

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

April 17, 1985

The seventy-fourth meeting of the Senate Taxation Committee was called to order at 8:15 am by Chairman Thomas E. Towe, in Room 413-415 of the State Capitol.

ROLL CALL: All members of the committee were present.

CONSIDERATION OF SJR 40: Senator Hirsch was recognized as chief sponsor of the resolution. He said that his name appeared alone because he did not ask anyone else to sign on. He said that there is no comprehensive list of "whereases" because the resolution only requests a study and does not cite the reasons for its necessity. He said that it could be done in many ways. Oregon, for example, gives low income rebates. He said that property tax relief is a necessity, and that significant relief can come in this way. He said there is a host of things that can be done to address the concerns of the opposition. He said he cannot support a piecemeal approach to the question and that a sales tax needs a comprehensive look.

PROPOSERS

Mr. Dave Goss, Billings Area Chamber of Commerce, said that the study was needed to cut through the debate on the political issues. He said judicious use of exceptions would take the burden from low income people. He said that surveys show that property tax is even more regressive and that serious consideration and review should be given a sales tax.

Senator Pat Goodover said that this is a definite position that should be readied for the next session. He said it could be done by referendum.

OPPOSERS

Mr. Sam Ryan, a senior citizen, said that the study is a way of leading the state down the path to a sales tax.

Mr. Jim Murry, Executive Secretary of the AFL-CIO, said that the Montana labor movement has strongly opposed a sales tax since 1947. He said it is simply a way of shifting the tax burden to those least able to pay. He said that it was more important to plug loopholes in other tax legislation. He noted that the Omnibus Reconciliation Act of 1981 gave 85 percent of the tax break to only 5 percent of the people. He said the Legislature should not follow that lead.

Mr. Tony Jewett said that interim studies will say that the dwindling revenue base in the state is a real problem and if sales tax is in the study stage it could be made a priority. He said that a sales tax is regressive and should be the last looked at. He said that efforts to close loopholes have been defeated. He suggested a comprehensive look at industrial taxation as a first priority. He also noted that the Revenue Oversight Committee has had a 40 percent

April 17, 1985

funding cut.

Representative Steve Waldron appeared as an opponent of the resolution. He said that it would take an 11 percent sales tax to give significant property tax replacement in the state. He said that a sales tax is a very volatile tax as it is tied to the economy. He presented Exhibit 1 which demonstrates the roller coaster effect of the tax. He said when a recession hits, then a sales tax would have to be increased.

Senator Dave Fuller also appeared to oppose the resolution. He said that introduction of the resolution assumes that a sales tax is needed and worthwhile. He said that it would possibly start as a progressive tax, but that it would become regressive. He said that the state does have problems but that they must be addressed comprehensively.

Senator Dorothy Eck said that both the Senate and the House had killed any bill that would look at the total tax system in the state. She said she was reluctant to oppose this completely because a comprehensive study of all Montana taxation is needed. She said that should be done in lieu of this resolution.

Questions from the committee were called for.

Senator Halligan said that 46 states already have sales taxes and he wanted to know what Senator Hirsch wanted to study. Senator Hirsch said that an acceptable comprehensive compromise for Montana needed to be addressed. He said that he did not favor tax reduction for large companies, but that citizens also needed the relief.

Senator Mazurek said that then Senator Hirsch wasn't discussing a study, but a way to structure a sales tax that was acceptable. Senator Hirsch said yes, that's right. He said a sales tax would be a way of getting the nonresident tourist to pay a fair share.

Senator Mazurek asked if Representative Vincent had a broader tax study resolution introduced. Representative Waldron said that appeared to be the Speaker's intention. He said that would be a more comprehensive view and added that he felt this resolution was not clear.

Senator Neuman reminded the committee of the criticism of the development of SB 48 and wondered if the Revenue Oversight Committee could do an adequate job. Representative Waldron defended the committee.

Senator Brown said that his opposition was philosophical though there was an element of fairness as sales tax was based on the ability to spend. Mr. Murry responded that people who buy Cadallics do not have 100 percent of their income taxed. Senator Brown asked if AFL-CIO had testified against legalized gambling. Mr. Murry said that they have no position in favor of legalized gambling. He said that his testimony on this resolution was simply that taxation should be based on ability to pay.

April 17, 1985

Senator Brown said it was too easy to oppose the tax on philosophical arguments that lacked opposition when they had failed to oppose other regressive taxes.

Senator Goodover asked Mr. Murry if he was opposed to a sales tax on gasoline and cigarettes. Mr. Murry said that he did once support a gas tax. Senator Goodover said that 75 percent of the sales tax states had had the tax adopted and produced by Democrats. Mr. Murry said that Labor doesn't agree with everything Democrats do. He said that trade unionists in this state are educated and have good memories. "We remember," he said, "that the major corporations of the state subsidized the 1971 efforts because property tax relief would go to the corporations."

Senator McCallum asked if Senator Hirsch saw this as a property tax reduction. Senator Hirsch said, yes. He said that the sales tax should be as broad based as it can possibly be and that its time has come.

Senator Eck asked if he would be agreeable to include language that would make it a more comprehensive study. She said the Republicans had refused to study income tax, and why not tie the two together. Senator Hirsch said that the study had merit on its own, but he would have no problem with expansion of the study.

Senator Towe said that the sales tax results in a major tax shift from large corporations to the backs of the ordinary taxpayer. He said that maybe the study would show that. He said that if tourists were the target, why not confine the tax to meals, lodging and luxuries. Senator Hirsch said he would not have a problem with limiting it to that area. He said, however, that those were very selective and that all the problems need to be addressed before deciding on the middle ground.

Senator Towe asked Mr. Murry if he would oppose a study to firm up the opposition to the sales tax. Mr. Murry said he had no problem with that if all taxes were studied. Senator Towe asked how he felt about a meals, lodging and luxury sales tax. Mr. Murry said there were problems with that. He said the sales tax as a potential source of revenue was frightening.

Senator Towe asked the same question to Representative Waldron. He responded that he had introduced statewide local option hotel and motel taxes. He said that the industry defeated that kind of legislation.

Senator Hirsch closed saying that there are many concerns that give rise to the need for a study. He said the issue needs to be understood and applied to Montana where possible.

CONSIDERATION OF HB 45: Representative Steve Waldron was recognized as chief sponsor of the bill. He noted that this is an excise tax based on volume sold, not a sales tax based on percentage of the price. He said the state will realize \$11 or \$12 million of revenue and not increase the cost to smokers because this was the share of the tax given up by the feds.

April 17, 1985

He said the only debate about the bill is if Congress can be trusted to keep its word. He said the current federal tax is scheduled to go off on October 1 and that it would require a positive act of Congress to bring the tax back. He said the administration position is to not support the imposition of the tax. He said that the state is revenue short and that the bill is necessary.

#### PROPOSERS

Mr. Dave Hunter, Director of the Office of Budget and Program Planning, said that the bill is proposed to create a reasonable ending fund balance. He said this is not a new tax, but the assumption of a federal tax being left to the states. He said the President will not support reimposing the tax at the federal level. He said the "pick up" is being considered in more than 20 states and as it is done pressure will increase on Congress and the President to leave the tax to the states. He said it was an important new piece of revenue for Montana.

Questions from the committee were called for.

Senator Towe asked about the disparity in revenue projections. Representative Waldron said the question is "Which guess is right?" He said that his guess was between \$11 and \$12 million.

Senator Goodover asked how we could be revenue short if the budget has been cut. Representative Waldron said that the state has had to spend to make up federal cut backs. He said that inflation is also a consideration. Senator Goodover said that businesses all over were taking cuts and that government should take them as well.

Representative Waldron closed saying that the opposition to the bill from the tobacco industry had been withdrawn because of the contingency language in the bill. He said that the next Legislature will not be able to do paper tricks to come up with more revenue and that the bill is necessary.

Chairman Towe asked Vice Chairman Mazurek to assume the chair.

MOTION: Senator Halligan moved that HB 45 be concurred in.

Senator Mazurek asked if he was concerned about the federal action. Senator Halligan said that the Legislature would be back in special session by then anyway. Senator Mazurek said that the federal action could be a compromise.

Question was called. With Senator Goodover voting no and other members voting yes, the motion carried.

MOTION: Senator McCallum moved that HB 122 be taken from the table.

Senator Halligan said the law should be expanded to allow new or expanding industry to receive the incentive and everything else should be taken out. He said the act had not even been used because it was so restrictive.

April 17, 1985

Senator Brown asked why manufacturing should be specifically encouraged. "Because we have none," Senator Halligan replied.

Senator Brown asked if the mining industry wanted the bill off the table. Senator Halligan said there was no hidden agenda. Senator Eck noted that some mining processes would be covered by the bill.

Question was called. Senator Towe was excused. Senators Brown, Eck, Hager, Hirsch, Lybeck and Neuman voted no. Senators Goodover, Halligan, Mazurek, McCallum and Severson voted yes. The motion failed.

MOTION: Senator Eck moved that SB 434 be taken from the table. Senator Eck said that her intention was to narrow down the scope of the bill and to make it less selective but not to isolate the lodging industry.

Senator Mazurek asked if that local option had been killed in the House. Senator Eck said a different kind was killed. Senator Mazurek asked if Senator Eck thought two rules suspensions possible. She said, yes.

Question was called. Senators Eck, Hager, Halligan, Mazurek and Neuman voted yes. Senators Brown, Goodover, Hirsch, Lybeck, McCallum and Severson voted no. Senator Towe was excused. The motion failed.

CONSIDERATION OF HB 430: Vice Chairman Mazurek noted that the tax would be sunsetted in two years. He said that the program ought not be lost. He said it should rise or fall during the next biennium in the general fund appropriations process.

Mr. Steve Brown, representing Blue Cross of Montana, said that the amendment was acceptable to him and that Representative Bradley was also amenable.

Mr. John Alke, representing Montana Physicians Service, said they still had concerns about the nature and procedure of the tax.

Senator Halligan said that the record should reflect that this is a ridiculous precedent. He said that he didn't know if he liked the bill even with the amendment, but that the process used should not be taken lightly.

Senator Lybeck said that it was a good amendment and a needed program.

MOTION: Senator Hirsch moved that HB 430 be amended per Exhibit 3. With Senators Neuman and Halligan voting no, Senator Towe excused, and all other members voting yes, the motion carried.

Senator Hirsch also said that the committee record should reflect that this funding mechanism is not acceptable.

April 17, 1985

Senator Mazurek said that this would give the Department of Health and Environmental Sciences a chance to evaluate the program for the executive budget.

MOTION: Senator Goodover moved that HB 430 be concurred in as amended.

Chairman Towe, resumed the chair, and said that he would send a letter to the executive and to the Finance and Claims Committee saying that they should not anticipate this as a revenue source beyond the next biennium.

Senator Neuman said he would vote against the bill for the reasons stated. He said that tax increases should be straight forward. He said he would support the program and the appropriation, but not this method of funding.

Question was called. With Senator Neuman voting no and other members voting yes, the motion carried.

MOTION: Senator Halligan requested that the chair draft a letter saying that this should not be included as a revenue source for fiscal years beyond those in the bill. The motion carried unanimously.

CONSIDERATION OF HB 693:

MOTION: Senator Mazurek moved that HB 693 be tabled. He discussed the relationship between this and SB 67.

Senator Towe noted that the House had amended SB 67 to say that it would not be effective if this bill passes. He said that SB 67 is broader in scope than HB 693.

Senator Brown said he supported the motion to table and that the subject had been discussed forever.

MOTION: Senator Lybeck moved that HB 693 be concurred in.

Senator Eck noted that SB 431 was still in conference committee and that those definitions were important to these decisions.

Question was called. Senators Lybeck, McCallum and Severson voted yes. Other committee members voted no. The motion failed.

Question was called on the motion to table HB 693. Senators Lybeck, McCallum and Severson voted no. Other committee members voted yes. The motion carried.

Chairman Towe then recessed the committee at 9:50 to reconvene at 10 am.

CONSIDERATION OF SB 607: Senator Neuman asked that the committee consider SB 607 at the time. Chairman Towe said that he had announced to those interested that it would be acted on at adjournment.

April 17, 1985

CONSIDERATION OF HB 410: Senator Eck said that until an agreement was reached with other taxation bills she did not want to act on this bill. Senator Goodover said that Representative Ramirez was working on HB 250 so that this bill could be considered now.

MOTION: Senator Goodover moved that HB 410 be concurred in.

MOTION: Senator Eck moved that consideration of HB 410 be passed. With Senators Goodover and McCallum voting no and all other members voting yes, the motion carried.

CONSIDERATION OF HB 696: It was moved that HB 696 be amended on line 4 following "valuation" by inserting "for taxable periods beginning on or after".

In response to a question from Senator Mazurek, Mr. Dennis Burr said that replacement cost depreciated doesn't represent market value for these companies. Mr. Dan Bucks, Department of Revenue, said the rule was adopted at the suggestion of the Revenue Oversight Committee. Mr. Greg Groepper said that whatever is done in the rules must comply with the 4Rs Act and with TEFRA. He said that it is dangerous ground to be in conflict with federal law.

Mr. Tom Hopgood, Northwest Airlines, said that it could force the Department to use replacement cost less depreciation. He said that wouldn't work for his client. He noted that in 1981 a 727 aircraft cost \$15 million but that Northwest had bought three in the last year for \$5 million each. He said replacement cost less depreciation does not reflect market value in a high tech industry.

Mr. Groepper said that whatever the committee did, they should not suggest that railroads be treated differently from other properties.

Senator Towe said the amendment could be changed to value property as is required by federal law and to do a resolution to continue to study.

MOTION: Senator Eck moved as a substitute motion that HB 696 be amended per Exhibit 4.

Mr. Burr suggested that it should affect only protected industries. Chairman Towe said that motor carriers should be taken out of the amendment.

The motion carried unanimously.

MOTION: Senator Goodover moved that HB 696 be concurred in as amended. The motion carried unanimously.

CONSIDERATION OF HB 607:

MOTION: Senator Neuman moved that HB 607 be considered at this time. The chairman restated his intention to take it up on adjournment. With Senators Brown, Eck, Halligan, Lybeck, Mazurek and Towe voting no; Senators Goodover, Hager, Hirsch, McCallum, Neuman and Severson voting yes; the motion failed.

April 17, 1985

CONSIDERATION OF HB 901: In response to a question from Senator Halligan, Mr. Dan Bucks, Department of Revenue, said that the Butte company in question had paid no personal property tax in Montana. They had claimed that they had no personal property in the state, but there were not good records. He said that a contractor's gross receipts tax is an up-front withholding so that this kind of situation can be avoided. He said the problem illustrates the need for the tax.

Senator Eck asked if the Energy Department was encouraging contractors not to pay. Mr. Bucks said that other than the Energy Department, federal agencies were okay.

Senator Towe said the problem is that benefits may accrue from the federal research project and that the Department is making a fuss over this issue. Senator Mazurek noted that it would be a very narrow exemption.

In response to a question from Senator Neuman, Mr. Bucks said that there was a dispute with the contractor at the Butte facility over the payment of \$300,000 on gross receipts tax. He said the contract was completed and the fee was never paid.

Senator Towe asked Mr. Bucks if it would be acceptable to require the information, but not the money up-front. Mr. Bucks said that would come closer to addressing their compliance problems.

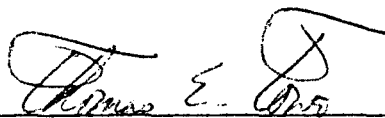
Senator Neuman said that if they were allowed to come in with the intention of not paying they could underbid local contractors.

MOTION: Senator McCallum moved that HB 901 be concurred in. With Senators Goodover and McCallum voting yes; other committee members voting no, the motion failed.

MOTION: Senator Eck moved that HB 901 be held for amendment.

MOTION: Senator Neuman moved as a substitute motion that HB 901 be tabled. The motion carried unanimously.

Chairman Towe adjourned the meeting at 11 am.

  
Chairman



# ROLL CALL

## SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date April 17, 1985 *first meeting*

Location -- Room 413-415

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Name Present Absent Excused

Senator Brown	8:15		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

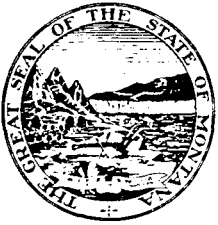
DATE April 17, 1985 - first meeting  
, 1983 C

COMMITTEE ON TAXATION

## VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)



STATE OF MONTANA

*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/449-2986

JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

March 11, 1985

Representative Steve Waldron  
Montana House of Representatives  
State Capitol  
Helena, MT 59620

Dear Representative Waldron:

You requested an analysis of the stability of the sales tax as a revenue source based on the experience of states which impose the tax. For the fiscal years 1977 through 1983, I looked at changes in sales tax collections in comparison to changes in personal income in North Carolina, Texas, and Wyoming. Those three states were chosen because they are in different geographic areas and because their rates of sales tax have not been changed since fiscal 1976.

Attachment A shows how sales tax revenue and personal income have changed in each of the three states since fiscal 1977. As those comparisons indicate, the range of annual change in sales tax revenue is greater in each state than the range of annual change in personal income. For example, the growth rates for North Carolina sales tax range from 5.5 percent in fiscal 1982 to 13.5 percent in fiscal 1978 or by 8.0 percent points. The growth rates for personal income vary by only 4.9 percent points, from 7.5 percent in fiscal 1983 to 12.4 percent in fiscal 1979. The same pattern holds for Texas and Wyoming: in each state, there is more variation in the annual changes in sales tax than in the annual changes in personal income. The greater variation in sales tax means that its revenue fluctuates more than revenue would from a tax based on personal income alone.

In all three states and in all years, personal income grew annually; the average rate of growth for personal income for fiscal 1976 through 1983 was greater than the average rate of growth for sales tax revenue. For example, North Carolina personal income grew at an average annual rate of 10.6 percent, compared with an average growth rate of 8.5 percent for sales tax revenue. Sales taxes, then, generally fail to match the growth in personal income. Notice that in both Texas and Wyoming, when personal income growth was at its lowest level (fiscal 1984), sales tax revenue declined.

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

Sincerely,

*Judith Curtis Waldron*

Judith Curtis Waldron  
Senior Analyst

Exhibit 1 -- SJR 40  
April 17, 1985

JCLEG:dt:sw 3-11-5

ATTACHMENT A  
Sales Tax Revenue and Personal Income  
in North Carolina, Texas, and Wyoming  
Fiscal Years 1976 through 1983

----- NORTH CAROLINA -----

<u>Fiscal Year</u>	<u>Sales Tax Revenue (Thousands)</u>	<u>Percent Change</u>	<u>Personal Income (Millions)</u>	<u>Percent Change</u>
1976	\$465,862		\$28,361	
1977	511,501	9.8	31,306	10.4
1978	580,332	13.5	34,731	10.9
1979	648,293	11.7	39,035	12.4
1980	693,564	6.9	43,721	12.0
1981	738,879	6.5	48,768	11.5
1982	779,512	5.5	53,276	9.2
1983	825,703	5.9	57,291	7.5
Range of Annual Change		5.5% to 13.5%		7.5% to 12.4%
Average Percent Change		8.5		10.6

----- TEXAS -----

<u>Fiscal Year</u>	<u>Sales Tax Revenue (Thousands)</u>	<u>Percent Change</u>	<u>Personal Income (Millions)</u>	<u>Percent Change</u>
1976	\$1,484,050		\$73,111	
1977	1,695,848	14.3	82,358	12.6
1978	2,031,730	19.8	93,940	14.1
1979	2,185,043	7.6	109,093	16.1
1980	2,536,805	16.1	126,866	16.3
1981	2,994,496	18.0	147,288	16.1
1982	3,480,790	16.2	166,438	13.0
1983	3,319,992	(4.6)	179,088	7.6
Range of Change		(4.6%) to 19.8%		7.6% to 16.3%
Average Percent Change		12.5		13.9

----- WYOMING -----

<u>Fiscal Year</u>	<u>Sales Tax Revenue (Thousands)</u>	<u>Percent Change</u>	<u>Personal Income (Millions)</u>	<u>Percent Change</u>
1976	\$ 80,581		\$ 2,460	
1977	94,580	17.4	2,833	15.2
1978	115,969	22.6	3,365	18.8
1979	141,331	21.9	4,060	20.7
1980	163,134	15.4	4,808	18.4
1981	197,135	20.8	5,468	13.7
1982	228,018	15.7	6,004	9.8
1983	190,046	(16.7)	6,175	2.9
Range of Change		(16.7%) to 22.6%		2.9% to 20.7%
Average Percent Change		13.9		14.2

Amend HB 122, Third Reading Copy

1. Title, line 6.  
Following: line 5  
Strike: "DEFINING "INDUSTRY";"
2. Page 1, line 15.  
Following: "manufacturing"  
Insert: "manufacturing"
3. Page 1, line 17.  
Following: "manufacturing"  
Insert: "manufacturing"
4. Page 1, lines 21 and 22.  
Following: "means" on line 21  
Strike: "Industry" includes but is not limited to"  
Insert: "Manufacturing industry" means"
5. Page 2, lines 3 and 4.  
Following: line 2  
Strike: subsection (b) in its entirety  
Re-number: subsequent subsection
6. Page 2, line 14.  
Following: "manufacturing"  
Insert: "manufacturing"
7. Page 2, line 15.  
Following: "manufacturing"  
Insert: "manufacturing"

Amend HB 430, Third Reading Copy

1. Title, line 9.

Following: "INSURED"

Insert: ", WITH A TERMINATION DATE FOR SUCH FUNDING SOURCE"

2. Page 3.

Following: line 10

Insert: "Section 6. Termination of funding source. The provisions of section 2 pertaining to the source of funding for the act terminate on June 30, 1987."

Exhibit 3 -- HB 430  
April 17, 1985

# ROLL CALL VOTE

SENATE TAXATION COMMITTEE  
49 th Legislative Session -- 1985

Time 9:30 am Date April 17, 1985 Room 413-415

Motion: to take ~~SB 434~~ SB 434 from  
Table.

Name	Yes	No	Excused
Senator Brown		✓	
Senator Eck	✓		
Senator Goodover		✓	
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch		✓	
Senator Lybeck		✓	
Senator Mazurek	✓		
Senator McCallum		✓	
Senator Neuman	✓		
Senator Severson		✓	
Senator Towe			✓

# ROLL CALL VOTE

## SENATE TAXATION COMMITTEE 49 th Legislative Session -- 1985

Time 9:20 a Date April 17, 1985 Room 413-415

Motion: that HB 122 be taken from table.  
McCallum

Name	Yes	No	Excused
Senator Brown		✓	
Senator Eck		✓	
Senator Goodover	✓		
Senator Hager		✓	
Senator Halligan	✓		
Senator Hirsch		✓	
Senator Lybeck		✓	
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman		✓	
Senator Severson	✓		
Senator Towe			✓



# ROLL CALL VOTE

SENATE TAXATION COMMITTEE  
49 th Legislative Session -- 1985

Time 9:50 am Date April 17, 1985 Room 413-415

Motion: that HB 693 be Lybeck

Name	Yes	No	Excused
Senator Brown		✓	
Senator Eck		✓	
Senator Goodover		✓	
Senator Hager		✓	
Senator Halligan		✓	
Senator Hirsch		✓	
Senator Lybeck	✓		
Senator Mazurek		✓	
Senator McCallum	✓		
Senator Neuman		✓	
Senator Severson	✓		
Senator Towe		✓	

# ROLL CALL VOTE

## SENATE TAXATION COMMITTEE 49 th Legislative Session -- 1985

Time 10:30am Date April 14, 1985 Room 413-415

Motion: To consider HB607 Neuman

Name	Yes	No	Excused
Senator Brown		✓	
Senator Eck		✓	
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan		✓	
Senator Hirsch	✓		
Senator Lybeck		✓	
Senator Mazurek		✓	
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe		✓	

# ROLL CALL VOTE

## SENATE TAXATION COMMITTEE 49 th Legislative Session -- 1985

Time \_\_\_\_\_ Date April 17, 1985 Room 413-415

Motion: hold HB 901 for amendment.

Name	Yes	No	Excused
Senator Brown	✓		
Senator Eck	✓		
Senator Goodover		✓	
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch		✓	
Senator Lybeck		✓	
Senator Mazurek	✓		
Senator McCallum		✓	
Senator Neuman		✓	
Senator Severson		✓	
Senator Towe	✓		

# ROLL CALL VOTE

## SENATE TAXATION COMMITTEE 49 th Legislative Session -- 1985

Time 10:55 Date April 17, 85 Room 413-415

Motion: Table HB 901 Neuman

Name	Yes	No	Excused
Senator Brown	✓		
Senator Eck	✓		
Senator Goodover		✓	
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck		✓	
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe		✓	

# STANDING COMMITTEE REPORT

Page 1 of 2.

17,  
April 12, 19 85

MR. PRESIDENT

## Taxation

We, your committee on .....  
having had under consideration ..... House Bill No. 374  
third reading copy ( blue color )

(Senator Brown)

**RAISE BEER AND WINE TAX TO DOUBLE MONEY FOR ALCOHOLISM PROGRAMS.**

## House Bill

374

Respectfully report as follows: That..... No.....

be amended as follows:

1. Title, line 3.

Following: "SALES"

Insert: "AND BEER TAX REVENUE ALLOCATED TO THE GENERAL FUND"

2. Title, line 9.

Following: line 9

Strike: "SECTION"

Insert: "SECTIONS 16-1-408 AND"

3. Page 2, line 5.

Following: line 4

Insert: "Section 1. Section 16-1-408, MCA, is amended to read:

"16-1-408. Additional tax. An additional tax of \$1 \$1.30 per barrel is levied and imposed as provided by 16-1-406, and such additional tax is also to be levied and imposed at the same rate upon beer manufactured within the state. The \$1 of this additional tax ~~of--\$1~~ is to be deposited, notwithstanding 16-1-306 and 16-1-410 or any other provision, with the state treasurer to the credit of the department of institutions each quarter for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of this additional tax is to be deposited in the general fund."

Renumber: subsequent sections

(continued)

continued

Chairman.

April 17,

85

19.....

4. Page 2, line 6.  
Following: "34"  
Strike: "26"  
Insert: "37"

5. Page 2, line 23.  
Following: "15"  
Strike: "10"  
Insert: "11"  
Following: "5"  
Strike: "7.33"  
Insert: "8.34"

AND AS AMENDED  
BE CONCURRED IN

.....  
Senator Thomas E. Towe, Chairman

# STANDING COMMITTEE REPORT

APRIL 17

85

19.....

MR. PRESIDENT

## TAXATION

We, your committee on.....

## HOUSE BILL

696

having had under consideration..... No.....

THIRD

BLUE

reading copy ( )

(TONE WILL CARRY)

color

## DEPARTMENT OF REVENUE REQUIRED TO AMEND RULE ON CENTRALLY ASSESSED PROPERTY

## HOUSE BILL

696

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 2, line 7.

Following: "property."

Insert: "For taxable periods beginning after December 31,  
1985, the cost indicator for railroads, airlines,  
and other federally protected taxpayers shall be  
treated consistent with federal law."

AND AS AMENDED

BE CONCURRED IN

XXXXX  
DO PASS

XXXXXXX  
DO NOT PASS

.....Senator Tom Towe.....  
Chairman.

# STANDING COMMITTEE REPORT

APRIL 17

85

19.....

MR. PRESIDENT

## TAXATION

We, your committee on.....

## HOUSE BILL

430

having had under consideration.....

No.....

THIRD

BLUE

reading copy (.....)

(HAZUREK WILL CARRY) color

## ESTABLISHES VOLUNTARY STATEWIDE GENETICS PROGRAM

## TAXATION HOUSE BILL

430

Respectfully report as follows: That.....

No.....

be amended as follows:

### 1. Title, line 9.

Following: "INSURED"

Insert: ", WITH A TERMINATION DATE FOR SUCH FUNDING SOURCE"

### 2. Page 3.

Following: line 10

Insert: "Section 6. Termination of funding source. The provisions of section 2 pertaining to the source of funding for the act terminate on June 30, 1987."

AND AS AMENDED

BE CONCURRED IN

XXXXX

DO NOT PASS

XXXXXXXXXX

DO NOT PASS

Senator Tom Towe

Chairman.



# STANDING COMMITTEE REPORT

Page 1 of 2.

April 17, 1985

MR. PRESIDENT

Taxation

We, your committee on

House Bill

970

having had under consideration

No.

third reading copy ( blue color )

(Senator Halligan)

INCREASED LIGHT VEHICLE FEE TO LOCAL GOVERNMENT FOR PUBLIC SAFETY PROGRAMS.

House Bill

870

Respectfully report as follows: That

No.

be amended as follows:

1. Title, line 10.

Following: "AND"

Strike: "I"

Insert: "AND"

2. Title, line 11.

Following: "DATE"

Strike: ", AND A TERMINATION DATE"

3. Page 3, line 6.

Strike: "\$6"

Insert: "\$12"

Strike: "\$7.50"

Insert: "\$14"

4. Page 3, line 10.

Strike: "3"

Insert: "6"

Strike: "4"

Insert: "7"

(continued)

XXXXXX

XXXXXXXX

continued

Chairman.

April 17, 1985

5. page 6, line 4.  
Following: "applicability"  
Strike: "~~termination~~"  
Following: ".  
Strike: "(1)"

6. Page 6, line 7.  
Strike: subsection (2) in its entirety

AND AS AMENDED  
BE CONCURRED IN

Senator Thomas E. Towe, Chairman

# STANDING COMMITTEE REPORT

April 16,

1985

MR. PRESIDENT

We, your committee on Taxation

having had under consideration House Bill No. 45

third reading copy ( blue )  
color  
(Senator VanValkenburg)

**INCREASE CIGARETTE EXCISE TAX TO 24 CENTS PER PACKAGE.**

Respectfully report as follows: That House Bill No. 45

BE CONCURRED IN

~~XXXX~~  
DO PASS

~~XXXXXXXX~~

Senator Thomas R. Towe,

Chairman.

# STANDING COMMITTEE REPORT

April 16, 1985

MR. PRESIDENT

We, your committee on Taxation  
having had under consideration House Bill No. 892  
third reading copy ( blue )  
color  
(Senator Towe)

**RIPARIAN LANDS PROTECTION ACT.**

Respectfully report as follows: That House Bill No. 892

**BE NOT CONCURRED IN**

**MM**

**~~XXXXXX~~**  
**DO PASS**

**~~XXXXXXXX~~**  
**DO NOT PASS**

**Senator Thomas E. Towe,** Chairman.

# STANDING COMMITTEE REPORT

April 16, 1985

MR. PRESIDENT

**Taxation**

We, your committee on.....

**House Bill**

**943**

having had under consideration..... No.....

**third**

reading copy ( **blue** )

color

**(Senator Brown)**

**INCREASE FEE FOR ISSUANCE OR RENEWAL OF TEACHER CERTIFICATE.**

**House Bill**

**943**

Respectfully report as follows: That..... No.....

**BE CONCURRED IN**

**XXXXXX**

**XXXXXXXXXX**

**Senator Thomas E. Towe,**

Chairman.