

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 25, 1985

The forty-eighth 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 Harrington and Representative Iverson. Also present were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, secretary.

CONSIDERATION OF HOUSE BILL 198: Representative Ramirez stated that this bill was by the request of the Revenue Oversight Committee and adjusts the taxable percentage of class 3, 4 and 12 property. He indicated that class 3 property may not need to be done depending on what is done on agricultural property. He said that this would make sure that there is not a massive increase as a result of reappraisal.

PROPOSERS: Dennis Burr, representing the Montana Taxpayers' Association, stated that this is something that needs to be done as reappraisal goes on.

Gregg Groepper, Administrator of the Property Assessment Division of the Department of Revenue, indicated that they support the concept of this bill and they expect that the committee will have to pass something along these lines.

Representative Gilbert declared that he did not think it was proper for the Department of Revenue to come to these meetings and speak as a proponent or an opponent. He thought that they should just be allowed to come in to these meetings at the request of the sponsor or the committee to answer questions that are directed at them.

Representative Williams stated that there is nothing in the rules and regulations that says that a department representative cannot testify before a committee and they may be an opponent or a proponent.

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Chairman Devlin ruled that the department could testify on this bill, but to leave out any reference to any other bills.

Mr. Groepper continued that this bill comes as a recommendation from the department as a way to deal with tax rates and reappraisal and this concept is something the department recommended to the Revenue Oversight Committee.

Representative Williams testified that he is a supporter of this concept irregardless of what they do with the other bills.

Alec Hanson, representing the Montana League of Cities and Towns, stated that they have followed all of these reclassification bills and they would propose that a slight increase in taxable value be allowed simply because there has been a tremendous amount of inflation; and if they do not allow this, they are going to cause some serious problems to the cities and towns across the state.

There were no further proponents.

OPPONENTS: There were none.

QUESTIONS ON HOUSE BILL 198: Representative Harp asked if Representative Ramirez would have a problem with an increase of some sort in tax valuation to compensate for some of the problems that local government is having.

Representative Ramirez replied that he thought they decided that they would say zero as their initial recommendation, because they did not want to say what kind of an increase the legislature would permit, but he did not want to suggest that it has to be zero.

Representative Patterson asked if it is not true that trailer houses depreciate every year.

Representative Ramirez responded that he was sure they do.

Representative Patterson asked if it was not true that the longer you keep this type of property, the less value there is.

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Representative Ramirez replied that there is a curve on these and it might increase for a while and then decrease.

There were no further questions; Representative Ramirez closed and the hearing on this bill was closed.

CONSIDERATION OF SENATE BILL 330: Senator Goodover, District 20, Great Falls, said that this bill is a different animal now than originally due to the way it came out of the senate. He advised that this bill was a modification of the unitary tax and with this bill, they did not plan to tax corporations on their worldwide operations. He informed the committee that the bill was narrowed down in the senate to where it applies only to foreign corporations and discriminates against U. S. corporations and there could be serious problems. He offered amendments to this bill (Exhibit 1) and a grey bill (Exhibit 2). He contended that these amendments would put the bill back in its original form.

Janelle Fallon, representing the Montana Chamber of Commerce, gave testimony in support of this bill. See Exhibit 3.

John LaFaver, Director of the Department of Revenue, rose to give testimony and Representative Gilbert declared that he wanted to go on record as having the same objections as he had on the previous bill.

Mr. LaFaver said that he was a cautious and skeptical proponent of this bill as amended. He explained some of the problems with the bill and indicated that they were in favor of the bill as it stands and would oppose the bill if amended as proposed.

There were no further proponents.

OPPONENTS: George Bennett, representing W. R. Grace, which is a multinational corporation and a conglomerate, gave testimony in support of this bill. See Exhibit 4.

There were no further opponents.

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QUESTIONS ON SENATE BILL 330: Representative Williams asked Senator Goodover if they could provide the committee with a fiscal note that would go along with the grey copy.

Senator Goodover replied that they did not ask for a fiscal note because there would be no fiscal impact for two years.

Representative Williams asked if they could get a two-year extended fiscal note.

Senator Goodover responded that he did not know what the fiscal note would be because it is just a narrow window of opportunity for Japanese firms.

Chairman Devlin asked if there was a fiscal note on this before the amendments were put on it in the senate.

Senator Goodover answered that it indicated that there would be a \$10 million general fund impact in 1987.

Representative Asay asked Mr. LaFaver if the other states who have repealed the unitary tax assess the tax in the same manner that he described.

Mr. LaFaver responded that it is his understanding that they do so.

Representative Asay asked what would happen without a unitary tax.

Mr. LaFaver replied that there was an article in the Wall Street Journal, which told of Florida repealing their unitary tax and a change in investment and they lost significant revenue in Florida and they increased their domestic corporate income tax to make up for that revenue loss.

Representative Asay asked the same question of Mr. Bennett, who responded that if it is one business, it should be taxed as one business, theoretically, so there cannot be a shifting of income or deductions or intercompany sales at artificial prices and things like that. He continued that he thought what the concern of W. R. Grace

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is is that the state of Montana through the Department of Revenue is now asking and legalizing what they have been doing, and that is not going after the foreign parent.

Representative Raney asked if they were getting at the foreign parent now.

Mr. LaFaver replied that they do not have a foreign parent doing business in Montana, but they did have a Canadian firm and they were combining its income so as a matter of policy, they do not exclude a foreign parent.

There were no further questions.

Senator Goodover said that there would be no fiscal impact for the next two years if they adopt the grey copy of the bill and if they do not adopt the grey copy, it will go into effect immediately and they really have no idea what that will do to the state.

Chairman Devlin offered a booklet on the unitary tax, which is to be placed with the minutes. See Exhibit 5.

CONSIDERATION OF SENATE BILL 67: Senator Gage, District 5, said that this bill would clarify the taxation of sewage disposal systems and domestic water supply systems. He indicated that he was concerned about double taxation and there were about 6300 domestic water supply systems and sewage disposal systems that are on the tax rolls separately from the valuation of the home.

PROPOSERS: Dennis Burr, representing the Montana Taxpayers' Association, stated that down-hole equipment has never been taxed, to his knowledge, in this state and he can see no justification to tax it.

Darwin VanDeGraff, representing the Montana Petroleum Association, noted that the casing of a well is not taxed in any other state that he is aware of and a well does not exist unless there is casing.

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Lavina Lubinus, representing Women Involved in Farm Economics, offered a statement in support of this bill. See Exhibit 6.

Jo Brunner, representing the Montana Cattlefeeders Association, the Montana Cattleman's Association, and the Montana Grange, gave a statement in support of this bill. See Exhibit 7.

Terry Murphy, representing the Montana Farmers' Union, indicated that they were proponents of the bill as it applies to water and sewage disposal systems on farms.

Marg Green, representing the Montana Farm Bureau Federation, offered testimony in support of this bill. See Exhibit 8.

Senator Tveit, District 11, rose as a proponent on this bill both for the down-hole equipment and water and sewage systems.

There were no further proponents.

OPPONENTS: There were none.

QUESTIONS ON SENATE BILL 67: Representative Raney noted that the fiscal note said revenue lost and revenue foregone and he did not understand that.

Mr. Groepper responded that he could walk across the street and get them figures to show that as far back as 1981, some counties were taxing these and some were not but the biggest majority of the property has not been taxed, but to say that it has not been taxed is incorrect. He informed the committee that some counties were taxing the casing as a supply item; some were taxing it as an improvement and others were taxing it at a different rate. He said that they got a legal opinion and they said that if the casing was installed in the ground, it was taxable as an improvement and not as a supply item. He said there is now an opinion in the attorney general's office and they are awaiting a decision on it. He indicated that he thought the casing was probably exempt, but there is some question over this.

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Representative Gilbert asked how many counties in the state of Montana are taxing down-hole equipment.

Mr. Groepper replied that he could not give an exact number, but he knows that Valley County taxes it, Hill County taxes it and he thought Blaine County.

Representative Gilbert asked if the \$17.8 million was just from those particular counties or is that their projection on every county in the state.

Mr. Groepper answered that that is the projection of where they expect to be in 1985 with the enforcement.

Representative Gilbert said that all their figures were then projected figures under "what if".

Mr. Groepper responded that he is correct in that they are projected figures projected off of what they expect to do in 1985, because the problem did not come to a head until 1984 and this was one of the issues they were dealing with in the counties' training sessions. He said they also instructed their county assessors to put a hold on this until 1985 waiting for the legislature and the attorney general's opinion.

There were questions to Mr. Groepper about how this taxation worked and he explained it to the committee.

Representative Williams asked if this bill conforms to the policy they are presently following.

Mr. Groepper replied that the policy they have right now is inconsistent in regard to the septic systems and wells and they will continue the past practice until they get to 1986, and if the legislature does nothing, they will pick up the value for the improvements for all septic tanks and wells on agriculture land and put those on the tax rolls in 1986. He explained that it basically was the same situation on the down-hole equipment,

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Representative Williams asked how it is handled if a rancher drills a well and puts in pumping equipment.

Mr. Groepper answered that irrigation systems on agriculture land has been exempt since 1981.

There were no further questions.

Senator Gage said that they are not exempting the water and sewage systems - they just do not want them taxed double.

The hearing on this bill was closed.

CONSIDERATION OF SENATE BILL 234: Senator Ed Smith, District 10, stated that this bill would prohibit the Department of Revenue from using replacement cost as a substitute for market value when appraising property for tax purposes. He advised the committee that there has been a practice that the department in one year would use one appraisal manual and the next year would use another manual and they have directed the department to use one manual that is used all over the United States.

PROPOSERS: Lavina Lubinus, representing the Women Involved in Farm Economics, offered testimony in support of this bill. See Exhibit 9.

Terry Murphy, representing the Montana Farmers' Union, gave a statement in support of this bill. See Exhibit 10.

Marg Green, representing the Montana Farm Bureau Federation, gave a statement in support of this bill. See Exhibit 11.

Jo Brunner, representing the Montana Cattlefeeders, the Montana Cattlemen's Association, and the Montana Grange, offered testimony in support of this bill. See Exhibit 12.

There were no further proponents.

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OPPONENTS: There were none.

QUESTIONS ON SENATE BILL 234: Representative Williams asked in the section on exemptions how this would apply to all other property throughout the industrial and commercial areas of taxation.

Senator Smith replied that everybody knew that this bill was being introduced and some people were very disappointed and came into the committee hearings in the senate, but he would guess that if those people feel they are not having a problem, that that is their obligation, but he knew that agriculture was having a problem and that is why they addressed this particular problem in the bill.

Representative Williams asked Mr. Groepper if this was discriminating against industrial and commercial.

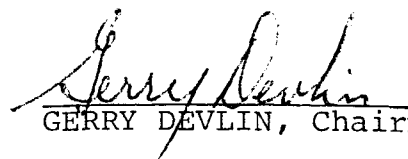
Mr. Groepper responded that the way this bill is constructed, it deals with the exemption of farm buildings in the exemption statute so it specifically says farm buildings. He indicated that the way it is handled in this bill, he did not see a problem.

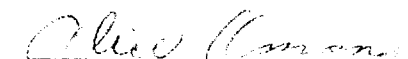
There were no further questions; Senator Smith closed; and the hearing on this bill was closed.

EXECUTIVE SESSION:

DISPOSITION OF SENATE BILL 234: Representative Williams moved that this bill BE CONCURRED IN. The motion carried unanimously.

ADJOURNMENT: There being no further business, the meeting adjourned at 9:55 a.m.


GERRY DEVLIN, Chairman


Alice Omang, Secretary

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 25, 1985

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

STANDING COMMITTEE REPORT

March 25,

1985

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration SENATE Bill No. 234

third reading copy (blue)
color

AN ACT TO PROHIBIT THE DEPARTMENT OF REVENUE FROM USING
REPLACEMENT COST AS A SUBSTITUTE FOR MARKET VALUE WHEN
APPRAISING PROPERTY FOR TAX PURPOSES;

Respectfully report as follows: That SENATE Bill No. 234

BE CONCURRED IN

~~DO PASS~~

COMMITTEE OF THE WHOLE AMENDMENT

Exhibit 1
SB 330
3/25/85

DATE
Sen. Goodner

TIME

MR. CHAIRMAN: I MOVE TO AMEND SENATE BILL NO. No. 330

second reading copy (yellow) as follows:
Color

1. Lines 12 and 13 of the Title
Following "EXCLUDE"
Insert: Deleted material
2. Line 14, Title
Delete: "FOREIGN PARENT CORPORATIONS"
3. Line 16, Title
Following: "SECTIONS"
Insert: Deleted material
Delete: "15-31-301, 15-31-305"
4. Page 1, line 20 through line 3 on page 2
Insert: Deleted material
Following: "States" on line 3, page 2
Insert: "as defined under the internal revenue code except:
(a) 15% of dividends received without regard to section 78 of the internal revenue code in lieu of any expense attribution to such foreign source dividends; and
(b) rents, royalties, capital gains, interest, and fees received by a domestic corporation from a foreign corporation for which a deduction was allowed or allowable in computing a foreign income tax"
5. Page 2, lines 4 and 5
Insert: Deleted material except "other-than:
Following: "except:" on line 5
Insert: "other than"
6. Page 2, line 6
Following: (a)
Insert: "business income"
7. Page 2, lines 14 through 21
Insert: Deleted material
8. Page 2, line 22
Insert: Deleted material
9. Page 2, line 23
Insert: "District of Columbia,"

ADOPT

REJECT

Goodner

10. Page 2, line 25
Following: "~~country~~"
Insert: Deleted material
11. Pages 3 and 4, through line 15 on page 4
Delete material therein in its entirety
12. Page 4, line 16
Following: "Section"
Strike: "3"
Insert: "2"
13. Page 5, line 18 and 19
Following: "business" on line 18
Insert: Deleted material
14. Page 5, line 20 through line 2 on page 6
Following: "States" on line 20, page 5
Strike: material therein in its entirety
Insert: "._"
15. Page 6, line 3
Following: "Section"
Strike: "5"
Insert: "3"
16. Page 6, line 4
Following "after"
Strike: "December 31, 1985"
Insert: "January 1, 1987"



Exhibit 2
SB 330
3/25/85
Sen. Goodo

1 SENATE BILL NO. 330

2 INTRODUCED BY GOODOVER, HARP, THAYER, H. HAMMOND,
3 BOYLAN, E. SMITH, HARDING, SWIFT, SEVERSON, GAGE, HIMSL,
4 HALLIGAN, HAGER, RAMIREZ, ABRAMS, MILLER, PHILLIPS,
5 CAMPBELL, O'HARA, PATTERSON, THOFT, JONES,
6 B. WILLIAMS, HAYNE, STEPHENS, TVEIT, ELLISON,
7 KOEHNKE, HANSON, SIMON, WALLIN, PETERSON,
8 MARKS, REHBERG, NATHE, BERGENE, ASAY,
9 JACK MOORE, PINSONEAULT, KEATING, MCCALLUM, PECK,
10 STORY, DEVLIN, DANIELS, O'CONNELL, MOHAR
11

12 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE CERTAIN
13 INCOME DERIVED FROM SOURCES OUTSIDE THE UNITED STATES WHEN
14 ALLOCATING AND APPORTIONING INCOME FOR PURPOSES OF THE
15 CORPORATE LICENSE TAX; AMENDING SECTIONS 15-31-302 AND
16 15-31-312, MCA; AND PROVIDING AN APPLICABILITY DATE."
17

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Section 15-31-302, MCA, is amended to read:

20 "15-31-302. Definitions. (1) "Business income" means
21 income arising from transactions and activity in the regular
22 course of the taxpayer's trade or business and includes
23 income from tangible and intangible property if the
24 acquisition, management, and disposition of the property
25 constitute integral parts of the taxpayer's regular trade or

1 business operations. The term does not include income
 2 derived from sources outside the United States AS DEFINED
 3 UNDER THE INTERNAL REVENUE CODE EXCEPT:

4 (A) 15% OF DIVIDENDS RECEIVED WITHOUT REGARD TO
 5 SECTION 78 OF THE INTERNAL REVENUE CODE IN LIEU OF ANY
 6 EXPENSE ATTRIBUTION TO SUCH FOREIGN SOURCE DIVIDENDS; AND

7 (B) RENTS, ROYALTIES, CAPITAL GAINS, INTEREST, AND
 8 FEES RECEIVED BY A DOMESTIC CORPORATION FROM A FOREIGN
 9 CORPORATION FOR WHICH A DEDUCTION WAS ALLOWED OR ALLOWABLE
 10 IN COMPUTING A FOREIGN INCOME TAX.

11 (2) "Nonbusiness income" means all income ~~other-than~~
 12 ~~except:~~ OTHER THAN

13 ~~(a)~~ business income~~7~~.

14 ~~(b)--rents-and-royalties-from-real-or-tangible-personal~~
 15 ~~property7-capital-gains7-interest7-and-fees--received--by--a~~
 16 ~~domestic--corporation-from-sources-outside-the-United-States~~
 17 ~~which-were-taxed-in-a-foreign-jurisdiction7-and~~

18 ~~(c)--85%--of--dividends--received--from--sources--outside--the~~
 19 ~~United-States--to--which--no--capital7--management7--research7~~
 20 ~~development7--or--other--expenses--may--be--attributed7~~

21 (3) "Commercial domicile" means the principal place
 22 from which the trade or business of the taxpayer is directed
 23 or managed.

24 (4) "Compensation" means wages, salaries, commissions,
 25 and any other form of remuneration paid to employees for

1 personal services.

2 (5) "Sales" means all gross receipts of the taxpayer
3 not allocated under 15-31-304.

4 (6) "State" means any state of the United States, the
5 District of Columbia, ~~the Commonwealth of Puerto Rico, any~~
6 ~~territory or possession of the United States, and any~~
7 foreign country or any political subdivision thereof."

8 Section 2. Section 15-31-312, MCA, is amended to read:

9 "15-31-312. Apportionment formula -- relief
10 provisions. (1) If the allocation and apportionment
11 provisions of this part do not fairly represent the extent
12 of the taxpayer's business activity in this state, the
13 taxpayer may petition for or the tax administrator may
14 require, in respect to all or any part of the taxpayer's
15 business activity, if reasonable:

16 ~~††~~(a) separate accounting, provided the taxpayer's
17 activities in this state are separate and distinct from its
18 operations conducted outside this state and are not a part
19 of a unitary business operation conducted within and without
20 this state. For purposes of this part, a "unitary business"
21 is one in which the business conducted within the state is
22 dependent upon or contributory to the business conducted
23 outside this state or if the units of the business within
24 and without this state are closely allied and not capable of
25 separate maintenance as independent businesses.

1 ~~(2)~~(b) the exclusions of any one or more of the
2 factors;

3 ~~(3)~~(c) the inclusion of one or more additional factors
4 which will fairly represent the taxpayer's business activity
5 in this state; or

6 ~~(4)~~(d) the employment of any other method to
7 effectuate an equitable allocation and apportionment of the
8 taxpayer's income.

9 (2) The term "business activity" as used in subsection
10 (1) does not include business activity conducted outside the
11 United States that results in income derived from sources
12 outside the United States."

13 NEW SECTION. Section 3. Applicability date. This act
14 applies to taxable years beginning after December 31, 1985.

-End-

Sen. Patry Goodwin SB-330 Montana !!
Potential !!

Saturday, February 23, 1985 Great Falls Tribune

Montana's economic future is squarely on Pacific Rim

There is no doubt that the state's economic future lies around the Pacific Rim. Expanded markets won't be developed soon enough to alleviate the current farm crisis.

But those markets will develop. We'll bet on it.

In exclusive interviews with The Japan Times following their return from the three-week tour of different regions of the United States, the three group leaders spoke of a most enthusiastic reception given them.

And they are unanimous in the belief that a long list of advantages offered there makes the United States the No. 1 world outlet for private Japanese investment.

Consul discusses Montana, Japan trade

The Asian Wall Street Journal Weekly September 17, 1984

BILLINGS (AP) — The chief of the Japanese consulate in Seattle said Wednesday that better cultural understanding and elimination of "short-sighted protectionism" would improve trade relationships between Montana and his country.

Toshio Isogai told Montana Chamber of Commerce directors that the state's unitary tax on overseas corporations operating in the United States is preventing his countrymen from considering economic investments in Montana.

Fujitsu Will Build
Two Oregon Plants
For \$170 Million

Unitary Tax Creates a Monster

Florida's Legislature Repeals Unitary Tax, Raises Firms' Tax Rate

By WALL STREET JOURNAL Staff Reporter
TALLAHASSEE, Fla.—Florida's corporate world-wide unitary tax, opposed by many businesses and foreign governments, was repealed in a special session of the legislature Friday. Gov. Bob Graham is expected to sign the measure this week.

"The tax really did hurt the state of Florida," said Ronald LeFace, a lobbyist representing Coca-Cola Co., Mobil Corp., Sony Corp. and some 40 other companies that worked for repeal. "I predict that people will start looking at the state as a safe place to invest their capital again."

After Oregon repealed its unitary tax last year, Japanese investors pumped \$300 million into that state, creating about 2,000 jobs, Fitzgerald said.

Japanese and other foreign investors have indicated a wide range of investment possibilities in Montana, he said, but he wouldn't give the names of the companies.

In addition, the worldwide unitary principle discourages any export-intensive company from locating or expanding in a state having high labor and manufacturing costs. Such a move would only increase its corporate taxes within that state, even if in-state profits were zero. "Because the effective state tax rate will be greater for companies with profitable worldwide operations, successful export-oriented high technology companies will have to think twice about expanding into and within a unitary tax state," says Charles Baker of the Massachusetts High Technology Council.

HELENA — Larry Fasbender said his life on a farm near Fort Shaw in the federal Greenfield Irrigation Project will allow him to bring a "fresh perspective" to his job as the state's next director of Natural Resources and Conservation.

It's time for the state to look at ways to use natural resources to help provide more jobs and spur economic development, he said.

Governor Anaya of New Mexico led the way in 1983 in getting his State to enact a specific prohibition against Worldwide Combination. Then in 1984 Governor Ariyoshi of Hawaii followed suit even though that State had not been using Worldwide Combination.

An analysis by our Executive Department concluded the multiplier effect for new Oregon manufacturing jobs is 2.0.

In other words, the creation of 1,000 new manufacturing jobs would generate a total of 2,000 jobs across the Oregon economy.

This increased economic activity also will stimulate construction jobs and heighten demand for housing.

Studies have shown growth in industrial jobs results in broad increases in personal income and in reductions in individual property-tax bills because of a broadened tax base.

Kyocera expansion plans expected

Kyocera officials had been looking at possible sites in Washington primarily because the state has no unitary tax and relatively low power costs. Vancouver apparently has been selected for the plant because labor costs in that County are lower than other areas of the state.

By HOLLEY GILBERT
Correspondent, The Oregonian
Vancouver, Wash. — Kyocera International Inc., a subsidiary of Kyocera Corp. of Japan, a high-technology product manufacturer, is expected to build a plant on a 3-acre Vancouver site.

Maxwell for trade office in Japan

SB-330

Sen. Goodover

Montana's
negative
Business

Montana has not maintained the national average in per capita income. Most neighboring states have done better than the national average.

Employment growth (new job creation) has been slower in Montana than in most neighboring states.

The Billings Gazette C Wed., Dec. 12, 1984

Economic predictions gloomy

By TOM COOK
Gazette Helena Bureau

GREAT FALLS — The only people preaching more gloom and doom than the economists at the Governor's Economic Development Summit Tuesday were some of the business people that are living through it.

Montana's economy is less diverse than neighboring states.

Economic growth in Montana is slower than neighboring states.

Agriculture is in decline and agricultural income per capita is less than \$5,000 last year.

most of our

behind most of our

The timber and copper industries may be in permanent decline in Montana even with a national and worldwide economic recovery. BBER estimates 3000 more jobs may be lost in the timber industry by the year 2000.

Forest Service regional office cuts jobs

MISSOULA (AP) — The Forest Service has just completed a three-year reorganization of the agency's Northern Region headquarters here, involving the elimination of 104 jobs, said Tom Coston, regional forester.

Abolishing the positions reduced annual payroll for the headquarters by \$2.4 million, he said Friday.

However, he said no employees

lost their jobs in the reorganization, since the positions were eliminated through retirements, resignations, promotions and reassignments to other regions.

The process reduced the number of regional office directors from 20 to 11 and the number of deputy regional foresters from three to one. Overall, the number of jobs was reduced by 24 percent.

6-F Great Falls Tribune Sunday, August 26, 1984

Boom may bypass Montana

HELENA (AP) — An economist says Montana and Wyoming are "too desolate and too tightly intertwined with decaying industries" to benefit from the economic boom that has occurred in other parts of the Rocky Mountain region.

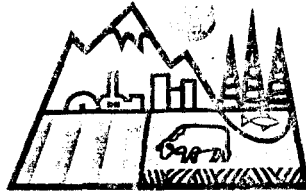
"The 21st century may pass them (Montana and Wyoming) by," John Gilmore, senior economist at the Denver Research Institute, recently told the Wall Street Journal.

The Journal article said cities

such as Butte that rely on traditional "engines of growth" — including copper, oil, natural gas and agriculture — are struggling for survival.

Meanwhile, the Journal said other cities such as Colorado Springs, Colo.; Albuquerque, N.M.; and Provo, Utah, are taking advantage of the high-tech and service industries and are "riding a wave of prosperity that may guarantee them surging growth far into the future."

Buchanan conceded that Montana has lost many primary jobs to declining industries. But he said there is renewed interest in the state's precious metals among small-scale miners who will provide a more stable employment base.



Exh. b. 4 3
9B 330
3/25/85
Janelle Fallon

MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730

• HELENA, MONTANA 59624 •

PHONE 442-2405

TESTIMONY IN SUPPORT OF SB 330 WITH AMENDMENTS
HOUSE TAXATION COMMITTEE
MARCH 25, 1985
by Janelle Fallon

The unitary tax is a method of taxing a business in Montana on its worldwide earnings. Most simply put, the problems with this are that its Montana tax liability may have no relationship to its ability to earn money in Montana, and this state may also be taxing it on income that has already been taxed in the country in which it was earned.

The unitary tax was a topic of considerable interest in many states earlier in this decade. State governments saw it as a way to increase revenues without a general tax increase. A U.S. Supreme Court ruling in 1983, known as the Container decision, upheld the right of states to tax in this manner. In 1983, the Multistate Tax Commission figures that the system brought in \$625 million to the 12 states then using it: Alaska, California, Colorado, Florida, Idaho, Indiana, Massachusetts, Montana, New Hampshire, North Dakota, Oregon and Utah.

Illinois and New York repealed theirs in 1983. Then Florida and Oregon dropped theirs last year, while Massachusetts' has been struck down in a court ruling. already in 1985, Legislatures have acted favorably in Colorado and Indiana on the issue. Discussion continues in the California Legislature. All these states are acting because of their concern with economic development and jobs for their citizens.

In 1983, the Montana Economic Development Project, also known as the McKinsey Report, said that Montana faces a primary job gap of 5500 to 11,500 just to meet slow population growth and reduce unemployment to five per cent. That report also stated that Montana's prospects for economic development are below its neighbors and that Montana has "about the highest" corporate income tax of all neighboring states.

According to the Bureau of Business and Economic Research at the University of Montana, Montana has lost 7000 basic industry jobs since 1979. In 1984, the state's per capita income fell to 84 per cent of the US average. In 1985, it is projected to fall to

further, to only 82 per cent of the national average. In its Economic Outlook Seminar earlier this winter, the BBER discussed Montana's declining economic base. What Montanans can do to deal with the problem, the BBER recommended, is to support existing basic industries, encourage new basic activities and supply local markets where possible.

Montana is part of the international community and should try to take economic advantage of that fact. We have trade missions to Japan and invite delegations from other countries to visit us. We, a state, deal with other nations. One of the questions we want to raise today is whether we are in a position to do that seriously, or if we are dealing in window dressing.

I have a substantial file of material on the economic development implications of the unitary tax. It includes letters from Japanese and Hong Kong businesses to the Department of Commerce concerning Montana's unitary tax. Several of them seek to confirm whether we actually do apply this method of taxation, since they do not consider doing business in states that do. I will be more than happy to review any of this material with anyone who is interested.

Japanese, Scandinavian and Saudi businesses are among those presently interested in investments or joint ventures in Montana -- but not if we continue as a worldwide combination state. Now, since one of the reasons that so many states are turning away from worldwide combination, you may wonder why the foreign parent exclusion passed by the Senate would not accomplish the same thing.

I will cite two reasons. One, the Department of Revenue tells us that that is the approach they generally use now -- and yet, for a number of companies, that obviously does not answer the unitary question satisfactorily. Two, many foreign companies are going to be suspicious of a state with such a lopsided method of taxation, a state that not only practices but puts into statute a method of taxation that discriminates in favor of foreign companies and against American ones.

If you pass SB 330 with the Senate amendments, think carefully about what the Montana Legislature is saying to the world. Consider the example of two companies competing in Montana, one based in this nation, the other based in Japan. In addition to operations throughout this country, both also have operations in Germany. The Senate amendments to SB 330 say that it is proper to tax the U.S.-based company on its German operations, but the Japanese company will not be.

We would suggest that that is grossly unfair to U.S. companies and should not be put into statute.

We believe that SB 330 should be amended as proposed by Sen. Goodover, or it should be killed.



The New York Times/Jim Thompson

Terry Kuzumaki, general manager of the Bank of Tokyo branch in Portland, said the bank was advising many Japanese investors about Oregon.

Investment in Oregon Spurred by Tax Repeal

12/19/84

By NICHOLAS D. KRISTOF

Special to The New York Times

SALEM, Ore. — Only eight years ago, Oregon's newly elected Secretary of State jokingly proposed that Oregonians line up on the southern border and hurl rocks at incoming cars with California license plates.

"Those were the days when we were so arrogant," Secretary of State Norma Paulus said recently when reminded of her earlier suggestion. "There's nothing like poverty to change your attitude. Now we're like brazen hussies throwing ourselves on anybody with a shekel in his pocket."

But if Oregonians have been embarrassed about selling themselves, they have nonetheless been spectacularly successful in their efforts. In a highly competitive environment, Oregon has managed to lure a host of companies from Japan and elsewhere. This investment, coupled with a home-grown technological boom as several local concerns have sprung up, has already nurtured what is being called a "silicon forest." The

state hopes it will be a better performer than the Douglas fir forests that have been the backbone of Oregon's economy, but have faltered with the rest of the timber industry over the last few years.

To woo outside investors, Oregon officials have made the usual sales tours to promote their state. But what was most critical, officials said, was the decision in July, at a special session of the Legislature, to repeal the state's global unitary tax, effective Jan. 1, 1986.

Oregon was one of more than 15 states that sought to raise revenues by adopting such a tax, which is assessed on a fraction of the company's worldwide operations, not just those that are located within the state or the country. Foreign investors have protested the tax, and recently many have said that they would not invest in states that use it.

Indeed, there now appears to be an effort to turn back these taxes. Several states, including California, are considering repealing them, and Ore-

Continued on Page D4

States Repeal Unitary Tax

Some four decades ago, California legislators, looking for a way to raise revenues, put in place a global unitary tax. The new tax used an accounting method to assess companies on a fraction of their international operations — not just those located in the state or country. Other states gradually followed suit.

Last summer, Oregon repealed its global unitary tax, effective Jan. 1, 1986. Florida followed in a special session of its Legislature 10 days ago. And the Massachusetts Supreme Court last week struck down the global method as inconsistent with state law.

In addition, Indiana's legislative leaders and Governor have signed a pact to repeal that state's global unitary tax when the legislature meets next year. Powerful lobbying for repeal is also expected in California and North Dakota.

Six other states that have a unitary tax are Alaska, Colorado, Idaho, Montana, New Hampshire and Utah. With the exception of Alaska, repeal efforts are expected to eventually get under way in these states. In Alaska, at least so far, there is little opposition to the tax.

Investment in Oregon Grows

Continued From First Business Page
Oregon's success in recruiting international business is expected to bolster the arguments of those seeking repeal.

Even before Oregon officially rolled back its unitary tax, it succeeded in attracting a major Japanese electronics company, the NEC Corporation, by agreeing to waive the tax. NEC became the state's first significant Japanese investor when it announced last May that it would build a \$25 million factory for fiber optics equipment on a 210-acre site near Hillsboro, 14 miles west of Portland.

After the global unitary tax had been repealed, three more Japanese concerns, Epson America, Fujitsu America and Fujitsu Microelectronics, also announced plans to invest in Oregon. In addition, the West German-owned Wacker Siltronic Corporation announced plans to build the largest polysilicon plant in the world in Oregon.

Gov. Victor Atiyeh, who sells Oregon as vigorously as he once sold the carpets in his store when he was a Portland businessman, said in an interview that the state would recoup through stimulation of the economy far more than the \$15 million a year it had lost by dropping the global unitary tax. The state said the foreign investment announced in 1984 would total \$680 million over the next several years and provide employment for 4,600 people.

Glowing Terms

Foreign investors who are newcomers to Oregon certainly speak in glowing terms of the state. "In the frontier era, people came here by the Oregon Trail," said Masakatsu Tomita, project manager in Oregon for Epson America. "I think many people are following the Oregon Trail now, from Japan and other countries. We love Oregon."

Terry Kuzumaki, general manager of the Bank of Tokyo branch in Portland, said his bank is advising many other potential Japanese investors about Oregon. He said that in addition to no longer having the unitary tax, Oregon's advantages included help from the government, a supply of skilled and stable labor, cheap land, a low cost of living and a very hospitable local population.

Less Attractive

Not everyone is so enthusiastic about the state. R. Willard deWeese, founder and chairman of the Synetron Corporation and a prominent Portland businessman, said Oregon's taxes and contributions for workers' compensation and unemployment insurance still make it much less attractive than many other states.

"We've repealed the unitary tax, and it's a flamboyant gesture to Japanese industry," he said. "But that's only the tip of the iceberg be-

cause Oregon suffers from many, many other problems."

Determined to address some of these problems, the Governor late last month proposed a major tax restructuring that he said would make Oregon even more attractive to business. Most important, he proposed that the state's steep property taxes be reduced by introduction of a 5 percent sales tax. If the voters approve the change in a statewide election next year, corporations are expected to find Oregon still more appealing.

Educational Centers

The Governor also proposed establishing a center for biological and advanced sciences at the University of Oregon in Eugene, a center for electrical and computer engineering at Oregon State University in Corvallis and a center for international trade and business at Portland State University.

Although other high-tech centers, such as Silicon Valley and Boston, were nurtured near the campuses of some of the finest science universities in the world, Oregon was somewhat unusual in that its high-tech boom came in what one scholar called "a comparative educational vacuum."

The influx of Japanese investment has convinced many Oregonians that the state should look westward in planning its future. With such traditional industries as timber and agriculture in tatters, it is chic to speak of the Pacific century and the common interests of the Pacific rim countries — those from the United States to Asia that abut the Pacific Ocean. Already the United States trades more with these nations than with Europe.

This fall Oregon opened its first foreign office in Tokyo. There is talk of opening another in Singapore. Japanese is an increasingly popular subject in colleges, high schools and even elementary schools. The good will that Oregonians feel for the Japanese seems to be reciprocated. Japanese television last month began airing a show called "From Oregon with Love."

A concern of development officials has been that so far the new investment has focused on the Portland area, with little extending to the farming or logging areas that have been suffering the most.

Moreover, some Oregonians said they would want to make sure that new investment does not provoke the congestion, soaring land prices and loss of agricultural land that have occurred in some areas of California.

Major Proponent

"Every time I get into the traffic out here, I wonder if we're doing the right thing," joked Earl Wantland, president and chief executive of Telextronix Inc., by far Oregon's largest high-tech company.

Japanese businessmen said that they are attracted by the relatively bucolic setting that Oregon wanted to preserve when a decade ago it started its half-serious campaign to keep businesses and foreigners, including Californians, at arm's length.

"Oregon is a very good place to live," Kumonori Kawakami, general manager of NEC's operations in the state, said. "The community is small, but people are very friendly and warm."

Japanese firms avoiding states with 'double tax'

by Frederick H. Katayama
Associated Press

TOKYO (AP) — Major Japanese firms, particularly those in high-technology industries, are carrying out their threats to invest only in states where the Japanese can avoid what they call double taxation.

In the past few months, California, where a plan to change the state's unitary tax system met heavy opposition from its domestic-based electronics industry, has dropped off the Japanese list of states preferred for future investment.

Under the unitary system of taxation, the states tax the profits of a multinational firm based on a percentage of its worldwide income, not on just what was earned locally. Japanese and European businessmen have been highly critical of the tax, contending that it amounts to double taxation and discourages investment.

This month, Fujitsu, a top Japanese computer maker, decided to build two plants in the Portland area that will employ 1,000 people by 1987. The Oregon Legislature in July became the first of 12 states with unitary taxes to revise its tax.

And, in June, Sony announced it would build a \$20 million video disc factory in Indiana, whose governor and legislative leaders have pledged to follow Oregon's example when the Legislature meets in January.

A delegation of leading Japanese businessmen, led by Sony Corp. Chairman Akio Morita, visited the United States last winter to lobby officials about abolishing the tax. That visit was followed by recent announcements by Sony, Fujitsu and Kyocera Corp., a leader in Japan's ceramics industry, that they would make no investments in states with a unitary tax.

Oregon revised its unitary tax law so that foreign earnings are not included in figuring the income taxes owed on profits from operations within the state.

California, home to the largest number of Japanese firms in the United States, stands to lose the most. A survey by Japan's Federation of Economic Organizations, or Keidanren, showed that if the tax were eliminated, 44 corporations would consider investing \$1.4 billion there, creating more than 11,000 jobs.

Last month, for example, Kyocera, Japan's leading maker of integrated circuit ceramic packaging, scrapped a plan to expand in California and said it would build a ceramic materials research and development center and assembly plants in Washington state.

An attempt by California Gov. George Deukmejian to change the state's unitary tax was blocked last Aug. 31 in the final hours of the Legislature's 1983-1984 session. The proposal's legislative sponsors decided they had insufficient votes for passage and declined to bring it to the floor.

However, Deukmejian said he would try again in December when

the lawmakers return. The bill pitted domestic-based companies from the state's Silicon Valley against foreign-based, international companies, many of them Japanese electronics manufacturers.

By retaining the levy, "California is shooting itself in the foot," said Peter Wolff, a Bache Securities analyst here. "If they're trying to attract investment, they're going about it the wrong way."

Wolff predicts that the main beneficiaries will be Washington and Oregon, which offer cheap land and utilities, an educated labor force and low living costs.

NEC Corp., a top computer maker, decided in May to build two plants in Oregon, and there is speculation that Epson, a major producer of computer terminal printers, will build a factory near Portland.

About \$35 million of Oregon's \$145 million in tax revenues stemmed from the unitary tax, and its revision will mean a "significant" reduction, Gov. Victor Atiyeh said recently.

"But that will be made up by the benefits it will bring," he said. Officials expect new investment to create about 10,000 jobs in the next two years.

John C. Anderson, director of Oregon's economic development department, said the state is using the tax repeal to "aggressively court" potential investors, especially high-tech, communication and information-related firms.

The West Coast won't be the only beneficiary, said Masakazu Kubota, a Keidanren economist, noting that 300 Japanese company officials attended a recent Keidanren meeting with a Missouri trade delegation. Total Japanese investment in the United States stood at \$8.7 billion in 1982, twice what it was before 1980.

For the Japanese, the unitary tax was an education in U.S. politics. Keidanren's early efforts were aimed at U.S. government officials before it realized that the tax was a state concern and sent delegations of top businessmen to canvass 23 states.

"We were thinking in terms of Tokyo-Washington," said Kubota, adding, "We weren't fully aware of the meaning of 'the United States of America,' that each state was autonomous and treated matters differently."

Most complaints about the tax come from manufacturers, but banks also are unhappy, Kubota said. Three of California's 10 largest banks in 1983 were Japanese-owned.

The Japanese have succeeded, however, in getting the attention of the federal government. A task force headed by Treasury Secretary Donald Regan recently urged President Reagan to seek legislation to end the unitary tax method if the states refused to take action by the end of July 1983.

In addition to California, Indiana and Oregon, states with a unitary tax system are Alaska, Colorado, Florida, Idaho, Massachusetts, Montana, New Hampshire, North Dakota and Utah.

Seattle PI
9/30/84

(The following information was prepared by the Montana International Trade Commission, which is located in Helena. This information was prepared specifically for discussions on the unitary tax.)

WHAT WE MIGHT GAIN IF WE CHANGE THE UNITARY TAX?

Specific possibilities of trade and investment with foreign firms if the unitary tax system is amended to water edge:

1. Wood Products

Japanese companies believe that Montana's lodge pole pine can be sold in Japan for basic house construction, decorative wood products and furniture. Three Japanese firms are working with Montana wood products companies to investigate this possibility.

Three Japanese companies are investigating a joint venture with Montana sawmills for products to be exported to Japan.

The log home market in Japan is substantial. Scandinavian companies sold 8000 log homes in Japan last year. A scandinavian company and a Japanese company are investigating the licensing and manufacturing of log homes in Montana for Japan and the U.S. market.

Rustic Homes of Lindbergh Lake signed an export agreement with a Japanese company this summer - it does not include Japanese investment.

A scandinavian company is doing a feasibility study with MITC to investigate the potential of licensing and manufacturing Scandinavian design furniture in Montana for the world market.

II. Mineral Resources & Technology.

Japanese companies are investigating joint venture participation in Coal beneficiation technology R&D in Montana.

Two Japanese companies are investigating joint venture participation in rare earth (Yittrium, Zenotime, Terbium, etc.) R&D in Montana.

Japanese & Saudi companies are investigating joint venture participation in talc and bentonite mines in Montana.

Montana, Canadian & Japanese companies are investigating joint venturing a zinc plant in Montana.

A Japanese company is investigating joint venturing R&D of a portable mineral processing mill in Montana for China.

III. Agriculture

Several Japanese companies are investigating agricultural processing joint ventures in the areas of beef, high protein cereals, pelitized hay and alfalfa, cherries and cherry juice, hybrid cropseeds for China, honey and bee pollen (health food) for world markets. This list expands as foreign firms become more knowledgeable about Montana and this region.

IV. New Products & Technology

Several Japanese companies are investigating joint venturing bio-genetics R&D with MSU for new products for national and international markets.

Japanese companies are investigating several areas of potential joint venture with MERDI including MHD, ceramics and other new materials R&D, rare earth extraction technology and others.

A Japanese company is investigating investment in arid forestry technology, R&D and the Microbial Detoxification (toxic waste disposal) program at U of M.

A Japanese company is presently market testing (in Japan) a welding helmet invented in Montana. If the market test is successful the Japanese company will likely joint venture and license manufacturing and export of the product with the Montana inventor.

Japanese companies are presently investigating the joint venturing, licensing and marketing of a eye glass case invented by a Montanan.

A Japanese company is presently market testing a protective plastic covering for vice grips invented by a Montanan. If the market test is positive the Japanese company will consider joint venturing and marketing the product.

These are some of the specific examples of real potential for foreign investment in Montana.

Why have we concentrated on the Japanese?

- The Japanese are the most aggressive and best traders in the global economy.
- Mitsui and Mitsubishi, who are members of MITC, are the two largest trading companies in the world. Mitsui is the largest exporter from the U.S. The annual sales of these companies are over \$60 billion each.

- These Japanese trading companies each have over 120 offices throughout the world. They have worldwide information, project organization, marketing financing capacity that we won't develop in Montana in the next 50 years, if ever.
- If a Montana firm joint ventures with one of these companies they will access this capacity.
- I believe that building a long term, multi-dimensional relationship with these companies will allow us to do projects in Montana that otherwise wouldn't be possible.
- Also, Japanese companies are used to long term relationships. They make large investments which may take a long while for profitability. They invest to control world market share with almost total disregard to quarterly earnings. This is important because most projects in Montana, particularly those in our basic industries will require a long term commitment and won't have quick profitability.

Exhibit 4
SB 330
3/25/85
Geo. Bennett

WITNESS STATEMENT

NAME GEORGE T. BENNETT BILL NO. SB 330
ADDRESS P.O. Box 1705 DATE 3/25/85
WHOM DO YOU REPRESENT? W. R. Grace
SUPPORT _____ OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Unless bill is returned to original form,
W. R. Grace must oppose, since it gives
a tax advantage to a foreign parent
corporation under the unitary approach
to corporate income tax for no proper reason.

Exhibit 5
SB 330
3/25/85
Rep Devlin

Arthur Young
Reports
to Business

Unitary Tax: The Corporate View



Council of State Chambers of Commerce

 ARTHUR YOUNG

5

WITNESS STATEMENT

Name Ladina Lubinus Committee On Taxation
Address 1501 Chestnut Date 3/25/85
Representing Women Involved in Farm Economics Support X
Bill No. SB 67 Oppose _____
we would like to go on record as supporters Amend _____
SB 67

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: [→] It has already been included in the appraised value of a home.

1. The installation of water and sewer to a home is an improvement and thus should be ^{included in} ~~taxed~~ ^{to the tax}
2. Applied to the home. If you take a house already structured with out water + sewer and it was then added it would be considered an improvement and so taxed.
3. We urge your support of the legislation
- 4.

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

Exhibit 7
SB 67
3/25/85

WITNESS STATEMENT

NAME Jo Brunner BILL NO. SB 67
ADDRESS 1496 Kodak Road DATE 3/25/85
WHOM DO YOU REPRESENT? Cattlemen, Cattlefeeders, Grange, Farmers Union
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

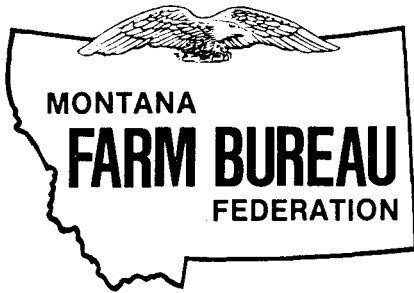
Comments:

We Chairman, members of committee, my name is Jo Brunner and I represent the Montana Cattlefeeders, Montana Cattlemen & The Montana Grange here today.

We wish to go on record as being in support of Senator Gages bill to relieve agriculture of what we consider an effort to double tax our sewage & water systems -

We ask a do pass on SB 67.

(6)



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

Exhibit 8
SB 67

3/25/85

TESTIMONY BY: Margy Green

BILL #: SB 67

DATE: 3/25/85

SUPPORT xxx

OPPOSE _____

Mr. Chairman and members of the committee:

For the record I am Margy Green and I represent the Montana Farm Bureau Federation. We are in support of SB 67 and feel it ensures that rural home owners are not to be taxed twice on the same feature. When a house is appraised its sewage system is taken into consideration just as windows, electricity and walls are. We realize this year is a tough year for the budget but we also feel it is essential, especially in these financial difficulties, that this legislature maintain fair and equitable taxing. We ask that you give SB 67 a do-pass recommendation.

SIGNED: Margy Green

Exhibit 9
SB 234
3/25/85

Mr. Maunier and members of the committee

WITNESS STATEMENT

for the record my name is

NAME Lavina Lubinus BILL NO. SB 234

ADDRESS 1501 Chestnut Helena DATE 3/25/85

WHOM DO YOU REPRESENT? Women Involved in Farm Economics

SUPPORT X OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: We would like to go on record as being in full support of SB 244

replace ment cost for machinery taxation purposes is a little like ~~making~~ you pay twice for your machinery. -

We feel the way is unfair. To tax the machinery at what the banks will loan you money on them is much fairer and probably closer ~~from~~ the true value.

We urge your support for this legislation.

Thank you
Lavina

Exhibit 10
SB 234
3/25/85

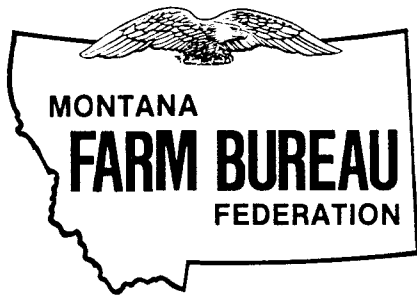
WITNESS STATEMENT

NAME Larry Mungley BILL NO. SB 234
ADDRESS 2141 Fair DATE 3-25
WHOM DO YOU REPRESENT? Montana Farmers Union
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

M.F.U. supports SB 234 as amended. M.F.U. policy states that farm "buildings of little value should not be assessed." SB 234, as amended, accomplishes this goal. We urge the House of Representatives to concur.



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

~~Exhibit~~
~~BB~~
Exhibit 11

SB 237

TESTIMONY BY: Margy Green

BILL #: SB 234

DATE: 3/25/85

SUPPORT XXY

OPPOSE _____

Mr. Chairman and Members of the Committee:

I am Margy Green and I represent the Montana Farm Bureau Federation. We support SB 234 because it presents uniform taxation and allows a person to pay on what he actually owns not on what he might wish be owned. Market value represents a fair and reasonable basis for taxation and we ask you to support this legislation.

SIGNED: Margy Green

WITNESS STATEMENT

NAME Jo Brunner BILL NO. SB 234
ADDRESS 1496 Kuciak Rd DATE 3/25/81
WHOM DO YOU REPRESENT? Cattlefeeders, Cattlemen, Grange
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr Chairman -

The Montana Grange, The Montana Cattlefeeders
And The Montana Cattlemen are in full support
of SB 234. Because we believe we should
not be taxed for property that has ~~market~~
actual value and would not be replaced were it destroyed.



NAME Carol Mosher BILL NO. SB 234
ADDRESS Augusta DATE 3-25-85
WHOM DO YOU REPRESENT Montana CowBelles
SUPPORT XX OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We support this bill as it seems only fair that our property be taxed on market value instead of replacement costs. Many of us have old buildings which are hardly worth anything in monetary value, but the cost of replacing them would be a sizeable amount. Many of us are not financially able to replace them today with the problems in agriculture. The same fact holds true with machinery also. We endorse this bill very much and hope that you will give it a DO Pass motion. Thank you.

VISITOR'S REGISTER

HOUSE TAXATION

COMMITTEE

BILL HB 198

DATE March 25, 1985

SPONSOR Rep. Ramirez

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE - TAXATION

COMMITTEE

BILL SB 330

DATE March 25, 1985

SPONSOR SENATOR GOODOVER

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

TAXATION

COMMITTEE

BILL SENATE BILL 67

DATE March 25, 1985

SPONSOR SENATOR GAGE

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE TAXATION COMMITTEE

BILL SENATE BILL 234

DATE March 25, 1985

SPONSOR SENATOR ED SMITH

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.