

MINUTES

MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Tom Hager, Vice Chairman, on
March 17, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Senator Hager, Senator Norman, Senator
Eck, Senator Bishop, Senator Halligan, Senator Walker,
Senator Gage, Senator Severson, Senator Mazurek,
Senator Crippen

Members Excused: Senator Brown

Members Absent: Senator Harp

Staff Present: Jill Rohyans, Committee Secretary
Jeff Martin, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 166

Presentation and Opening Statement by Sponsor:

Representative Good, District 36, sponsor, said the bill allows a credit for home health care for actual out-of-pocket expenses for those people who provide home health care for senior citizens. If enacted, the bill would allow for seniors to stay in their own homes longer as they do not so much need nursing home care as they do need aid in daily living. The bill also impacts those care-givers who are sons or daughters who must bear a lot of the expense for that care in addition to the time and effort that must be expended. Figures show that one in three adult children are taking care of an elderly ailing parent while simultaneously holding a job and raising a family of their own.

Representative Good said she disagreed with the fiscal note and did not sign it. She presented her own version of the

fiscal note saying she felt the loss figure of \$469,000 is most unrealistic when \$4 an hour is the average wage paid to a neighbor or unskilled person who might be hired in these situations where skilled and highly trained people are not needed.

List of Testifying Proponents and What Group they Represent:

Fred Patten, American Association of Retired Persons
Nancy Griffin, Montana Women's Lobby
Agnes Crawl, Legacy Legislature
LeDean Lewis, American Association of Retired Persons
Robert Ellerd, Governor's Office
Senator Dorothy Eck, District 40

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Fred Patten, American Association of Retired Persons, presented his testimony in support of the bill (Exhibit #1).

Nancy Griffen, Montana Women's Lobby, urged the committee to support the bill. She said the revenue impact is quite small and families deserve this help for the sacrifices they make.

Agnes Crawl, Legacy Legislature, Billings, said she is chief caregiver for her 87 year old father. She said she is certainly happy a glad that she is in the position to be able to care for him, however, she pointed out it takes a great deal of time and is an extra responsibility and burden at this time in her life when her family has been raised and she should be at a point where there is some freedom both in terms of responsibilities and finances.

LeDean Lewis, AARP, said she is also a caregiver who has had to support an ailing parent. She pointed out she has taken care of her parent during her working years as well as now in her retirement. The extra expenses are a real burden and in a two story house extra equipment is necessary - even to the installation of an elevator. She said the provisions in the bill would be a great deal of help to her and others in her position.

Robert Ellerd, Governor's Office, expressed strong support for the bill, saying the Governor like the concept and approves of the bill and its provisions.

Senator Dorothy Eck, District 40, said from the home health agency aspect, this is a great cost saving vehicle. She said many senior citizens do not need full nursing home care and can be cared for at home with the assistance and time relatives are willing to give. However, the expenses can be overwhelming and help is needed to alleviate this aspect of caregiving.

There were no Opponents.

Questions From Committee Members: None

Closing by Sponsor:

Representative Good closed said she has a good friend who is a single parent and a school teacher who took care of her mother who was suffering from Alzheimer's Disease. She had an aunt who helped during the day and made it possible for the mother to remain in her daughter's home. The aunt died and the daughter was forced to place her mother in a nursing home as she could not afford the time and expense of keeping her home. It was a heartbreaking situation and Representative Good felt the provisions of her bill could help others in the same and similar positions both financially and emotionally. She urged the committee to give the bill serious and positive consideration.

HEARING ON HOUSE BILL 564

Presentation and Opening Statement by Sponsor:

Representative McCormick, District 38, sponsor, said the bill extends the residential property tax credit to older people living in housing authorities. He commented on the fiscal note saying this would probably affect, at most, 586 people in the state. He said he felt the \$230 a month figure is too high; the highest he has found is \$220.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

None

Testimony:

None

Questions From Committee Members:

Senator Gage asked if people living in HUD housing would be eligible under the provisions stated in the language beginning on line 23, page 3.

Representative McCormick said if the taxes are paid by the housing authority, either the city or the county, the people are eligible.

Senator Eck said she felt the bill needs to be amended by striking all of sub (a) at the bottom of page 2 and top of page 3 and allowing a rent deduction.

Representative McCormick said Greg Petesch, Legislative Council researcher, said the provisions of the bill cover everything under HUD.

Closing by Sponsor:

Representative McCormick closed by saying elderly people in this situation need help badly and asked the committee to do their best to help.

HEARING ON HOUSE BILL 444

Presentation and Opening Statement by Sponsor:

Representative Jan Brown, District 46, sponsor, said the bill establishes an income tax check off to fund the Legacy Legislature. She said the Legacy Legislature has met every even numbered year since 1980. They began with partial funding of \$5000 from the state in 1980, 1982, and 1984. Since then it has been strictly

on a donation basis. This is an attempt to ensure some source of continuing funding. The bill is drafted on the same format as other income tax checkoff bills. She said she did not sign the fiscal note as she felt the administrative expenses were much too high. The Department of Revenue and senior citizen groups drafted amendments to the bill to reflect not more than 15% of the receipts for administrative expenses each year for the first five years and following that, 5% of the money contributed through the checkoff.

List of Testifying Proponents and What Group they Represent:

Fred Patten, President, 5th Legacy Legislature

G. V. Erickson, Chairman, Legacy Legislature Planning Committee

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Fred Patten, President, 5th Legacy Legislature, presented his testimony in support of the bill (Exhibit #2).

G. V. Erickson, Bozeman, Chairman, Legacy Legislature Planning Committee, said one of the problems is fundraising and this bill would be a great help in making the public aware of what the Legacy Legislature is and does.

There were no Opponents.

Questions From Committee Members:

Senator Norman asked how much the Legacy Legislature costs.

Mr. Erickson replied \$15,000.

Senator Norman asked how much of that is a state contribution.

Mr. Erickson said the state makes no contribution at all.

Senator Norman pointed out the fiscal note says it costs \$17,000 to administer.

Mr. Erickson said that figure is extremely high. He said the amendment establishing 15% of the checkoff proceeds is entirely adequate for administrative purposes. He said that should bring in about \$23,000.

Senator Gage asked about an effective date.

Representative Brown said it would be January 1, 1990.

Senator Gage said the deductibility clause on page 3, lines 7-22 needs to be amended out as the association is not a 501-C3 entity.

Closing by Sponsor:

Representative Brown closed by urging the committee to look favorably on the bill.

EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL 35

Discussion: None

Amendments and Votes:

Senator Crippen moved to amend the bill as per the attached Exhibit #3. The motion CARRIED unanimously.

The committee reviewed the attached comparison of one ton trucks (Exhibit #4).

Senator Norman asked if one ton trucks need to be gotten out of this bill.

Marvin Barber replied yes. He said that would make the bill compatible with SB 379.

Senator Crippen moved to amend the bill on page 3, line 18, and the title, line 12, by striking "three quarter of a" and insert "one". The motion CARRIED unanimously.

Following a discussion on repealing the average income inventory on cattle under 24 months, it was decided more information was needed and further action was delayed until that information was received.

DISPOSITION OF SENATE BILL 380

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Walker moved to TABLE SB 380. The motion CARRIED with Senator Crippen voting no and Senators Harp and Brown absent.

DISPOSITION OF SENATE BILL 460

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Mazurek moved to TABLE SB 460. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL 462

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Eck moved to TABLE SB 462. The motion CARRIED
unanimously.

DISPOSITION OF SENATE BILL 455

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Norman moved to TABLE SB 455. The motion CARRIED
unanimously.

DISPOSITION OF SENATE BILL 456

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Norman moved to TABLE SB 456. The motion CARRIED
unanimously.

DISPOSITION OF HOUSE BILL 166

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Eck moved that HB 166 Be Concurred In. She withdrew
the motion after Senator Gage asked to have the social
security definition in the bill reviewed by the
legislative council researcher.

DISPOSITION OF HOUSE BILL 642

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Walker moved that HB 642 Be Concurred In. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL 685

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Eck moved HB 685 Be Concurred In. The motion CARRIED unanimously.

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR TOM HAGER Vice Chairman

BB/jdr

MIN317.jdr

ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3/17/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN			+
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP		X	
SENATOR MAZUREK	✓		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

March 17, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 642 (third reading copy -- blue), respectfully report that HB 642 be concurred in.

Sponsor: Strizich (Gage)

BE CONCURRED IN

Signed: _____

Bob Brown, Chairman

SENATE STANDING COMMITTEE REPORT

March 17, 1989

HON. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 625 (third reading copy - blue), respectfully report that HB 625 be concurred in.

Sponsor: Daily (Red)

BE CONCURRED IN

Signed: _____

Bob Brown, Chairman

Y.C.
3/17/89
1:10 p.m.



SENATE TAXATION

EXHIBIT NO. 1 P.1DATE 3/17/89BILL NO. HB 1661988-1989
MONTANA STATE LEGISLATIVE COMMITTEECHAIRMAN
Mrs. Molly L. Munro
4222 6th Avenue South
Great Falls, MT 59405
(406) 727-6604VICE CHAIRMAN
Mr. Fred Patten
1700 Knight
Helena, MT 59601
(406) 443-3696SECRETARY
Mr. John C. Sower
1406 West Story Street
Bozeman, MT 59715
(406) 587-7533

March 17, 1989

TO: Senate Taxation Committee

FROM: Fred Patten, American Association of Retired Persons

RE: HB No. 166 -- "AN ACT TO ALLOW A CREDIT AGAINST MONTANA INDIVIDUAL INCOME TAX FOR CERTAIN EXPENSES INCURRED IN THE CARE OF CERTAIN ELDERLY FAMILY MEMBERS."

The American Association of Retired Persons supports House Bill No. 166. I have handed out to the Committee a National Survey of Caregivers -- Summary of Findings. This Survey was conducted for the American Association of Retired Persons and the Travelers Companies Foundation. The date of the Survey was October 1988.

The report itself is very concise and I would encourage you to read the report. I would like to call your attention to some specific pages:

1. Who are Caregivers and how many are there? (Reference to the Pink Pages 7 and 8.)
2. What are the implications for Caregivers working outside the home? (Blue Page 36.)
3. What impact has Caregiving made on their lifestyle? (Yellow Pages 31 and 32.)

One of the biggest problems a friend of mine had was after retirement. Because of Caregiving, they were not able to enjoy retirement as they had planned. We must also remember retired Caregivers are living on a set retirement income. The American Association of Retired Persons views this bill as a recognition of those people on low incomes who are incurring additional expenses for Caregiving and believe the bill is a way to give them financial relief.

SENATE TAXATION
EXHIBIT NO. 1 p.2
DATE 3/17/89
BILL NO. H.R. 166

**NATIONAL SURVEY OF CAREGIVERS
SUMMARY OF FINDINGS**

CONDUCTED FOR:

**THE AMERICAN ASSOCIATION OF RETIRED PERSONS
WASHINGTON, D.C. 20049**

AND

**THE TRAVELERS COMPANIES FOUNDATION
HARTFORD, CONNECTICUT 06183**

OCTOBER, 1988

SENATE TAXATION

EXHIBIT NO. 2

DATE 3/17/89

BILL NO. HB 444

M O N T A N A

5th LEGACY LEGISLATURE

March 17, 1989

TO: Senate Taxation Committee
FROM: Fred Patten, President 5th Legacy Legislature
RE: HB No. 444 "TAX CHECK OFF FOR LEGACY LEGISLATURE"

Funding for Legacy Legislature should not be the responsibility of the state. State agencies are faced with requests from the Governor to reduce state spending.

The Candidate Forms sponsored by Senior Citizens have also shown that the Local Candidates for Legacy Legislature feel that the program is needed but funds must come from some source other than the state. The decision to fund the Legacy Legislature by using this check-off on the state income tax form will rest entirely on each individual who files a state tax return. There will be no state funds involved. With this kind of funding, Legacy Legislature programs could continue to improve and some funding could also be directed towards the Montana Silver Haired Congress.

SENATE NO. 3
3/17/89
HB 35

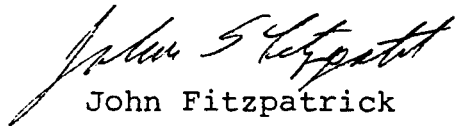
Proposed Amendment
to HB 35

1. Page 5, Line 4

Following: "are"

Insert : "primarily designed and"

Respectfully submitted


John Fitzpatrick

SENATE TAXATION

EXHIBIT NO. 4

DATE 3/17/89

BILL NO. SB 379

SB379

Comparison of SB379 and HB35
1 Ton Truck - 1987 Chevrolet
(Assume 250 mills)

	<u>Current</u> <u>(Taxable Rate - 13%)</u>	<u>HB35</u> <u>(Taxable Rate - 11%)</u>	<u>SB379</u> <u>(Tax - 2%)</u>	<u>SB379</u> <u>(Tax - 2½%)</u>
Tax	\$222	\$188	\$165	\$206

