

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

March 16, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on March 16, 1987, at 9 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members were present, with the exception of Rep. Asay, who was excused. Also present was Dave Bohyer, Researcher, Legislative Council.

Reps. Schye and Asay, who were unable to be present the entire meeting, paired their votes with Rep. Keenan and Rep. Ramirez, respectively.

REPORT FROM ACCOMMODATIONS TAX SUBCOMMITTEE: Rep. Raney advised that the Subcommittee decided to use Rep. Winslow's HB 84, and amend the bill to provide that 50 percent of collections would go to the region. He said the Subcommittee changed the campground definition to include bathhouses and included a fee, in addition to adding an amendment from Rep. Fritz' bill to continue the study of tourism at the University of Montana.

DISPOSITION OF HOUSE BILL NO. 85: Rep. Ellison made a motion that HB 85 be TABLED. The motion CARRIED with all members voting aye, except Rep. Keenan, who voted no.

DISPOSITION OF HOUSE BILL NO. 173: Rep. Ellison made a motion that HB 173 be TABLED. The motion CARRIED with all members voting aye, except Reps. Raney and Keenan, who voted no.

DISPOSITION OF HOUSE BILL NO. 649: Rep. Ellison made a motion that HB 649 be TABLED. The motion CARRIED with all members voting aye, except Rep. Keenan, who voted no.

DISPOSITION OF HOUSE BILL NO. 707: Rep. Harp made a motion that HB 707 be TABLED. The motion CARRIED with all members voting aye, except Rep. Keenan, who voted no.

DISPOSITION OF HOUSE BILL NO. 84: Rep. Ream made a motion that HB 84 DO PASS.

Rep. Keenan made a motion to amend the bill by taking the distribution from Rep. Cohen's bill of 75% to the Department of Commerce, 25% for tourism, and 80% of any excess to communities with more than \$35,000 in revenue collections.

Rep. Harp made a substitute motion to approve subcommittee amendment #1 (Exhibit #1). The motion CARRIED unanimously.

Rep. Raney made a motion to amend distribution on page 1, line 15 from 80% to 50%. Reps. Harp and Sands stated they could not support the motion because cities would benefit anyway. Chairman Ramirez commented that it appeared the distribution in the bill, as written, was fair. The motion CARRIED on a roll call vote, 11-4 (attached).

Rep. Keenan made a motion that 1% of the 4% tax go to local governments. Rep. Harp spoke against the motion, saying it was contradictory to Rep. Raney's amendment. Chairman Ramirez stated that the Committee is looking at four different kinds of tax right now. Rep. Ellison advised that the property/sales tax subcommittee discussed lowering the tax from 4% to 3%. Rep. Raney added that the Subcommittee also discussed exempting hotels and motels because of the proposed accommodations tax.

Chairman Ramirez commented that a coordination clause could be included, should Sen. Story's bill pass. Rep. Harp advised that the Governor's budget wipes out \$1.2 million for tourism from the general fund, and that HB 84 is a must. Rep. Ramirez said the bill, even at 3%, would nearly double the DOC budget for tourism.

Rep. Keenan's motion to amend FAILED on a roll call vote, 14-2 (attached). Rep. Schye abstained.

Chairman Ramirez made a motion to amend the tax from 4% to 3% if Sen. Story's bill passes, or a local option sales tax of 3% or more passes. Rep. Harp stated he would support the motion. The motion CARRIED on a roll call vote, 10-6 (attached).

Rep. Koehnke made a motion that coordination be included to allow a 5% tax, with 1% of that amount to go to local government, if no similar legislation passes. Rep. Harp stated he believed the bill is a priority and must stand on its own. The motion FAILED on a roll call vote, 8-7 (attached).

Rep. Ream made a motion to approve a 5% tax across the board, no coordination clause, and 1% for local government. The motion FAILED on a roll call vote, 8-7 (attached).

Rep. Harp made a motion to approve the Statement of Intent. The motion CARRIED unanimously.

Rep. Harp then made a motion to approve DOR amendments (Exhibit #3), to allow 2% of collections to go to DOR for

TAXATION COMMITTEE

March 16, 1987

Page 3

administrative costs and \$120,000 for a start-up loan. The motion CARRIED unanimously.

Rep. Ream made a motion to approve the first portion of amendment #3 of Rep. Schye's proposed amendments (Exhibit #4), to continue research on tourism at University of Montana. The motion CARRIED on a roll call vote, 8-7 (attached).

Rep. Ream made a motion to include the second portion of amendment #3 of Rep. Schye's proposed amendments. The motion FAILED, with all members voting no except Reps. Ream, Raney, Ramirez, Keenan, and Harrington, who voted yes. Rep. Asay was excused and left no vote.

Rep. Ream made a motion to approve amendments #1 and #2 (Exhibit #3), for distributions of 25% and 22.5%. The motion CARRIED unanimously.

Rep. Ream made a motion that HB 84 DO PASS AS AMENDED. The motion CARRIED unanimously.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 41: Rep. John Harp, House District #7, sponsor of HJR 41 and Chairman of the Revenue Estimating Subcommittee on Taxation, provided copies of percentage changes for net/gross proceeds taxable valuation, Montana oil prices, statewide taxable valuation, interest on investments, and on general fund revenue estimate comparisons, (Exhibits # 5,6,7,8, and 9).

Rep. Harp explained that oil has gone from a high of \$34 per barrel in 1981, to a low of \$13 in CY86, are are anticipated to increase to \$18 per barrel in CY89. He said coal production for CY86 was 32 million tons, with prices averaging \$6,7,8, and \$10 per ton.

Rep. Harp advised that the Subcommittee included population, inflation, and interest rates in its economic assumptions, adding that population in the state of 826,000 in CY85, is anticipated to increase. He said inflation is anticipated to increase at a low rate, as are short term interest rates.

Rep. Harp stated that a few years ago the average daily balance in the general fund was between \$275 and \$290 million, compared to its present average of \$168 million. He added that the balance hits an annual low in March, because of payment schedules.

Rep. Harp said nearly all high-interest bonds have been called in, and that not much growth is anticipated in total personal income, as indicated on page 25, line 8 of the bill. He stated that page 6, line 3 indicates gain from

TAXATION COMMITTEE

March 16, 1987

Page 4

federal tax reform of \$4.4 million in CY 87, \$22.5 million in CY88, and \$40 million in CY89, adding that without this windfall, the state would be facing disaster.

Rep. Harp explained that the state picked up one-time increases of \$11 million from federal corporation tax reform, and \$7.6 million from the sale of Colstrip 4.

Referring to general fund revenue estimate comparisons (Exhibit #9), Rep. Harp advised that the GAP (general accounting principles) method was used to make those comparisons.

PROPOSERS OF HOUSE JOINT RESOLUTION NO. 41: There were no proposers of HJR 41.

OPPOSERS OF HOUSE JOINT RESOLUTION NO. 41: There were no opposers of the bill.

QUESTIONS ON HOUSE JOINT RESOLUTION NO. 41: Rep. Patterson asked by how much education trust interest would be affected. Rep. Harp replied it would be approximately \$4 million, adding that the figure would be updated throughout the session.

CLOSING: Rep. Harp made no closing comments.

CONSIDERATION OF HOUSE BILL NO. 883: Rep. Mel Williams, House District #85, said the bill would establish distribution formulas for sales and use tax revenue appropriated by the Legislature, appropriating funds to DOR for fiscal years 1988 and 1989 for the purpose of administering the sales and use tax created in SB 395. He advised the bill would delay the effective date of I-105, approved by the electorate on November 4, 1986, and make the initiative effective if the electorate rejects SB 395, as well as provide an immediate effective date and a contingent termination date.

PROPOSERS OF HOUSE BILL NO. 883: Dan Bucks, Deputy Director, DOR, said a sales tax would become effective July 1, 1989, and that an understanding of SB 395 is necessary to implementation of HB 883. He stated section 1 of the bill provides a mechanism for distribution, wherein revenue from the sales tax would be distributed on the basis of revenue lost for the first three years. Mr. Bucks advised that thereafter it would be based upon population and the relative value of mills (for a permanent formula).

Mr. Bucks provided Exhibit #10, and referred to page 2 which includes estimates of gross costs of collecting the sales tax, and to page 1 which, he said, shows net savings and

administrative costs. He explained those estimates are based upon 1986 data for collections from July 1, 1988 to June 30, 1989.

Mr. Bucks told the Committee he has four amendments pertaining to regular tax collection dates (Exhibit #11), and said passage of SB 395 would suspend I-105. He explained an appropriations bill would cover start-up costs for a sales tax, of \$200,000, in addition to \$1.5 million in administration expenses.

OPPONENTS OF HOUSE BILL NO. 883: Gordon Morris, Montana Association of Counties, said he objected to the short notice on the hearing of HB 883, and to the distribution formula therein. He stated the measure ought to be placed upon full dollar value and no population factor, as in Beaverhead County approximately 30 percent of the property is exempt. Mr. Morris explained that Yellowstone County has one-eighth of the population of the state and one-eleventh of the tax base, and would benefit from the bill, while Beaverhead has less than 10,000 people and a 50 percent tax valuation.

QUESTIONS ON HOUSE BILL NO. 883: Chairman Ramirez asked for a dollar for dollar school equalization schedule for counties from DOR by Wednesday, March 18, 1987, for executive session.

CLOSING ON HOUSE BILL NO. 883: Rep. Williams recommended delaying executive action on the bill until it is known what will happen to the Governor's tax bill.

DISPOSITION OF HOUSE BILL NO. 222: Rep. Patterson made a motion that HB 222 DO PASS, and made a motion to approve proposed amendments (Exhibit #12).

Rep. Harp commented that one amendment would prevent multistate corporations outside Montana from consolidating returns to offset losses in the state. He stated insurance companies and financial institutions can't be involved in this.

Dan Bucks, DOR, commented there is confusion between consolidation and combination methods and that he believes the Income Tax Subcommittee is correct. He added that the proposed amendments meet DOR's and some of the industry's concerns.

The motion made by Rep. Patterson CARRIED unanimously.

Rep. Patterson made a motion that HB 222 DO PASS AS AMENDED. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL NO. 182: Rep. Harp made a motion that HB 182 be TABLED. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL NO. 409: Rep. Patterson explained that the Income Tax Subcommittee believes HB 409 should be tabled until it is known what will happen with HB's 409 and 667, later in the session.

Rep. Raney stated he was against tabling the bill.

Dan Bucks advised that if there is gainful, full time employment, DOR would look at W2's and assume voluntary compliance.

Rep. Williams stated the formula in the bill is phased out, based upon income (page 3, line 17).

Rep. Keenan said she believes it is a double standard to argue income versus equity, and made a motion that HB 409 DO PASS. The motion CARRIED 15-1 on a roll call vote (attached).

DISPOSITION OF HOUSE BILL NO. 667: Rep. Patterson advised that the Income Tax Subcommittee recommended the bill be tabled.

Chairman Ramirez said he would vote against the bill because there has been very little discussion on the fiscal impact of the bill.

Rep. Williams commented the bill would probably be killed because it sets no limitations.

Rep. Patterson made a motion that HB 667 be TABLED. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL NO. 709: Rep. Patterson provided Income Tax Subcommittee amendments (Exhibit #14, Rep. Brown, and Exhibit #14a, white copy of the bill).

Chairman Ramirez advised that the bill doesn't define industry.

Rep. Williams commented that striking lines 16-18, on page 1 of the bill, would change the entire intent of the bill.

Rep. Harp said the Subcommittee opted for compensation for expanding businesses.

Rep. Raney advised that action would preclude new, small businesses from the tax break.

Rep. Patterson made a motion that HB 709 DO PASS, and made a motion that the proposed amendments be approved. The motion CARRIED unanimously.

Rep. Williams stated he would like to reinstate language on page 1, lines 16-18. Chairman Ramirez advised that language is picked up in subsection (3).

Rep. Patterson made a motion that HB 709 DO PASS AS AMENDED. The motion CARRIED with all members voting aye, except Reps. Ream, Hoffman, and Keenan, who voted no. Reps. Schye and Sands were not present and did not vote.

DISPOSITION OF HOUSE BILL NO. 811: Rep. Patterson made a motion that HB 811 be TABLED. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL NO. 843: Rep. Williams made a motion that HB 843 be TABLED. The motion CARRIED with all members voting aye, except Reps. Gilbert and Ellison, who voted no.

DISPOSITION OF HOUSE BILL NO. 850: Rep. Raney made a motion that HB 850 be TABLED. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL NO. 774: Rep. Harp made a motion that HB 774 be TABLED. The motion CARRIED with all members voting aye, except Rep. Ramirez, who voted no.

DISPOSITION OF HOUSE BILL NO. 741: Rep. Harp made a motion that HB 741 DO PASS, and said that after the hearing, it was found that Blue Cross/Blue Shield is receiving income from 80,000 claims under ASO (administrative services only), and needs to pay the same fees the private carriers pay.

Rep. Harp made a motion to amend the bill from 2.75% to 1% premium tax.

Kathy Irigoin, Staff Attorney, Office of the State Auditor, explained proposed amendments (Exhibit #15). She said the first amendment pertains to the insurance code, the second requires that insurers include health services organizations where applicable. Ms. Irigoin advised that 33-2-705, MCA, pertains to premium tax statutes, 33-17-212, MCA to insurance agent examinations, chapter list lists hearing procedures, chapter 15 lists provisions for different contracts, chapter 16 pertains to unfair trade practice issues, chapter 19 addresses private agency information, and chapter 22 pertains to disability laws in the state.

Ms. Irigoin commented that section 12, on page 13, addresses freedom of choice issues concerning health service organizations.

Chairman Ramirez advised he had a problem with the freedom of choice issue.

Rep. Williams stated he opposed some of the amendments and felt more time was necessary to study them.

Steve Brown, representing BC/BS, said he received the proposed amendments early this date and was angry at such short notice.

Chairman Ramirez suggested the Committee pass consideration for the day, to allow the State Auditor and Mr. Brown to discuss the situation.

Rep. Harp withdrew his motion.

DISPOSITION OF HOUSE BILL NO. 826: Rep. Keenan made a motion that HB 826 DO PASS.

Chairman Ramirez advised he was against the bill as it provides less than I-105 requires, and because it earmarks funds for the national heritage program.

Rep. Ellison stated the bill is the opposite of what it was intended to be and needs to be completely rewritten.

Rep. Hanson said she had a note regarding an amendment to page 9, lines 4-5, to delete "proper amount of".

Rep. Keenan made a motion that the amendment be approved. The motion CARRIED unanimously.

Rep. Ellison made a motion to amend page 6, lines 13-14 and line 16, to not apply to agricultural or timberland. Rep. Keenan commented that much agricultural land is being subdivided and is no longer used for agricultural purposes. The motion made by Rep. Ellison CARRIED 8-6, on a roll call vote, with two abstentions (attached).

Rep. Raney made a motion to amend out of the bill, lines 21-25 on page 3. Rep. Hoffman stated the bill is based on realty transfer certificates, which are not valid documents.

Rep. Gilbert said he had a problem with the bill, as it addresses only one kind of property and I-105 addresses more than one kind of property.



TAXATION COMMITTEE

March 16, 1987

Page 9

The motion made by Rep. Raney failed 10-4, with two abstentions. All members voted no, except Reps. Koehnke, Gilbert and Patterson, who voted aye.

Greg Petesch asked if the Committee still wanted timberland to drop out in 1991. Rep. Harp made a motion that timberland be removed. The motion CARRIED with all members voting aye, except Reps. Schye, Sands, and Asay, who voted no.

Rep. Keenan made a motion that HB 826 DO PASS AS AMENDED. The motion FAILED 7-9, on a roll call vote (attached).

Rep. Keenan made a motion that HB 826 be TABLED. The motion CARRIED, with all members voting aye, except Rep. Raney, who voted no.

DISPOSITION OF HOUSE BILL NO. 846: Rep. Hoffman made a motion that HB 846 DO PASS.

Rep. Williams said he would opposed the motion as DOR's hands should not be tied by this kind of legislation.

Chairman Ramirez commented that the bill addresses an incredibly complex issue, and suggested that Rep. Hoffman request a resolution to put the matter into the Revenue Oversight Committee for further study. He stated he could not support such a drastic change, with all the other issues facing the Committee this session.

Rep. Harrington said he didn't believe the bill answered the counties' problems, although he could understand their situation.

Rep. Ellison asked who would pay the counties for their work. Rep. Hoffman replied the counties would assume the responsibility, and that there is no question the bill would save the state \$15 million.

Rep. Williams made a substitute motion to TABLE the bill. The motion FAILED on a roll call vote, 7-8, with one abstention (attached).

Rep. Hoffman made a motion that HB 846 DO PASS. The motion failed 6-9, with one abstention and the vote was reversed to DO NOT PASS on a motion by Rep. Williams (roll call vote attached).

DISPOSITION OF HOUSE BILL NO. 857: Rep. Raney made a motion that HB 857 DO PASS, and made a motion that the four pages of DOR amendments be approved (Exhibit #16). The motion

CARRIED, with all members voting aye, except Reps. Ellison and Ramirez, who voted no.

Rep. Harp made a motion that HB 857 be TABLED AS AMENDED. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 47: Rep. Hanson made a motion that SB 47 BE NOT CONCURRED IN.

Rep. Harp stated he was disappointed in the actions of the tribal councils.

Rep. Williams said he had a different analysis of the bill, as property owners would be doubly taxed.

Chairman Ramirez advised that the bill doesn't really address the double taxation issue.

The motion made by Rep. Hanson CARRIED on a roll call vote, 11-5 (attached).

DISPOSITION OF HOUSE BILL NO. 84: Rep. Ream made a motion to reconsider action on amendment #3, because of an error made during action on the bill earlier this date. He commented that although the bill basically triples the travel promotion budget, it does not appoint a research agency to monitor the level of success.

Rep. Ream made a motion to RECONSIDER prior action on the bill. The motion CARRIED with all members voting aye, except Reps. Ellison, Gilbert, Patterson, and Hanson, who voted no.

Rep. Ream made a motion to amend the bill to add the 2.5% already approved for the historical and to insert (3) instead of (d) of the amendment. The motion CARRIED 11-3, with 2 abstentions on a roll call vote (attached).

Chairman Ramirez made a motion to add national heritage dollars. The motion FAILED 7-8, with 1 abstention on a roll call vote (attached).

Rep. Patterson made a motion to fund national heritage at only 1% (roadside markers). The motion CARRIED 11-3, with 2 abstentions on a roll call vote (attached).

Rep. Ream made a motion that HB 84 DO PASS AS AMENDED. The motion CARRIED with all members voting aye, except Rep. Gilbert, who voted no.

DISPOSITION OF HOUSE BILL NO. 285: Rep. Harp made a motion that HB 285 be TABLED. The motion CARRIED with all members

TAXATION COMMITTEE

March 16, 1987

Page 11

voting aye, except Reps. Raney, Patterson and Koehnke, who voted no.

DISPOSITION OF HOUSE BILL NO. 314: Rep. Patterson made a motion that HB 314 be TABLED. The motion CARRIED unanimously.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 12:04 p.m.

  
Representative Jack Ramirez,  
Chairman

## DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 16, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ	✓		
REP. ASAY			✓
REP. ELLISON	✓		
REP. GILBERT	✓		
REP. HANSON	✓		
REP. HARP	✓		
REP. HARRINGTON	✓		
REP. HOFFMAN	✓		
REP. KEENAN	✓		
REP. KOEHNKE	✓		
REP. PATTERSON	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. SANDS	✓		
REP. SCHYE	✓		
REP. WILLIAMS	✓		

# STANDING COMMITTEE REPORT

MARCH 16

19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 47

☐ do pass  
☐ do not pass

☐ be concurred in  
☒ be not concurred in

☐ as amended  
☐ statement of intent attached

Representative Jack Ramirez, Chairman

*MS*  
**THIRD**

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color

# STANDING COMMITTEE REPORT

MARCH 16

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL NO. 222

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Page 2, line 9  
Following: "incorporated"  
Insert: "and operate exclusively"  
Following: "Montana,"  
Strike: remainder of line 9 through "residents" on line 10  
Insert: "are not multistate corporations"  
Strike: "those corporations" on line 10
2. Page 2, line 12  
Following: line 11  
Insert: "(3) The election to file a consolidated return is binding as long as the affiliated group continues to file a federal consolidated return."
3. Page 3, line 22  
Strike: "(5)(a)"  
Insert: "(6)(a)"
4. Page 4, line 9  
~~Following: line 8~~  
Strike: "1982"  
Insert: "1986"

*Renumber subsequent subsections*

  
FIRST

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# STANDING COMMITTEE REPORT

MARCH 16

1937

3-16-37

409

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL NO. 409

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☐ as amended  
☐ statement of intent attached

Representative Jack Ramirez, Chairman

*MS*  
**FIRST**

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color

# STANDING COMMITTEE REPORT

March 16

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL NO. 709

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

Representative Jack Ramirez Chairman

## Be amended as follows:

1. Title, line 6  
Following: "TEE"  
Strike: "TERM"  
Insert: "TERMS "NEW", "EXPANDING", AND"
2. Page 1, line 15  
Following: ""  
Strike: "new or expanding"  
Insert: "expanding"
3. Page 1, lines 16 through 18  
Following: "industry" on line 16  
Strike: remainder of line 16 through "industry" on line 18
4. Page 1, line 18  
Following: "added"  
Insert: "at least \$250,000 worth of"
5. Page 1, line 24  
Following: "into"  
Strike: "new"
6. Page 2, line 8  
Following: line 7  
Insert: "(3) "new" means that the industry is new to the jurisdiction approving the resolution provided for in 15-24-1402(2) and has invested at least \$500,000 in the jurisdiction. New industry does not include property treated as new industrial property under 15-6-135."
7. Page 2, line 15  
Following: "industry"  
Insert: "as designated in the approving resolution"
8. Page 3, line 12  
Following: "jurisdiction"  
Insert: "the resolution may provide that real property, personal property, improvements, or any combination thereof are eligible for the tax benefits described in subsection (1)."

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COMMITTEE REPORT

MARCH 16

19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL NO. 346

3-16-87  
846

☐ do pass  
☒ do not pass

☐ be concurred in  
☐ be not concurred in

☐ as amended  
☐ statement of intent attached

Representative Jack Ramirez, Chairman

JMS

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color

EXHIBIT \_\_\_\_\_  
DATE 3-16-87  
HB 84

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. HB 84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM		✓	
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION		✓	
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN	✓		
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB			✓
SANDS, REP. JACK			✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY	1	11	4

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Raney - amend

ROLL CALL VOTE

3-16-87  
84

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. HB 84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM		✓	
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION			✓
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB			✓
SANDS, REP. JACK		✓	
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL			✓
TALLY		10	6

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion:

*Ramirez - Amend clause  
for 390 of SB (Strong)  
pass*

# ROLL CALL VOTE

3-16-87  
84

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. HB 84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM	✓		✓
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK			✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL			✓
TALLY	1	7	8

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion:

Koehnke - move appx 590  
if no other bel. bill passes

# ROLL CALL VOTE

3-16-87

84

HOUSE TAXATION

COMMITTEE

DATE 3-16 BILL NO. LB 84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM	✓		
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK	✓		
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY	2	10	3

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Ream - amend (e) for (d)

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\_\_\_\_\_

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\_\_\_\_\_

# ROLL CALL VOTE

DATE 3-16-87  
 HB 84

HOUSE TAXATION

COMMITTEE

DATE 3-16 BILL NO. HB84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM	✓		
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK			✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY	1	7	8

Joann Banschbach  
 Secretary

Rep. Jack Ramirez  
 Chairman

Motion:

Ramirez - add nat'l heritage

# ROLL CALL VOTE

3-16-87

84

HOUSE TAXATION

COMMITTEE

DATE

3-16

BILL NO.

HB 84

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM	✓		
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB			✓
HANSON, REP. MARION	✓		
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK			✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY	2	11	3

Joann Banschbach

Secretary

Rep. Jack Ramirez

Chairman

Motion:

Patterson - 170 on roll list

# ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. HB 409

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM	✗	✓	
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB		✓	
HANSON, REP. MARION	✗	✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK		✓	
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY		15	1

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion:

Kenan move DP



# ROLL CALL VOTE

3-16-87

826

HOUSE TAXATION

COMMITTEE

DATE 3-16-87

BILL NO. LB 826

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM		✓	
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION		✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB			✓
REAM, REP. BOB			✓
SANDS, REP. JACK	✓	✓	
SCHYE, REP. TED	✓		
WILLIAMS, REP. MEL			✓
TALLY	2	8	6

Joann Banschbach

Secretary

Rep. Jack Ramirez

Chairman

Motion:

Ellison - amend - timber & ag

# ROLL CALL VOTE

3-16-87  
826

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. LB 826

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			7
ASAY, REP. TOM			7
ELLISON, REP. ORVAL			7
GILBERT, REP. BOB			7
HANSON, REP. MARION			7
HARP, REP. JOHN			7
HARRINGTON, REP. DAN		7	
HOFFMAN, REP. ROBERT			7
KENNAN, REP. NANCY		7	
KOEHNKE, REP. FRANCIS		7	
PATTERSON, REP. JOHN			7
RANEY, REP. BOB		7	
REAM, REP. BOB		7	
SANDS, REP. JACK			7
SCHYE, REP. TED		7	
WILLIAMS, REP. MEL		7	

TALLY

7 9

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion:

Harp-move DPAA

# ROLL CALL VOTE

3-16-87  
846

HOUSE TAXATION

COMMITTEE

DATE 3-16-87

BILL NO. HB 846

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM	✓		
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB		<del>✓</del>	✓
HANSON, REP. MARION			✓
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK	✓		✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY		7	8

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion:

Wms - table

# ROLL CALL VOTE

3-16-87

146

HOUSE TAXATION

COMMITTEE

DATE

3-16

BILL NO.

HB 846

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM	✓		
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB			✓
HANSON, REP. MARION		✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB			✓
REAM, REP. BOB			✓
SANDS, REP. JACK		✓	
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL			✓
TALLY	1	6	9

Joann Banschbach

Secretary

Rep. Jack Ramirez

Chairman

Motion:

146- DP

ROLL CALL VOTE

3-16-87  
41

HOUSE TAXATION

COMMITTEE

DATE 3-16-87 BILL NO. SB47

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM		✓	
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION		✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB			✓
SANDS, REP. JACK		✓	
SCHYE, REP. TED		✓	✓
WILLIAMS, REP. MEL			✓
TALLY		11	5

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Hanson

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#

#1  
3-16-87  
HB 84

PROPOSED AMENDMENTS  
House Bill No. 84  
First Reading (White) Copy

1. Title, line 10.

Following: "LOCATION"

Insert: ", TO THE MONTANA HISTORICAL SOCIETY FOR ROADSIDE  
HISTORICAL SIGNS AND HISTORIC SITES, AND TO THE UNIVER-  
SITY SYSTEM FOR A MONTANA TRAVEL RESEARCH PROGRAM"

2. Page 5, line 13.

Strike: "25%"

Insert: "20%"

3. Page 5, line 19.

Following: "city-county"

Insert: "; (d) 2 1/2% to the Montana historical society to  
be used for the installation or maintenance of roadside  
historical signs and historic sites; and  
(e) 2 1/2% to the university system for the  
establishment and maintenance of a Montana travel  
research program"

db\dw3\amends\h84-1b

#2  
16-87

STATEMENT OF INTENT

#2  
3-16-87  
84

HB 84

This bill needs a statement of intent because it allows the department of revenue to adopt rules regarding the administration of this act.

The rules will be necessary to effectively and efficiently collect the tax. This includes rules clarifying persons subject to the tax, activities subject to the tax, reporting requirements, record keeping requirements, and other requirements. Since this is a new tax in Montana, it is anticipated that many issues will arise requiring rulemaking for resolution.

rr/93

intenthb84

AMENDMENTS TO HB84

Introduced Copy

1. Title, line 11.

Following: "COUNCIL;"

Insert: "PROVIDING FOR APPROPRIATIONS"

2. Page 4, line 21.

Following: "department"

Strike: "may spend from"

Insert: "of revenue is statutorily appropriated as provided in  
17-7-502, 2% of"

3. Page 4, line 22.

Following: "account"

Strike: "in accordance with an expenditure appropriation by"

4. Page 4, line 23.

Following: line 22

Strike: "the legislature based on an estimate of"

Insert: "each reporting period for"

5. Page 5, line 1.

Following: "the"

Strike: "expenditure"

Insert: "statutory"

Following: "appropriation"

Insert: "for collection and disbursement"

6. Page 6, line 11.

Following: line 10

Insert: "(5) The department of revenue is authorized as re-  
quired by 17-2-107(2) to obtain a general fund loan in  
fiscal year 1987 and repay such loan in fiscal year 1988  
for start up costs associated with administration of  
this act. The loan shall not exceed \$120,000 and there  
is hereby appropriated from the state special revenue  
fund to the credit of the department of revenue, up to  
\$120,000 in fiscal year 1988 to repay the amount of any  
general fund loan obtained by the department of revenue  
in fiscal year 1987."

rr/93

amendhb84



# 4  
3-16-87  
84

PROPOSED AMENDMENTS  
House Bill No. 84  
First Reading (White) Copy

1. Title, line 5.  
Strike: "OR"

2. Title, line 6.  
Following: "ACCOMMODATIONS"  
Insert: "AND SIMILAR FACILITIES"

3. Page 1, line 18.  
Following: line 17  
Insert: "(1) "Accommodation charge" means the fee charged  
by the owner or operator of a facility for use of the  
facility for lodging, including bath house facilities,  
but excluding charges for meals, transportation,  
entertainment, or any other similar charges."  
Renumber: subsequent subsections

4. Page 1, line 19.  
Following: "[section"  
Strike: "7"  
Insert: "9"

5. Page 1, line 20.  
Following: "(2)"  
Strike: "\"Hotel\" or \"motel\""  
Insert: "\"Facility\""

6. Page 1, line 24.  
Following: "motel,"  
Insert: "campground,"

7. Page 2, lines 2 and 3.  
Following: "include" on line 2  
Strike: "a roominghouse, retirement home, hospital,"  
Insert: "any health care facility, as defined in 50-5-101,  
any facility owned by a corporation organized under  
Title 35, chapter 2 or 3, that is used primarily by  
persons under the age of 18 years for camping purpos-  
es,"

8. Page 2, line 3.  
Following: "or"  
Insert: "any"

9. Page 2, lines 3 and 4.  
Following: "rented"  
Strike: "on other than a daily or weekly basis"  
Insert: "solely on a monthly basis or for a period of 30  
days or more"

10. Page 2, lines 23 and 24.

Following: "user of a" on line 23

Strike: "hotel, motel, or tourist campground"

Insert: "facility"

11. Pages 2 and 3.

Following: "by the" on line 25 of page 2

Strike: "hotel, motel, or campground"

Insert: "facility"

12. Page 3, lines 2 through 7.

Strike: subsection (2) in its entirety

Renumber: subsequent subsection

13. Page 3, line 11.

Following: "of a"

Strike: "hotel, motel, or campground"

Insert: "facility"

14. Page 3, line 17

Following: line 16

Strike: "hotel, motel, or campground"

Insert: "facility"

15. Page 3.

Following: line 20

Insert: "NEW SECTION. Section 4. Audits -- records. The department of revenue may audit the books and records of any owner or operator to ensure that the proper amount of tax imposed by [section 2] has been collected. An audit may be done on the premises of the owner or operator of a facility or at any other convenient location.

(2) The department may request the owner or operator of a facility to provide the department with books, ledgers, registers, or other documents necessary to verify the correct amount of tax.

(3) The owner or operator of a facility shall maintain and have available for inspection by the department books, ledgers, registers, or other documents showing the collection of accommodation charges for the preceding 5 years.

NEW SECTION. Section 5. Registration number -- application to department. (1) The owner or operator of a facility shall apply to the department of revenue for a registration number.

(2) The application must be made on a form provided by the department.

(3) Upon completion of the application and delivery of the application to the department, the department must assign a registration number to the owner, operator, or facility, as appropriate."

Renumber: subsequent sections

16. Page 3, lines 22 and 23.

Following: "of a"

Strike: "hotel, motel, or campground"

Insert: "facility"

17. Page 4, line 12.

Following: line 11

Strike: "estimate"

Insert: "determine"

18. Page 4, line 15.

Strike: "5/6 of"

Following: "a month"

Insert: "or part thereof"

19. Page 5, line 15.

Following: "\$35,000,"

Strike: "80%"

Insert: "50%"

20. Page 5, line 24.

Following: "[section"

Strike: "6"

Insert: "8"

21. Page 6, line 4.

Following: "[section"

Strike: "6"

Insert: "8"

22. Page 6, line 17.

Following: "[section"

Strike: "5"

Insert: "7"

23. Page 10, line 13.

Following: "[section"

Strike: "5"

Insert: "7"

24. Pages 10 and 11.

Strike: section 9 in its entirety

Insert: "NEW SECTION. Section 11. Rulemaking authority.

The department of revenue shall adopt such rules as may be necessary to implement and administer [this act].

NEW SECTION. Section 12. Rulemaking authority.

The department of commerce shall adopt such rules as may be necessary to implement and administer [this act]."

Renumber: subsequent sections

25. Page 11, line 5.  
Following: "through"  
Strike: "6"  
Insert: "8 and 11"

26. Page 11, line 7.  
Following: "through"  
Strike: "6"  
Insert: "8 and 11"

27. Page 11, line 8.  
Following: "(2)"  
Strike: "Section 7 is"  
Insert: "Sections 9 and 12 are"

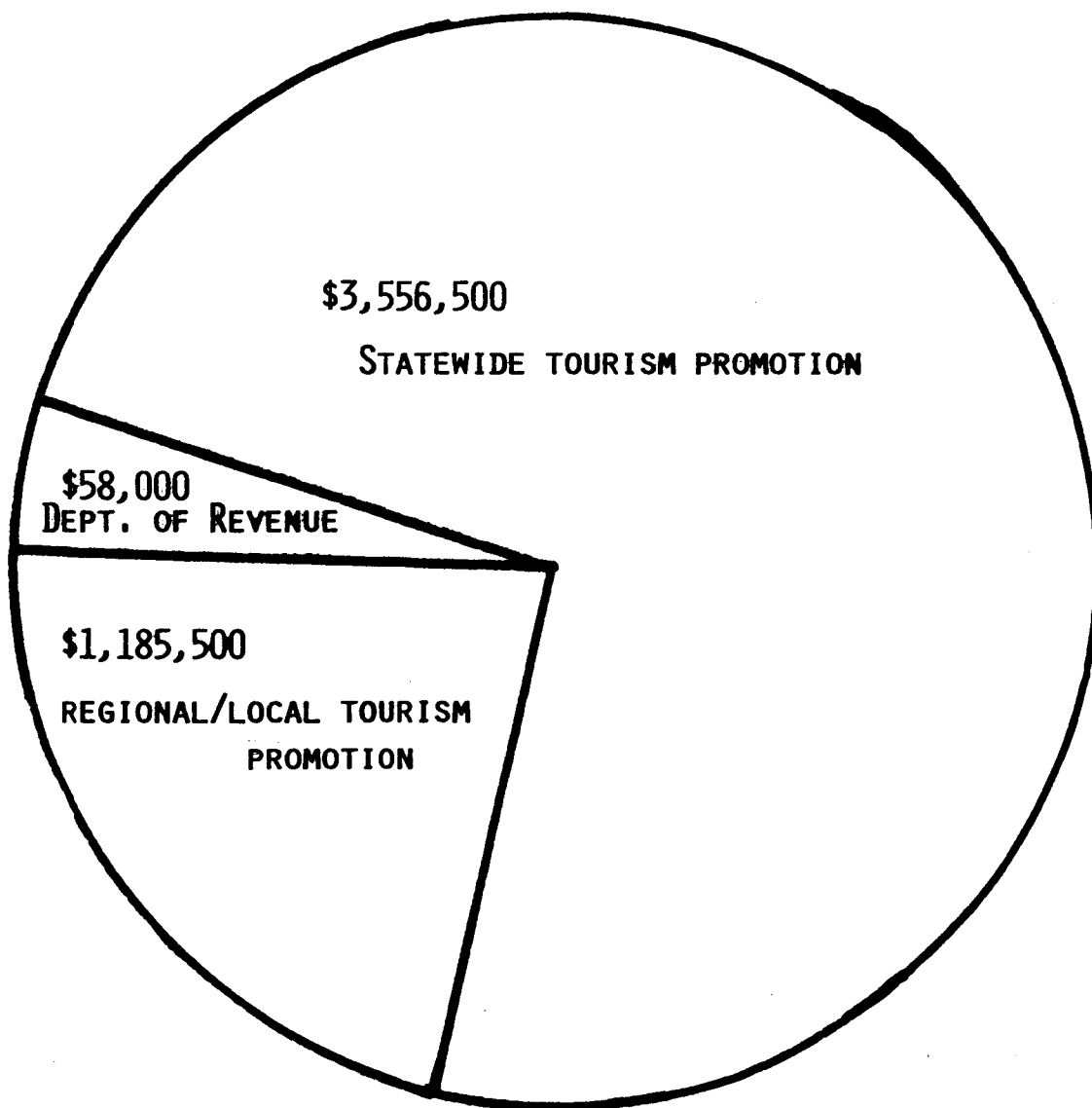
28. Page 11, line 10.  
Following: "to"  
Strike: "section 7"  
Insert: "sections 9 and 12"

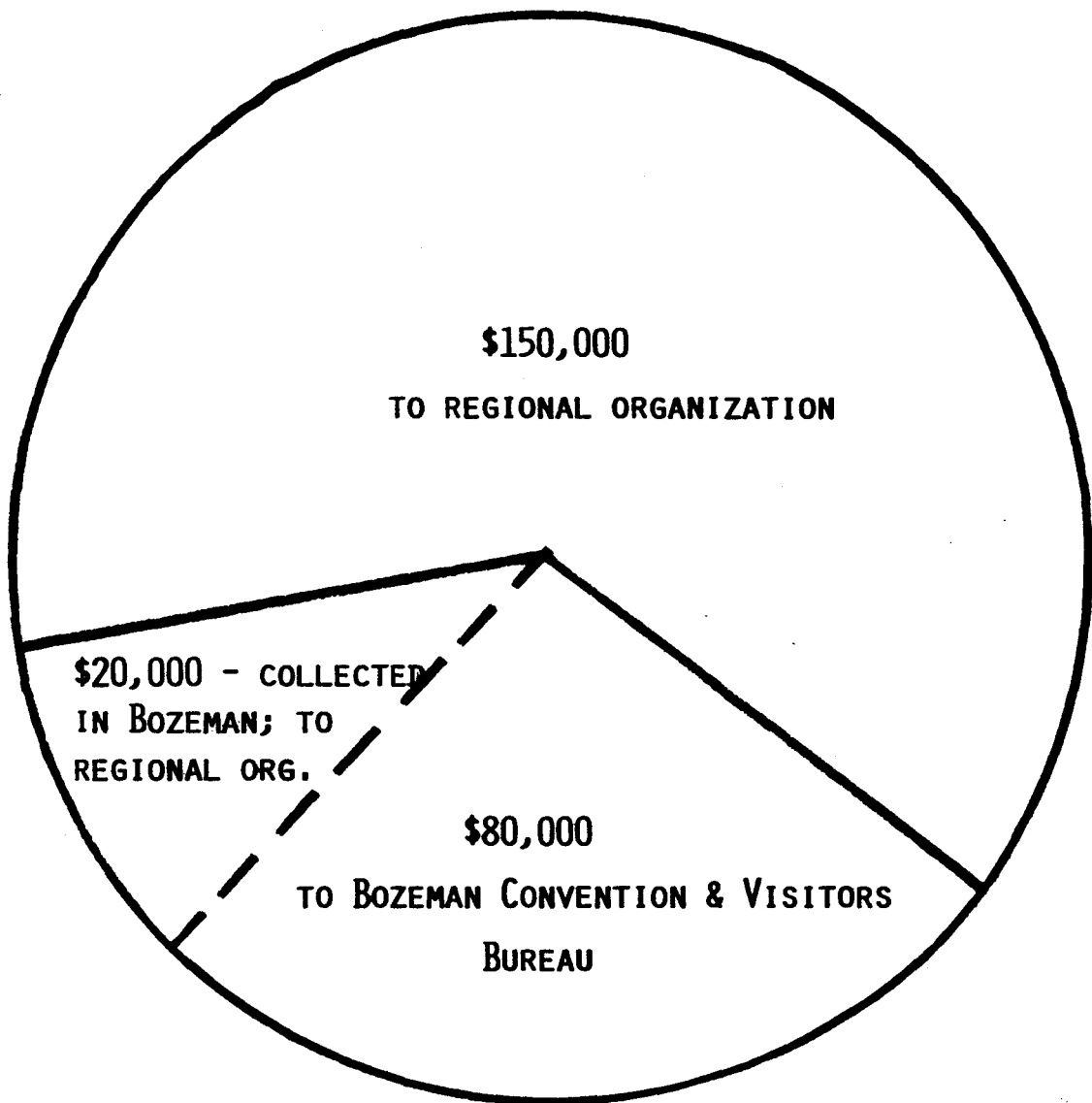
db\dw3\amends\hb84-1

3-16-87  
HB 84

**4% STATEWIDE ACCOMMODATIONS TAX**

**ESTIMATED TO GENERATE \$4.8 MILLION**

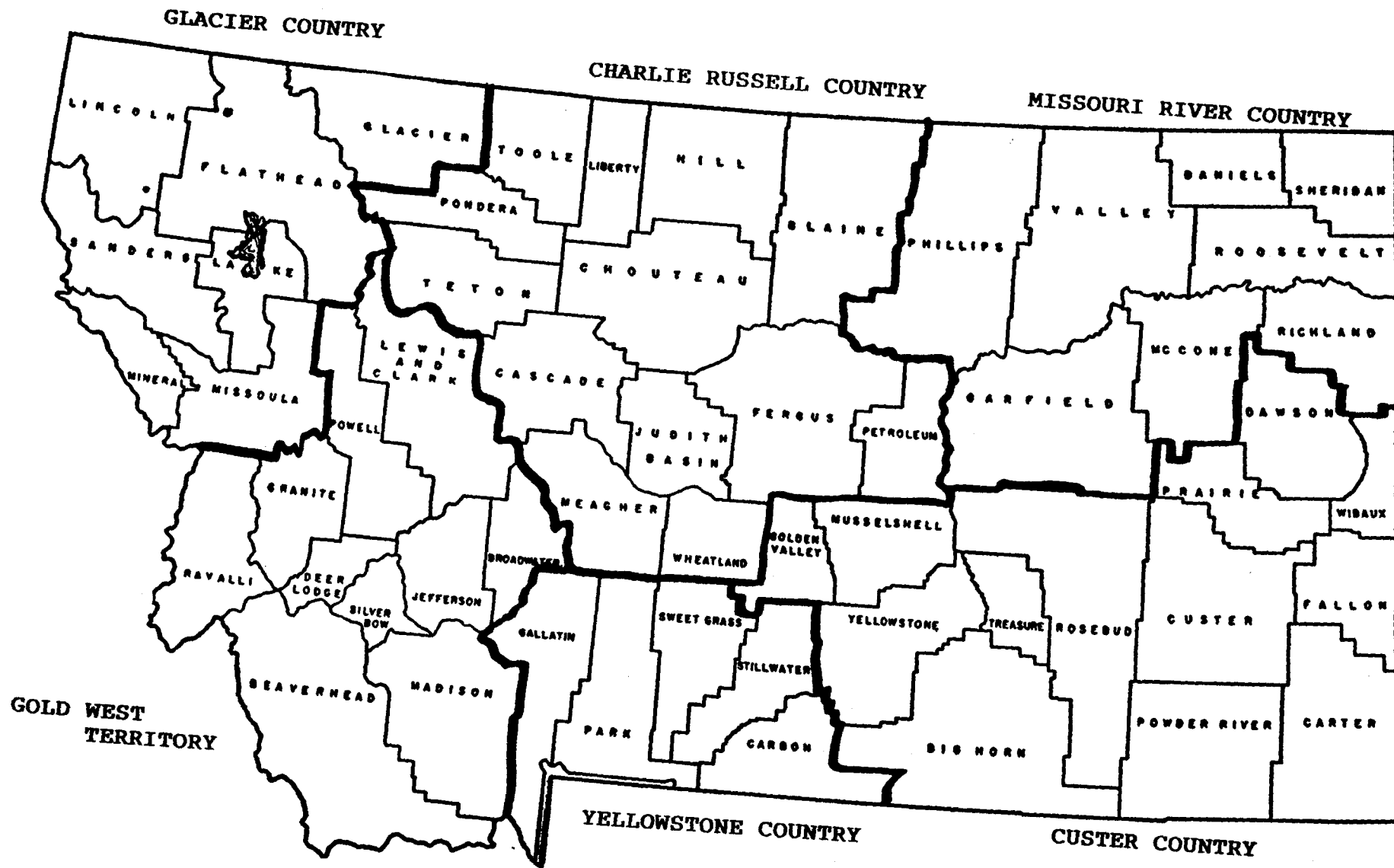




### YELLOWSTONE COUNTRY

BASED ON 4% = \$1 MILLION

1% = \$250,000



MONTANA

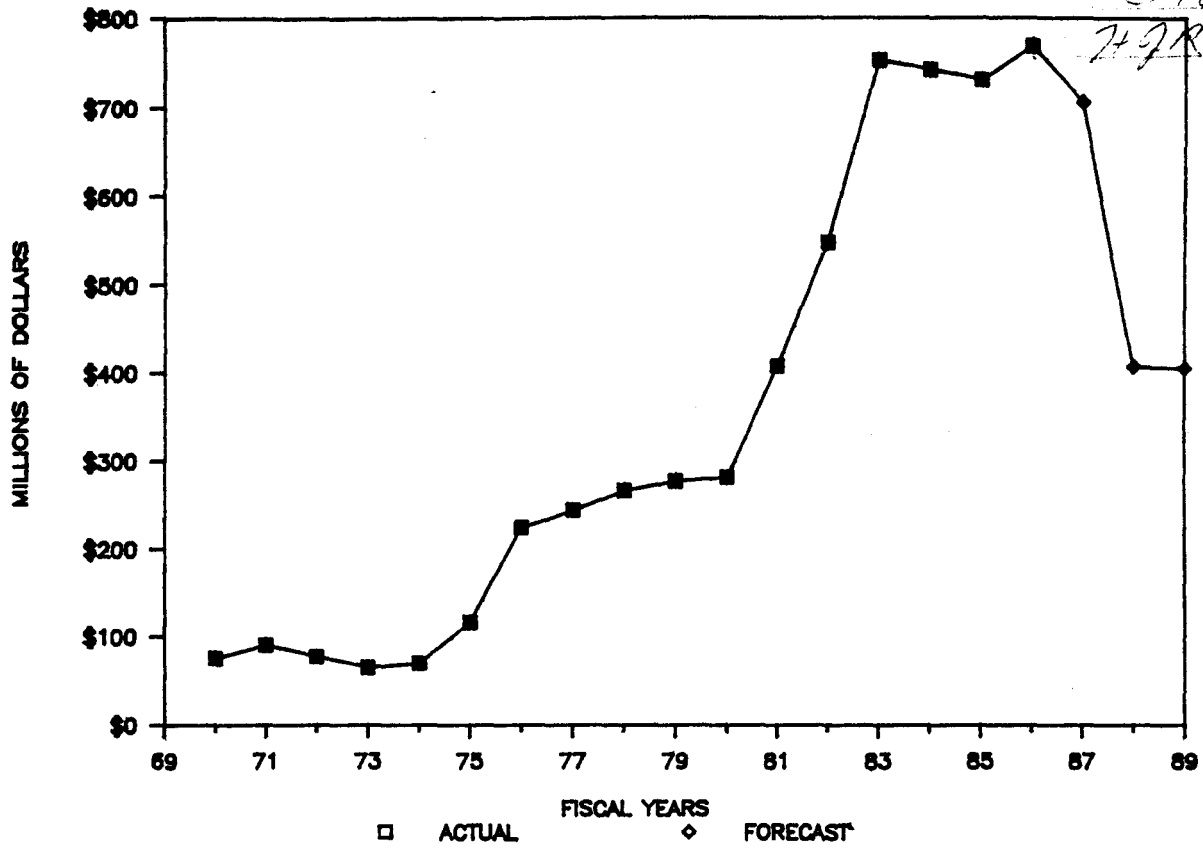
EX 5  
3-16-87  
HUR 41  
HARP

# NET/GROSS PROCEEDS TAXABLE VALUATION

#5

3-16-87

HUR 41



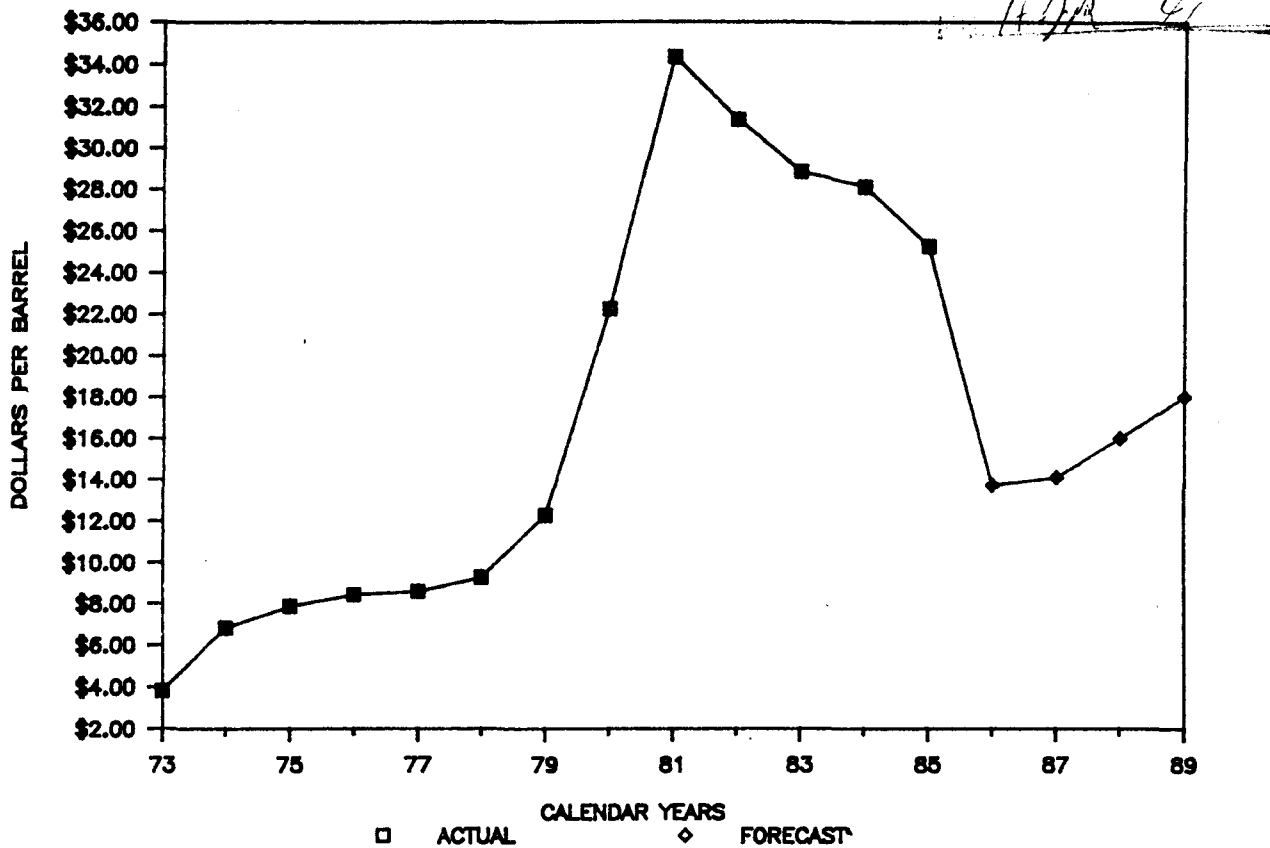
YR	NET/GROSS PROCEEDS	PERCENT CHANGE
A 69		
A 70	75.396505	
A 71	90.305424	19.77%
A 72	76.866075	-14.88%
A 73	64.794333	-15.70%
A 74	69.604224	7.42%
A 75	116.146543	66.87%
A 76	223.975328	92.84%
A 77	244.205602	9.03%
A 78	266.181793	9.00%
A 79	276.843999	4.01%
A 80	281.405885	1.65%
A 81	407.379105	44.77%
A 82	547.411267	34.37%
A 83	752.164369	37.40%
A 84	741.544063	-1.41%
A 85	730.330120	-1.51%
A 86	768.271263	5.20%
F 87	704.589074	-8.29%
F 88	406.796754	-42.26%
F 89	404.318580	-0.61%



X6  
16-87  
LR41  
HAR

# MONTANA OIL PRICES

#6  
3-16-81  
7-7A 41

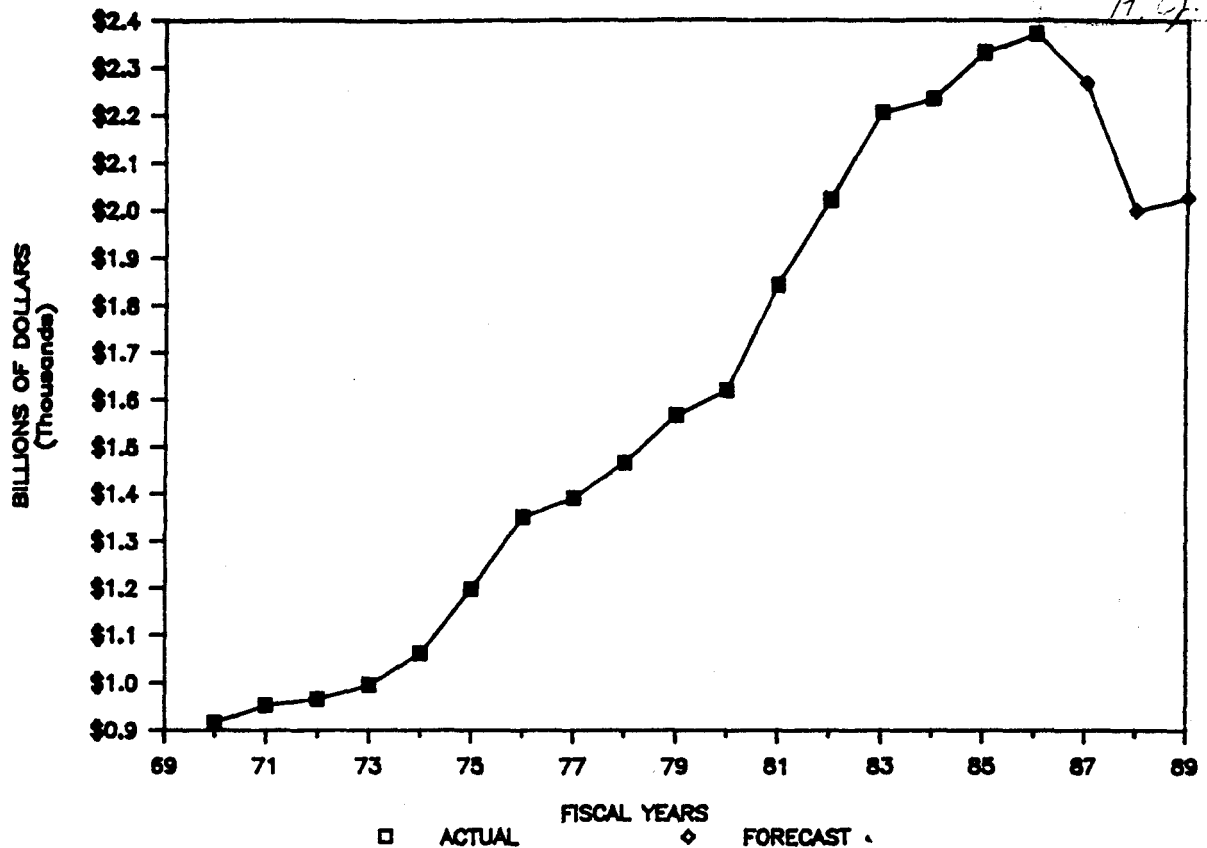


YR	AVERAGE PRICE	PERCENT CHANGE
A 69	NA	
A 70	NA	NA
A 71	NA	NA
A 72	NA	NA
A 73	3.843000	NA
A 74	6.814000	77.31%
A 75	7.845000	15.13%
A 76	8.411000	7.21%
A 77	8.582000	2.03%
A 78	9.253000	7.82%
A 79	12.279000	32.70%
A 80	22.250000	81.20%
A 81	34.317000	54.23%
A 82	31.311000	-8.76%
A 83	28.804000	-8.01%
A 84	28.066000	-2.56%
A 85	25.214000	-10.16%
F 86	13.734381	-45.53%
F 87	14.117053	2.79%
F 88	16.000000	13.34%
F 89	18.000000	12.50%

EX 7  
3-16-87  
HJR 41  
HARP

# STATEWIDE TAXABLE VALUATION

#7  
3-16-87  
HJR 41



YR	TOTAL VALUATION	PERCENT CHANGE
A 69		
A 70	917.110954	
A 71	952.698790	3.88%
A 72	965.708451	1.37%
A 73	995.099126	3.04%
A 74	1061.621651	6.69%
A 75	1198.510071	12.89%
A 76	1350.774330	12.70%
A 77	1391.935128	3.05%
A 78	1466.743705	5.37%
A 79	1568.285437	6.92%
A 80	1621.951970	3.42%
A 81	1845.008937	13.75%
A 82	2020.630740	9.52%
A 83	2204.492144	9.10%
A 84	2233.385468	1.31%
A 85	2330.882688	4.37%
A 86	2370.133344	1.68%
F 87	2266.402224	-4.38%
F 88	1997.193109	-11.88%
F 89	2024.660930	1.38%

8  
6-87  
4R41  
4R80

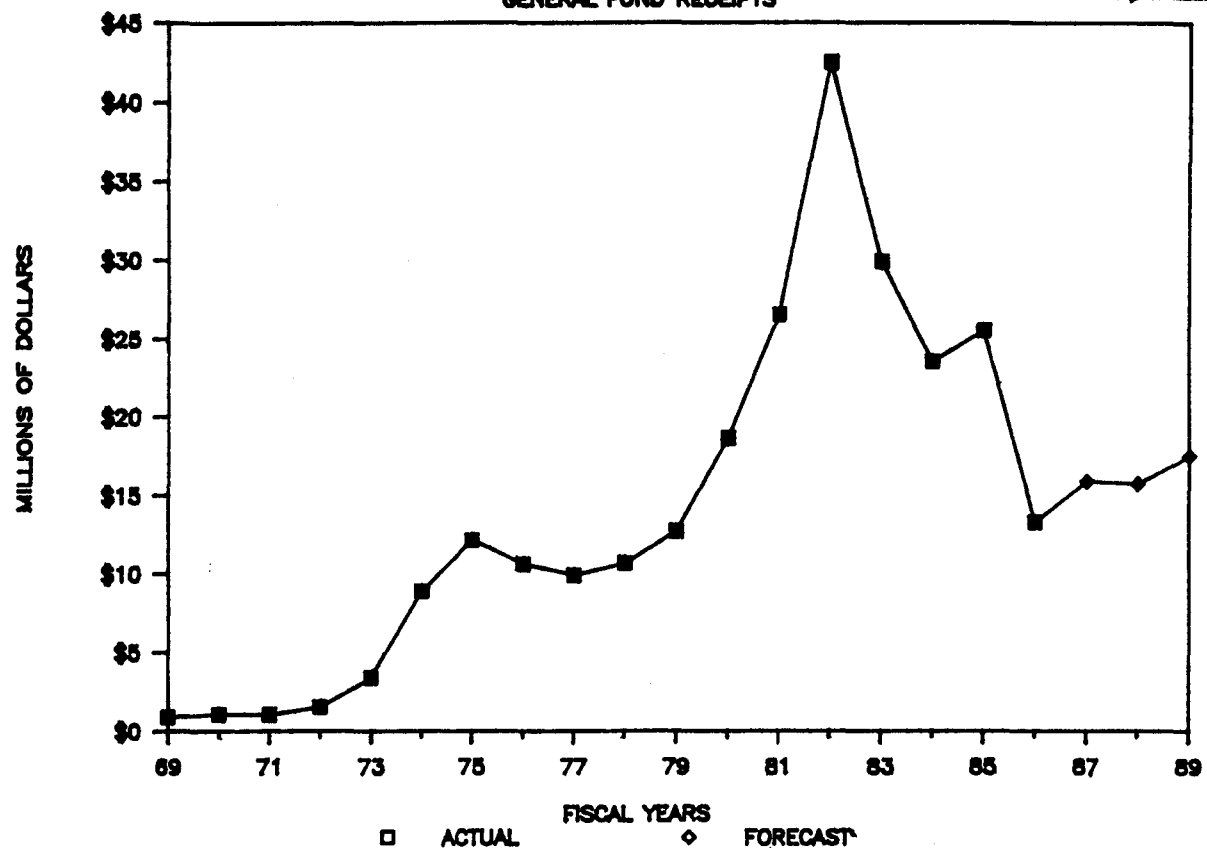
#8

3-11-87

4R41

# INTEREST ON INVESTMENTS

## GENERAL FUND RECEIPTS



YR	TOTAL RECEIPTS	PERCENT CHANGE
A 69	0.872740	
A 70	1.064999	22.03%
A 71	1.027335	-3.54%
A 72	1.507755	46.76%
A 73	3.391643	124.95%
A 74	8.884671	161.96%
A 75	12.150937	36.76%
A 76	10.607372	-12.70%
A 77	9.891246	-6.75%
A 78	10.663504	7.81%
A 79	12.714971	19.24%
A 80	18.633664	46.55%
A 81	26.566775	42.57%
A 82	42.442554	59.76%
A 83	29.918421	-29.51%
A 84	23.527514	-21.36%
A 85	25.527889	8.50%
A 86	13.285291	-47.96%
F 87	15.857400	19.36%
F 88	15.706620	-0.95%
F 89	17.476380	11.27%



16

#9a  
3-16-87  
HUR 41

TECHNICAL AMENDMENTS  
HOUSE JOINT RESOLUTION 41  
Introduced (White) Copy

1. Page 5, line 22.

Following: line 21

Insert: "Resource Indemnity Trust \$0.644 \$1.400 0 0"

2. Page 6, line 7.

Following: "\$309.7"

Strike: "\$3.467"

Insert: "\$346.7"

3. Page 6, line 19.

Strike: line 19 in its entirety

4. Page 8, line 6.

Strike: line 6 in its entirety

5. Page 8, line 19.

Following: "\$130.076000"

Strike: "\$149.495000"

Insert: "\$149.459000"

6. Page 9, line 22.

Insert: "\$" in front of the numbers in all 3 columns

7. Page 9, line 24.

Following: "2.160000"

Strike: "3.320000"

Insert: "2.320000"

8. Page 10, line 3.

Following: "STATE"

Strike: "\$125.538000"

Insert: "\$124.344000"

9. Page 10.

Following: line 15

Insert: "

Current Law  
Other Revenue Estimates  
(In Millions)

Source of Revenue

Resource Indemnity Trust Earnings	\$7.459	\$6.375	\$6.722"
-----------------------------------	---------	---------	----------

#B883  
3-16-87  
DOR-Bucks

#10

3-16-87

395

SB 395 REPLACEMENT REVENUE -- \$153,487,000 in Sales Tax Revenue  
(\$155,070,000 sales tax revenue - \$1,583,000 additional DOR costs)

Property Tax Loss From SB 395	FY 90	FY 91	FY 92	FY 93
=====	=====	=====	=====	=====
BEAVERHEAD	\$1,562,477	\$1,602,159	\$1,650,044	\$1,673,987
BIG HORN	2,207,443	1,960,192	1,476,231	1,234,250
BLAINE	964,086	932,727	859,945	823,553
BROADWATER	875,340	784,797	598,361	505,142
CARBON	1,519,407	1,449,566	1,261,345	1,167,234
CARTER	498,877	439,715	316,552	254,970
CASCADE	10,795,416	12,897,053	16,769,438	18,705,630
CHOUTEAU	2,338,007	1,957,778	1,188,603	804,016
CUSTER	2,524,063	2,668,478	2,893,510	3,006,026
DANIELS	1,119,063	952,029	611,559	441,324
DAWSON	3,016,300	2,809,913	2,361,138	2,136,751
DEER LODGE	1,552,898	1,970,934	2,740,901	3,125,885
FALLON	817,252	704,329	478,907	366,196
FERGUS	2,916,711	2,846,212	2,643,488	2,542,126
FLATHEAD	10,469,515	10,447,168	10,170,087	10,031,546
GALLATIN	7,558,159	8,244,185	9,468,464	10,080,604
GARFIELD	387,344	342,779	251,532	205,908
GLACIER	1,722,848	1,657,989	1,520,134	1,451,207
GOLDEN VALLEY	276,601	242,245	171,946	136,796
GRANITE	831,311	751,971	580,143	494,229
HILL	3,361,163	3,254,524	2,997,742	2,869,351
JEFFERSON	2,237,508	2,043,199	1,639,645	1,437,868
JUDITH BASIN	694,590	617,774	458,343	378,628
LAKE	1,995,626	2,483,332	3,378,805	3,826,541
LEWIS & CLARK	8,971,568	9,088,581	9,121,153	9,137,439
LIBERTY	667,065	572,882	382,739	287,668
LINCOLN	3,510,849	3,520,881	3,508,972	3,503,017
MADISON	1,404,333	1,141,570	599,693	328,755
McCONE	1,042,457	1,076,536	1,141,383	1,173,807
MEAGHER	437,413	407,266	338,082	303,491
MINERAL	778,776	779,297	767,282	761,275
MISSOULA	15,660,236	15,864,442	16,055,033	16,150,329
MUSSELSHELL	548,334	557,965	567,227	571,858
PARK	2,285,031	2,396,950	2,556,331	2,636,022
PETROLEUM	92,485	88,417	78,750	73,917
PHILLIPS	1,435,078	1,259,760	904,025	726,157
PONDERA	1,687,042	1,527,168	1,197,320	1,032,396
POWDER RIVER	468,004	415,184	308,461	255,100
POWELL	1,246,245	1,241,814	1,211,144	1,195,809
PRAIRIE	410,863	377,335	306,465	271,030
RAVALLI	2,663,052	3,466,976	4,985,893	5,745,352
RICHLAND	2,334,046	2,162,860	1,812,899	1,637,918
ROOSEVELT	1,639,136	1,563,891	1,406,773	1,328,214
ROSEBUD	2,695,757	2,351,872	1,676,497	1,338,809
SANDERS	2,742,897	2,396,569	1,703,059	1,356,304
SHERIDAN	1,223,949	1,072,610	764,818	610,922
SILVER BOW	7,064,112	7,658,797	8,677,000	9,186,101
STILLWATER	1,221,291	1,149,346	977,510	891,592
SWEET GRASS	696,242	664,148	583,390	543,011
TETON	1,572,828	1,427,675	1,120,308	966,625
TOOLE	1,322,410	1,157,175	819,046	649,981
TREASURE	299,768	256,655	169,895	126,515
VALLEY	2,130,357	1,926,768	1,500,133	1,286,816
WHEATLAND	421,548	400,732	351,525	326,922
WIBAUX	373,937	318,791	208,363	153,148
YELLOWSTONE	20,910,886	21,135,039	21,198,967	21,230,931
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TOTAL	152,200,000	153,487,000	153,486,999	153,486,999

SB 395 REPLACEMENT REVENUE -- \$151,639,000 in Sales Tax Revenue  
(\$155,070,000 sales tax revenue - \$3,431,000 additional DOR costs)

Property Tax  
Loss From  
SB 395

		FY 90	FY 91	FY 92	FY 93
		=====	=====	=====	=====
BEAVERHEAD	\$1,562,477	\$1,582,868	\$1,606,523	\$1,630,177	\$1,653,832
BIG HORN	2,207,443	1,936,591	1,697,524	1,458,457	1,219,390
BLAINE	964,086	921,497	885,544	849,591	813,638
BROADWATER	875,340	775,348	683,252	591,156	499,060
CARBON	1,519,407	1,432,113	1,339,136	1,246,158	1,153,180
CARTER	498,877	434,421	373,581	312,740	251,900
CASCADE	10,795,416	12,741,771	14,654,652	16,567,532	18,480,413
CHOUTEAU	2,338,007	1,934,206	1,554,249	1,174,292	794,336
CUSTER	2,524,063	2,636,349	2,747,511	2,858,672	2,969,833
DANIELS	1,119,063	940,566	772,381	604,196	436,011
DAWSON	3,016,300	2,776,081	2,554,395	2,332,710	2,111,024
DEER LODGE	1,552,898	1,947,204	2,327,552	2,707,901	3,088,249
FALLON	817,252	695,849	584,495	473,141	361,787
FERGUS	2,916,711	2,811,943	2,711,802	2,611,660	2,511,519
FLATHEAD	10,469,515	10,321,383	10,184,510	10,047,638	9,910,765
GALLATIN	7,558,159	8,144,924	8,749,693	9,354,463	9,959,232
GARFIELD	387,344	338,652	293,578	248,503	203,429
GLACIER	1,722,848	1,638,027	1,569,929	1,501,832	1,433,734
GOLDEN VALLEY	276,601	239,328	204,602	169,876	135,149
GRANITE	831,311	742,918	658,038	573,158	488,279
HILL	3,361,163	3,215,339	3,088,494	2,961,649	2,834,804
JEFFERSON	2,237,508	2,018,598	1,819,251	1,619,903	1,420,556
JUDITH BASIN	694,590	610,336	531,580	452,825	374,069
LAKE	1,995,626	2,453,432	2,895,778	3,338,124	3,780,469
LEWIS & CLARK	8,971,568	8,979,153	8,995,244	9,011,334	9,027,424
LIBERTY	667,065	565,984	472,058	378,131	284,204
LINCOLN	3,510,849	3,478,489	3,472,606	3,466,723	3,460,840
MADISON	1,404,333	1,127,825	860,149	592,473	324,796
McCONE	1,042,457	1,063,574	1,095,608	1,127,641	1,159,674
MEAGHER	437,413	402,362	368,187	334,012	299,837
MINERAL	778,776	769,914	763,979	758,044	752,109
MISSOULA	15,660,236	15,673,432	15,767,581	15,861,729	15,955,878
MUSSELSHELL	548,334	551,247	555,822	560,398	564,973
PARK	2,285,031	2,368,090	2,446,821	2,525,552	2,604,284
PETROLEUM	92,485	87,353	82,577	77,802	73,027
PHILLIPS	1,435,078	1,244,593	1,068,866	893,140	717,414
PONDERA	1,687,042	1,508,781	1,345,843	1,182,905	1,019,966
POWDER RIVER	468,004	410,185	357,466	304,747	252,028
POWELL	1,246,245	1,226,862	1,211,712	1,196,562	1,181,411
PRAIRIE	410,863	372,792	337,783	302,775	267,766
RAVALLI	2,663,052	3,425,233	4,175,548	4,925,862	5,676,177
RICHLAND	2,334,046	2,136,819	1,963,945	1,791,071	1,618,197
ROOSEVELT	1,639,136	1,545,062	1,467,448	1,389,835	1,312,222
ROSEBUD	2,695,757	2,323,556	1,989,934	1,656,312	1,322,690
SANDERS	2,742,897	2,367,714	2,025,134	1,682,554	1,339,974
SHERIDAN	1,223,949	1,059,695	907,652	755,609	603,566
SILVER BOW	7,064,112	7,566,585	8,069,556	8,572,528	9,075,499
STILLWATER	1,221,291	1,135,508	1,050,624	965,741	880,858
SWEET GRASS	696,242	656,152	616,259	576,366	536,473
TETON	1,572,828	1,410,485	1,258,653	1,106,820	954,987
TOOLE	1,322,410	1,143,242	976,213	809,184	642,156
TREASURE	299,768	253,565	210,707	167,849	124,991
VALLEY	2,130,357	1,903,570	1,692,821	1,482,072	1,271,322
WHEATLAND	421,548	395,907	371,600	347,293	322,986
WIBAUX	373,937	314,953	260,403	205,854	151,304
YELLOWSTONE	20,910,886	20,880,571	20,912,150	20,943,729	20,975,308
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TOTAL	152,200,000	151,638,997	151,638,999	151,639,001	151,638,999

EX 11  
KB883  
3-16-87  
DOR

#11  
DATE 3-16-87  
RS 883

## AMENDMENTS TO HB 883

INCLUDE THE \$16,500 RESIDENTIAL EXEMPTION IN THE CALCULATION OF THE INTERIM FORMULA FOR DISTRIBUTING SALES TAX REVENUE TO LOCAL GOVERNMENTS AND PROVIDE THAT THE DEPARTMENT OF REVENUE WILL ASSIST THE COUNTY TREASURERS IN CALCULATING DISTRIBUTION DATA.

1. On page 3, line 9  
Following: "treasurer"  
Insert: ",with the assistance of the department,"
2. On page 3, line 11  
Following: "taxes"  
Insert: "and from the first \$16,500 of value of each single family residence"

CLARIFY THAT ERRORS IN CALCULATIONS MAY BE CORRECTED PRIOR TO, BUT NOT AFTER DISTRIBUTIONS ARE MADE TO LOCAL GOVERNMENTS.

3. On page 3, line 16  
Following: "discovered"  
Insert: "prior to the time a distribution is made for a fiscal year"  
  
Following: "state"  
Insert: "may correct the error. However, if such an error is discovered after a distribution is made for a fiscal year, the state"

ELIMINATE DUPLICATE LANGUAGE.

4. On page 4, lines 15 through 20  
Strike: Subsection (9) in its entirety and renumber all subsequent subsections accordingly.

CHANGE DISTRIBUTION DATES TO NOVEMBER 30 AND MAY 31

5. On page 4, line 22  
Strike: "March 31 and September 30"  
Insert: "November 30 and May 31"  
  
On page 4, line 23  
Strike: "March 31, 1990"  
Insert: "November 30, 1989"



House Bill 222, Introduced (white) copy

1. Page 2, line 9.

Following: "incorporated"

Insert: "and operate exclusively"

Following: "Montana,"

Strike: remainder of line 9 through "residents" on line 10

Insert: "are not multistate corporations"

Strike: "those corporations" on line 10

2. Page 2, line 12.

Following: line 11

Insert: "(3) The election to file a consolidated return is  
binding as long as the affiliated group continues to file a  
federal consolidated return."

Renumber: subsequent subsections

3. Page 3, line 22.

Strike: "(5)(a)"

Insert: "(6)(a)"

4. Page 4, line 9.

Following: line 8

Strike: "1982"

Insert: "1986"

AMENDMENTS TO HOUSE BILL 709 (white copy)

EX  
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#14  
3-16-87  
709

1. Title, line 6.  
Following: "THE"  
Strike: "TERM"  
Insert: "TERMS "NEW", "EXPANDING", AND"
2. Page 1, line 15.  
Following: ""  
Strike: "New or expanding"  
Insert: "Expanding"
3. Page 1, lines 16 through 18.  
Following: "industry" on line 16  
Strike: remainder of line 16 through "industry" on line 18
4. Page 1, line 18.  
Following: "added"  
Insert: "at least \$250,000 worth of"
5. Page 1, line 24.  
Following: "into"  
Strike: "new"
6. Page 2, line 8.  
Following: line 7  
Insert: "(3) "New" means that the industry is new to the jurisdiction approving the resolution provided for in 15-24-1402(2) and has invested at least \$500,000 in the jurisdiction. New industry does not include property treated as new industrial property under 15-6-135."
7. Page 2, line 15.  
Following: "industry"  
Insert: "as designated in the approving resolution"
8. Page 3, line 12.  
Following: "jurisdiction"  
Insert: "the resolution may provide that real property, personal property, improvements, or any combination thereof are eligible for the tax benefits described in subsection (1)."

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74

AMENDMENTS TO HOUSE BILL 741

1. Page 2, line 3.

Following: "corporations"

Insert: "as prescribed in 33-30-102"

2. Page 3, lines 5 through 6.

Strike: "referred to in 33-1-102"

Insert: "in the provisions listed in 33-30-102"

3. Page 4, line 8.

Strike: "title."

Insert: "chapter. In addition to the provisions contained in this chapter, other chapters and provisions of this title apply to health service corporations as follows: 33-2-705, 33-17-212, 33-17-213, and 33-17-214; and chapters 1, 15, 18, 19, and 22."

4. Page 6, line 7.

Strike: "is"

5. Page 6, lines 7 through 8.

Strike: "subject to the premium tax"

Insert: "shall pay on or before March 1 a 2.75% tax upon all dues and fees collected from members in the last calendar year in the manner prescribed"

6. Page 10, line 18.

Strike: "chapter 17"

Insert: "33-17-212, 33-17-213, and 33-17-214"

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#16  
3-16-87  
859

# PROPOSED AMENDMENTS HB 857

Purpose: to provide quarterly reporting, preserve current cash flow and make the net profits portion of the tax workable.

1. Page 9, line 5.

Following: "coal shall" (preceding line)

Strike: "on or before March 31 of each year"

2. Page 9, line 6.

Following: "to the department" (preceding line)

Insert: "not later than 30 days following the end of each calendar quarter"

3. Page 9, line 9.

Following: "during the" (preceding line)

Strike: "year"

Following: "preceding"

Insert: "calendar quarter"

Following: "calendar quarter"

Strike: "January 1 of the year in which the statement"

4. Page 9, line 10.

Following: "the statement" (preceding line)

Strike: "is made."

Purpose: To eliminate unnecessary information from the return.

1. Page 9, line 17.

Following: "mine"

Insert: ";

Strike: remainder of lines 17 through 22 in their entirety.

Purpose: To eliminate a deduction for freight on F.O.B destination contracts

1. Page 10, line 5.

Following: "transporting to the"

Strike: "place of sale"

Insert "load out facility at the mine"

Purpose: To eliminate "catch all" type expense categories which are often allocations of general and administrative expenses and eliminate dated language.

1. Page 10, lines 6, 7, 8.

Strike: lines 6, 7 and 8 in their entirety

Renumber: subsequent subsections

Purpose: To eliminate from the tax return information which is not used in the net profit computation.

1. Page 10, lines 11, 12.

Strike: lines 11 and 12 in their entirety

Renumber: subsequent subsections

Purpose: To eliminate the reclamation cost deduction which is difficult to match against current production and to provide for a deduction for royalties which was eliminated in a previous amendment.

1. Page 11, line 2.

Following: "(17)"

Insert: the amount of royalties paid

Purpose: To clarify deduction for mining expense

1. Page 11, line 13.

Following: "(c) all"

Strike: "money spent"

Insert: "direct costs incurred"

2. Page 11, line 14.

Following: "needed and used"

Strike: "in the mining operations and developments"

Insert: "to the extract and prepare coal for shipment"

Purpose: To eliminate a deduction for freight on F.O.B. destination contracts

1. Page 11, line 18.

Following: "to the"

Strike: "place if sale and for marketing the coal"

Insert: "load out facility at the mine"

Purpose: To eliminate unnecessary provision and replace with a deduction clarification

1. Page 12, line 4.

Following: "(3)"

Strike: the remainder of lines 4 through 9 in their entirety

Insert: "No general and administrative costs are allowed as deductions including accounting, legal, data processing and clerical costs."

Purpose: To eliminate unnecessary section

1. Page 12, lines 10 through 16.

Strike: lines 10 through 16 in their entirety

Purpose: To provide assessment and payment dates

1. Page 12.

Following: line 16

Insert: NEW SECTION. Section 7. Assessment and payment dates. The department will issue assessments to each taxpayer with 20 days after receipt of each quarterly statement. Payment will be due within 10 days following the date the assessment notice is mailed."

Renumber: subsequent sections

Purpose: To provide administrative procedures to be sued for the collection and distribution of the net profits tax.

1. Page 12

Following: NEW SECTION. Section 7.

Insert: NEW SECTION. Section 8. Administration, collection and distribution of the net profits tax. The net profits tax shall be administered, collected, and distributed in the same manner as the coal severance tax unless specifically provided otherwise. This includes penalty and interest provisions."

Renumber: subsequent sections.

Purpose: To provide the department authority to assess additional tax without having to prove fraud.

1. Page 15, line 12.

Following: "part thereof"

Insert: "inaccurate,"

Purpose: To provide authority to set the net profits tax rate on a timely basis without going through the rule making process.

1. Page 15, line 23.

Following: "department"

Strike: "by rule"

Purpose: To provide quarterly tax rates and a computation method for the final net profits tax rate and the rate on new and incremental production.

1. Page 15, line 23.

Following: "The rate beginning"

Strike: "July 1, 1987"

Insert: "January 1, 1988"

2. Page 16, line 2.

Following: "production"

Insert: "each quarter"

3. Page 16, line 2.  
Following: "new or"  
Strike: "interim"  
Insert: "incremental"

4. Page 16, line 3.  
Following: "one-half of the"  
Insert: "arithmetic average of the"  
Following: "base production"  
Insert: "for the preceding quarters"

5. Page 16  
Following: line 3  
Strike: "July 1, 1989"  
Insert: "January 1, 1990"

6. Page 16, line 5.  
Following: "equal to"  
Strike: the remainder of line 5 and line 6 in their  
entirety  
Insert: "one-half the arithmetic average of the net  
profits tax rates determined for the preced-  
ing quarters."

Purpose: To retain new production incentive tax credit language  
central credit expires and provide on effective date  
the coincides with tax filing dates.

1. Page 16, line 18.  
Following: "through"  
Strike: "11 and"  
Following: "effective"  
Strike: "July 1, 1987"  
Insert: "January 1, 1988"

2. Page 16, line 19.  
Following: "Sections"  
Strike: "12,"

3-10-57  
483

COMMITTEE

DATE Mar 16, 1987

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



316-5-1  
747R 41

COMMITTEE

MAR 16, 1987

HARP

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.