last 2½ years and he quoted this right

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from the regulation and in all the informal conferences they had with the department, they ignored this regulation and never explained why it is inconsistent and he does not understand where they are coming from and this regulation does apply.

Representative Sands indicated that this regulation applies to businesses that operate in two different states and this just allocates income between the two different states.

Mr. Johnson explained that he does not interpret it that way and that it does not have any reference to operating in two different states, but he thought that they may have amended it or are in the process of amending it.

Representative Cohen questioned if there were any other people who are appealing the department's interpretation.

Mr. Morrison replied that there may be one other case, but they have had several audits in this area and the majority of the taxpayers have interpreted the law the same way they did.

Chairman Devlin asked what kind of a loss this might be and Mr. Johnson informed him that the potential loss is about \$1½ million, so there must be more taxpayers out there reporting that interest income because his client certainly does not owe that kind of money.

Chairman Devlin asked if they failed to pass this, would they just go into litigation with each and every one of these.

Mr. Morrison responded that if they did not pass this bill, they still have their interpretation of the existing statute and he was sure that Mr. Johnson's client would take a close look at that and consider that a statement of intent and whether there would be litigation on all the other taxpayers, he contended that he would doubt that.

Representative Switzer asked Mr. Johnson if he knew of any other taxpayers who are protesting and Mr. Johnson responded that those figures have not been revealed to him by the department but he did have a conversation with

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another person in the department once, who told him that there were numerous people who were paying and there were people who were not paying. He continued that the only one he was aware of was an attorney in Colorado, who was representing a client and he (Mr. Johnson) had been exchanging information on this issue.

Representative Abrams asked if he would be clobbered with two taxes if he sold a business in Montana, moved down to Wyoming and he had interest income.

Mr. Johnson answered that that is possible and it depends on the relationship of the credit statutes in each taxing state. He explained that he may be entitled to a credit in his resident state or vice versa.

Chairman Devlin asked if they were operating under these rules right now that are stated in the handout.

Mr. Morrison replied that they have a rule that indicates that interest income falls under our interpretation of an installment contract and is subject to Montana income tax. He said that he thought this rule in this handout was a rule that is contained in their rule section involving a portion of the income for taxpayers operating a business in another state.

Chairman Devlin exclaimed that the rule doesn't say that and he asked him to furnish the committee with the rest of the rule.

Mr. Johnson advised that he thought he was referring to the taxation of a corporate enterprise operating in other states.

There were no further questions.

Senator Towe concluded that they are talking about the issue of whether or not this interest income is income from a source within the state and it obviously relates to the sale of a Montana business and it is income from a source within the state. If they do not want to do it that way, he continued, then they should say, "after interest on bank deposits" "interest on contracts for the sales of Montana businesses".

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The hearing on this bill was closed.

CONSIDERATION OF SENATE BILL 46: Senator Towe said that this bill raises an exemption so that more people are exempt and any person who has a special user fee in excess of \$100.00 a year must pay quarterly, and because of inflation, they are proposing to increase the exemption to \$200.00.

Norris Nichols, Administrator of the Motor Fuel Tax Division of the Department of Revenue, advised the committee of what this bill would do.

PROPOSERS: Jo Brunner, representing the Montana Cattle-men's Association, offered testimony in support of this bill. See Exhibit 2.

There were no further proponents.

OPPOSERS: There were none.

QUESTIONS ON SENATE BILL 46: Representative Patterson indicated that the committee had HB 151, which basically did the same thing. Chairman Devlin informed him that that bill was tabled in this committee - it was originally passed out of this committee and the sponsor sent it back to the committee because there was a problem with the bonding.

There were no further questions and Senator Towe closed. Chairman Devlin closed the hearing on this bill.

EXECUTIVE SESSION:

DISPOSITION OF SENATE BILL 46: Representative Switzer moved that this bill BE CONCURRED IN. Chairman Devlin stated that Mr. Nichols was going to do some checking on this so Representative Switzer withdrew his motion.

CONSIDERATION OF HOUSE BILL 908: Representative Keenan, District 66, stated that this bill was not at the request of the Department of Revenue, and the Montana corporate tax rate is presently at 6 3/4% of net income. She informed the committee that allowable deductions include all ordinary and necessary business expenses, certain losses and depreciation of assets, resource depletion allowance, interest paid on business debts, certain

charitable contributions, certain energy-related investments and net operating losses, carried back three years and forward seven years. She continued that they are also allowed to reduce their tax liability by claiming tax credit for certain expenses. She gave some statistics on corporations claiming this credit. She concluded saying that the corporate license tax rate has not been increased since 1963, which was eleven years ago.

PROPOSERS: Phil Campbell, representing the Montana Education Association, said that this bill would generate about \$2,191,000.00 over the biennium for the foundation program.

Nadlean Jensen, Executive Director of Montana Council #9, American Federation of State, County and Municipal Employees, AFL-CIO, offered testimony in support of this bill. See Exhibit 3.

There were no further proposers.

OPPOSERS: Jim Hughes, Mountain Bell Telephone Company, noted that if a company is paying a small amount of taxes now, they will get a tax break, but if you are paying a large amount, this bill will really get you. He advised the committee that they pay over \$40 million in taxes in Montana alone and this is over twice the amount that they net in this state. He commented that this bill and others like it are starting to cause the utilities a great deal of concern because it is so unfair and the utilities as a whole have reached a point of saturation.

Gary Langley, Executive Director of the Montana Mining Association, advised the committee that they are faced with some of the highest taxes in the nation and that this does not contain any fairness or equity and is the most blatant raid on industry that he has seen this session. He concluded by saying that you do not make the weak strong by making the strong weak.

Gene Phillips, representing the Pacific Power and Light Company, stated that actually companies do not pay taxes - they collect taxes for the state of Montana and he fails to see what justice is served by hiding taxes in customer's utility bills and he urged a do-not-pass recommendation.

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John Alke, representing the Montana-Dakota Utilities Company, informed the committee that the incentive for small business, that many argue will occur under this bill, amounts to \$312.50 and, in fact, it amounts to a substantial increase at the high end.

Mike Zimmerman, representing the Montana Power Company, said that if this bill were in effect in 1981, their taxes would have increased by \$308,000.00; if in effect in 1982, their taxes would have increased \$126,000.00 and in 1983, they would have increased \$415,000.00 and that is about an 18% increase; and this would really mean a rate increase.

Jim Mockler, representing the Montana Coal Council, pointed out that what this bill really is after is the 3.8% of the corporations who have put a tremendous amount of capital into the state of Montana and the coal companies more than pay their share. He indicated that if companies are going to employ people, they have to put a lot of money into their operation and the companies must have a reasonable return on their investment.

Janelle Fallon, representing the Montana Chamber of Commerce, stated that the corporation license tax has increased from time to time and the question should be are the companies making any money and not what the rate is. She continued that the state tax structure is strongly dependent on production taxes and the committee should not look at corporation license taxes alone. She thought that they would encourage small businesses to stay small by lowering their tax rate.

Don Allen, representing the Montana Wood Products Association, testified that a study by the Bureau of Business Research in Missoula, has shown that, in the timber industry at least, that the multiplier effect of personal income is 3.09 and applying this to this income paid by the timber industry comes to about \$250 million.

John Cadby, representing the Montana Bankers' Association, stated that as inflation increases, the state of Montana benefits from that inflation factor so the rate does not have to increase in order to yield a greater amount of revenue. He handed Exhibit 4 out to the committee.

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Tom Ebzery, representing Nerco Mining Company, expressed his opinion that this bill will further add to the erosion of a competitive advantage that they have with other states and which the coal company is facing at this time.

John McDonald, representing the Northwest Telephone Systems in Kalispell, stated that they agree with the testimony offered by other utilities and are in complete opposition of this bill.

Darwin VanDeGraff, representing the Montana Petroleum Association, stated that he endorsed what has been said by other opponents and those people who are most likely to invest in Montana will be the ones who are most penalized.

Dave Goss, representing the Billings Chamber of Commerce, stated that this was not a reduction in taxes for small business as a number of small businesses pay the minimum tax.

Dennis Burr, representing the Montana Taxpayers' Association, said that they were opposed to the bill for the reasons given.

There were no further opponents.

QUESTIONS ON HOUSE BILL 908: Representative Ream asked what the rates were in Washington and Oregon.

Mr. Cadby replied that Oregon has a 7½% rate and Washington has a gross income tax of 1½% of gross.

Representative Sands asked if it was not appropriate to have a graduated tax of Mr. Burr, who responded that if you have a graduated tax on corporations, you are penalizing the companies for being large and it does not mean that any company is making more profit.

Representative Williams asked Mr. Cadby if the graduated tax could be unconstitutional or discriminatory.

Mr. Cadby responded that the aspect that a graduated tax makes the tax more like an income tax and less like a

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license tax, plus the fact that a graduated tax is discriminating against larger corporations, jeopardizes the ruling rendered by the supreme court in relationship to federal law and this should be given serious consideration as somebody is going to run right back to the supreme court on this.

Representative Keenan advised that the federal government corporate license tax is graduated.

Representative Schye asked Ms. Fallon if she said that North Dakota was graduated and Ms. Fallon replied that from her information she understood that North Dakota was graduated from 2 to 7%.

Representative Ream asked about tax indexing and tax bracket creep.

Mr. Cadby replied that the reason that the tax on corporations is higher relatively is that personal income tax is indexed so that bracket creeping as the result of inflation does not raise the amount of taxes that one pays, but corporations do not have that benefit and they pay 6 3/4% on their net earnings and if those net earnings are increased because of inflation, that amount of dollars paid to the state is also increased.

There were no further questions.

Representative Keenan advised that 98% of the work force in Montana is in small business and she addressed the issues of business climate in Montana, fiscal health and equity by having the corporations pay their fair share.

The hearing on this bill was closed.

The committee recessed at 9:56 a.m. and resumed at 10:10 a.m.

#### EXECUTIVE SESSION:


DISPOSITION OF HOUSE BILL 701: Representative Schye moved to reconsider their action on this bill. The motion carried unanimously.

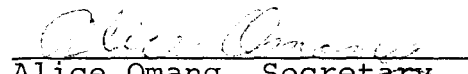
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Chairman Devlin appointed a subcommittee consisting of Representative Asay as chairman, Representative Sands, Representative Schye and Representative Ream to further consider this bill.

DISPOSITION OF SENATE BILL 46: Representative Sands moved that this bill BE CONCURRED IN. The motion carried unanimously. Representative Gilbert will carry the bill on the floor of the House.

ADJOURNMENT: There being no further business, the meeting adjourned at 10:15 a.m.

  
GERRY DEVLIN, Chairman

  
Alice Omang, Secretary

# DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/13/85

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		

# STANDING COMMITTEE REPORT

March 13, 19 95

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration SENATE Bill No. 45

third reading copy (blue color)

AN ACT TO RAISE FROM \$100 TO \$200 THE MINIMUM ANNUAL TAX  
LIABILITY TRIGGERING MANDATORY WAIVER OF THE REQUIREMENT  
FOR FILING A QUARTERLY SPECIAL FUELS TAX RETURN;

Respectfully report as follows: That SENATE Bill No. 45

BE CONCURRED IN

DO PASS

Exhibit 1  
SB 44  
3/13/85  
David Johnson

Summary of Testimony of David L.  
Johnson Before the House Taxation Committee  
on  
SENATE BILL 44

A. Current Law

Section 15-30-131(1), MCA, describes the items to be included in the adjusted gross income of a nonresident, and provides that a nonresident is to report to the State of Montana all income from sources within Montana. The statute then provides that income from sources within Montana shall not include:

"income from . . . interest on bank deposits, interest on bonds, notes, or other interest-bearing obligations . . . except to the extent to which the same shall be a part of income from any business, trade, profession, or occupation carried on in" Montana.

The Department of Revenue has issued several regulations under §15-30-131, one of which applies to interest on deferred payment sales. ARM §42.16.114(2) provides:

"Interest received on deferred payments of the selling price of property situated in Montana is allocable to the state of the nonresident's commercial domicile."

B. Proposed Change

Senate Bill 44, which was introduced at the request of the Department of Revenue, and which purports to be an Act "clarifying" the inclusion of interest income from installment sales of Montana property by a nonresident, adds the following sentence:

"Interest income from installment sales of real or tangible commercial or business property located in Montana must be included in adjusted gross income."

After defining the term "installment sales" as a sale in which the buyer agrees to pay the seller in one or more deferred installments, the Bill concludes by providing that the Act, if adopted, would become effective on passage and would apply to "taxable years beginning after December 31, 1984."

C. Possible Retroactive Effect of the Bill

1. S.B. 44, since it states that it is an Act "clarifying" the inclusion of interest income, could be construed as evidencing a Legislative intent that the existing statute taxes such income.
2. If so construed, the Bill would negatively impact taxpayers with deficiency cases presently pending before the Department of Revenue.
3. Moreover, since the Bill would apply to "taxable years beginning after December 31, 1984," interest income on deferred payment sales which occurred prior to that date would be subject to tax, even though the sellers would not contractually be able to modify their contracts to receive cash.

D. Policy Considerations

1. The Bill discriminates between nonresidents (and residents who thereafter become nonresidents) on the basis of whether they sell their business for cash or on a deferred payment contract.
  - a. If the sale is for cash, and the funds are deposited with a Montana bank, that interest is not taxable to a nonresident.
2. Similar interest income is not subjected to tax in at least two other states, New York and Colorado.
3. Expansion of our taxation statute could discourage capital investments in Montana.

E. Conclusion

1. Senate Bill 44 should be killed.
2. If not, two amendments are necessary to prevent its possible retroactive effect:
  - a. The Title of the Bill should be modified to read "An Act to include interest income" rather than "An act clarifying the inclusion of interest income".
  - b. The Bill's applicability date should be modified to provide that it applies only to installment sales occurring after December 31, 1984.

Respectfully submitted,

*David L. Johnson*  
David L. Johnson  
490 N. 31st Street  
Billings, Montana

March 13, 1985

Exhibit 2  
SB 46  
3/13/85  
Jo Brunner

Jo Brunner

AGRICULTURE LEGISLATIVE WORK

\*\*\*\*\*  
\* Jo Brunner \*  
\* Helena, Montana 59402 \*  
\*\*\*\*\*

NAME JO BRUNNER COMMITTEE House Taxation  
ADDRESS 1496 Kodiak Road, Helena DATE 3/13/85  
REPRESENTING Montana Cattlemens Association BILL NO. SB 46  
SUPPORT x OPPOSE  AMEND X

Mr. Chairman, members of the committee, for the record my name is Jo Brunner and I represent the Montana Cattlemens Association here today. We wish to speak in support of SB 46. We support an increase in the users tax liability before the user must file a quarterly tax return, but we wish to ask an amendment that will raise that amount from the proposed \$200.00 in Senator Tows bill to the \$800.00 that was proposed in HB 151.

Our reasoning is that the higher trigger level for such reports will be beneficial to both the user and the Department of Revenue, and will save expenses and inconvenience.

We appreciate that the increase from 1 to 200 is beneficial, but feel that having to file the quarterly return is more so, and feel that the higher level of \$800.00 is more in line with yearly tax.

Thank you.

# MONTANA STATE COUNCIL No. 9

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES  
Affiliated With A.F.L.—C.I.O.



Exhibit 3  
HB 908  
3/13/85  
Jensen

Gerald W. McEntee  
International President

William E. Lucy  
International Secretary-Treasurer

## COUNCIL OFFICERS

John P. Walsh, President  
1215 West Gold  
Butte, MT 59701  
Phone: 792-4818

Anita Davis, Secretary  
1112 5th St.  
Deer Lodge, MT 59722

George E. McCammon, Treasurer  
Rte. 1, Box 144  
Townsend, MT 59644  
Phone: 266-3592

March 13, 1985

Testimony of Nadiean Jensen, Executive Director of Montana Council #9, American Federation of State, County and Municipal Employees, AFL-CIO, on House Bill 908.

## VICE-PRESIDENTS

Roy D. Mathews  
207 Farview Drive  
Kalispell, MT 59901  
Phone: 257-1173

Mr. Chairman, Members of the Committee, for the record my name is Nadiean Jensen, Executive Director of Montana State Council #9, AFSCME, AFL-CIO.

Steve Cox  
911 - 8th Ave. W.  
Kalispell, MT 59901  
Phone: 257-1173

I am speaking today in support of HB908.

Montana is facing a budget crisis and due to this crisis school districts, Local Governments and needed services are facing the same crisis.

Carolyn Squires  
2111 10th St. W.  
Missoula, MT 59801  
Phone: 846-3308

By revising the tax structure in this manner approximately 7.8 million additional dollars would be received in the first full taxable year, as per the fiscal note attached to this bill.

George Howard  
Box 381  
Boulder, MT 59832  
Phone: 225-3800

Individual income taxes are based on the ability to pay and we believe that corporations should not be treated differently. HB908 is the vehicle needed to rectify that discrepancy.

## COUNCIL STAFF

Headquarters  
789 Carter Drive  
P.O. Box 5356  
Helena, MT 59604  
Phone: 442-1192

We ask your support and a vote to do pass on HB 908.

R. Nadiean Jensen  
Executive Director

Thank you.

George F. Hagerman  
Field Representative

Nadiean Jensen, Executive Director  
Montana Council #9, AFSCME, AFL-CIO

Sharon Donaldson  
Field Representative

Dennette Munro  
Secy/Bookkeeper

Exhibit 21  
3/13/85  
HB 908  
John Cadby



HOUSE BILL 908

1 N. Last Chance Gulch  
Helena, MT. 59601  
(406) 443-4121

MONTANA SUPREME COURT, NOV. 23, 1984.

"WE FURTHER HOLD AND DETERMINE THAT THE MONTANA CORPORATION LICENSE TAX AS NOW PROVIDED IN OUR STATUTES IS A NONDISCRIMINATORY FRANCHISE TAX IMPOSED UPON CORPORATIONS FOR THE PRIVILEGE OF DOING BUSINESS AS CORPORATIONS IN THIS STATE."

OTHER STATES:

MONTANA	-	6 3/4%	-	FEDERAL OBLIGATIONS INCLUDED
IDAHO	-	6 1/2%	-	FEDERAL OBLIGATIONS INCLUDED
NEW MEXICO	-	6%	-	FEDERAL OBLIGATIONS INCLUDED
SOUTH DAKOTA	-	6%	-	FEDERAL OBLIGATIONS NOT INCLUDED
NORTH DAKOTA	-	<del>5%</del> 7%	-	FEDERAL OBLIGATIONS INCLUDED
COLORADO	-	5%	-	FEDERAL OBLIGATIONS NOT INCLUDED
UTAH	-	4%	-	FEDERAL OBLIGATIONS NOT INCLUDED
WYOMING	-	0%	-	NO INCOME TAX

## VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 908

DATE March 13, 1985

SPONSOR REPRESENTATIVE KEENAN

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Tom Ryan	Helena	✓	
Louise Tunz	Helena/Butte MT/Johnson	X	
Jim Mockler	Helena		✓
Philce Zimmerman	Butte MPO		✓
JOHN CADBY	HELENA MT BANKERS		✓
T.W. McDowd	Helena N.W. Tel		✓
T.M. Rollins	ASARCO, INC		✓
Jim Hughes	MOUNTAIN BELL		✓
Dave Goss	Billings Chamber		✓
Tom Ebery	NERCO Mining Co		✓
GARY A LANGLEY	MT. MINING ASSN.		✓
Ken Williams	Butte Western Energy		✓
SIX KIRKPATRICK	CHAMPION KITCHEN COOP		✓
Gaule Fallon	MT Chamber		✓
Dennis Burr	Clancy		✓
Don Allen	MT. Wood Product Assoc.		✓
Carol Mosher	Augusta		✓
EARL PEILLY	U.S.C.A.	X	
Riley Johnson	Mont Home Builders		X
GENE PHILLIPS	KALISPELL		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM  
 D Van DeGraff  
 S. Peterson  
 Bozeman

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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Taxation COMMITTEE

HB 908

March 13, 1985

Keenan

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

TAXATIONCOMMITTEEBILL NO. SB 44DATE March 13, 1985SPONSOR SENATOR TOWE

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Ken Morrison	Dept. of Revenue	✓	
DAVID JOHNSON	Bellings		✓
<del>Blaine Johnson</del>	<del>Holbrook</del>		<del>✓</del>
<del>Joe</del>			

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME Louise KUNZ BILL NO. HB 908  
ADDRESS 107 LAWRENCE DATE 5/13/85  
WHOM DO YOU REPRESENT? MT Low Income Coalition  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WE SUPPORT HB. 908. THERE ARE TWO POSITIVE EFFECTS WE SEE THAT I WOULD LIKE TO MENTION.

IT WOULD BRING APPROX. 5.6 MILLION TO THE GENERAL FUND. THIS WILL GO A LONG WAY TO ADDRESSING THE SERIOUS HUMAN NEEDS PROBLEMS WE HAVE, ESPECIALLY THE GENERAL ASSISTANCE PROGRAM.

ALSO, I'VE HEARD TESTIMONY, IN OTHER HEARINGS, THAT MT. REAL ECONOMIC FUTURE RESTS WITH SM. BUSINESS AND THIS GIVES THEM A BREAK, ENCOURAGING GROWTH IN THESE BUSINESSES. FURTHER IF A LARGER CORPORATION HAS A BAD YR THAT DROPS TAXABLE INCOME BELOW \$50,000 IT HELPS THEM.

WE URGE PASSAGE OF THIS BILL.