

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on April 5,
1989, at 8:00 a.m.

ROLL CALL

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

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON HOUSE BILL 125

Presentation and Opening Statement by Sponsor:

Representative Harrington, District 68, said the bill allows
for 1 permissive mill to be levied for economic
development. This is an exemption for local
governments from the property tax freeze provisions.

List of Testifying Proponents and What Group they Represent:

Alec Hanson, Montana League of Cities and Towns
Gordon Morris, Montana Association of Counties
Kay Foster, Billings Chamber of Commerce and the
Billings County Commission
Chuck Stearns, Finance Director, City of Missoula
Ron Klaphake, Missoula Economic Development Corporation

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Alec Hanson, Montana League of Cities and Towns, said the bill is very important to local governments. Economic development money is critical to local areas in terms of creating a climate for development of new business opportunities and new jobs.

Gordon Morris, MACO, expressed support for the bill.

Kay Foster, Billings Chamber of Commerce and County Commission, expressed support for the bill.

Chuck Stearns, Finance Director, Missoula, pointed out this has always been a local voted levy and if the voters so choose they are now freed from the constraints of I-105 and able to vote one mill for economic development.

Ron Klaphake, Missoula Economic Development Corporation, said there is a good amount of federal money available on a one to one match basis and the one mill is needed for that purpose as well as others. He pointed out the permissive mill is already on the books, but local governments have been prevented from utilizing it because of the I-105 freeze.

Questions From Committee Members:

None

Closing by Sponsor: Representative Harrington closed.

HEARING ON HOUSE BILL 280

Presentation and Opening Statement by Sponsor:

Representative Vincent, District 80, said the bill was introduced at the request of some of his constituents who indicated they would like to the elderly homeowner and renter credit program expanded. It is currently the only property tax relief program in force in Montana. He submitted Exhibit #1 which explains the current status of the bill. The bill allows the exclusion of either \$4000 or 50% of the household's

total retirement income for the purposes of calculating eligibility for the credit. He said the program has been very well received to date. He said this bill helps meet the goal of keeping senior citizens in their own homes.

List of Testifying Proponents and What Group they Represent:

Hal Manson, American Legion of Montana
George Poston, United Veterans Committee of Montana
John Denherder, Chairman, Disabled Veterans of Montana
Rich Brown, Montana Veterans Affairs Department

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Hal Manson, American Legion of Montana, expressed strong support for the bill as it is of great benefit to many older veterans.

George Poston, Disabled Veterans of Montana, expressed support for the bill.

John Denherder, Disabled Veterans, said the bill provides some support and tax relief for older veterans and senior citizens. He urged the committee to give the bill serious consideration.

Rich Brown, Montana Department of Veterans Affairs, said the Board appreciates Representative Vincent's efforts in providing for a partial exclusion of veteran's retirement benefits as a tax benefit in the bill. He said the bill has the unanimous support of the Board of Veterans Affairs.

Questions From Committee Members:

Senator Eck asked if Representative Vincent would oppose capping the bill.

Representative Vincent said he would not object to a reasonable cap. He pointed out there is a \$400 dollar cap in the statute right now.

Senator Crippen expressed concern that renters are not being treated fairly in the bill.

Representative Vincent said renters are eligible in that the percentage of their rent which is going to pay property taxes is deductible.

Closing by Sponsor:

Representative Vincent closed by saying this is a tidy bill and it speaks for itself quite clearly. He urged the committee to pass the legislation.

HEARING ON HOUSE BILL 293

Presentation and Opening Statement by Sponsor:

Representative Cohen, District 3, sponsor, said the bill provides a credit for dependent care of young children or elderly family members. Dependent care costs are a major cost of employment. He presented two sheets of information regarding dependent care credit to the committee (Exhibit #2 and #3).

List of Testifying Proponents and What Group they Represent:

Paulette Bailey, Helena
Brenda Nordlund, Montana Women's Lobby

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Paulette Bailey, Helena, said she had asked Representative Cohen to introduce this legislation. She said child care is the most critical cost of employment. She had applied for a home loan, with a good credit rating, income, and qualifications to meet the home loan. However, she was turned down on the basis of her expenses being too high -- the largest of which was her child care cost. Because of her income level, she is unable to deduct any of the thousands of dollars she pays for child care. She felt working parents should be eligible for a tax credit for child care expenses, just as mileage, entertainment, and lodging expenses are allowed.

Brenda Nordlund, Montana Women's Lobby, expressed support for the bill. She said she felt there should be an amendment referring to married couples filing separately on the state return. If you have filed

jointly on the federal return you may be precluded from the credit if you file separately on the Montana form. She also felt the credit could be added to the current form by a one line addition. She also urged the committee to take a close look at the rules regarding divorced parents and the waiver of exception.

Questions From Committee Members:

Senator Mazurek asked if this is limited only to child care or does "dependent" cover elderly care also.

Representative Cohen said Representative Good has a bill which would provide a 30% credit for elderly care only. SB 293 provides a 25% credit for child care and elderly care both. He pointed out the fiscal note should reflect a \$2.2 million cost rather than \$3 million due to the overlap with Representative Good's bill.

Closing by Sponsor:

Representative Cohen closed by saying this tax relief bill empowers parents to make good choices in child care and gives them more control over how they spend their money on child care. He urged the committee to pass the bill.

HEARING ON HOUSE BILL 475

Presentation and Opening Statement by Sponsor:

Representative Cohen, District 3, sponsor, said the bill has been revised many times since its introduction in the House. The bill generally revises the classification of property. He said there are 10 classes of property as defined in Exhibit #4. All personal property is combined in Class 6 with nothing assessed at above 11%. He said the only other change in the bill is that railroads and airlines receive a reduction because of the weighted average compensation. He said the amendments (Exhibit #5) are changes that should have been in the bill, but due to illness of the House researcher, were overlooked. The are simple amendments which bring the bill into line with the spreadsheet (Exhibit #4).

List of Testifying Proponents and What Group they Represent:

Dennis Burr, Montana Taxpayers Association

List of Testifying Opponents and What Group They Represent:

Gordon Morris, Montana Association of Counties
Alec Hanson, Montana League of Cities and Towns
Chuck Stearns, Finance Director, City of Missoula
John Lawton, City of Billings

Testimony:

Dennis Burr, Montana Taxpayers Association, said the bill is in good shape now that all personal property is in one class. He said the bill does not have a large fiscal impact on local government. He pointed out in Class 6 there are independent telephone companies, rural telephone companies and telephone equipment which are taxed at 8%. All the rest of Class 6 is 11%. He suggested they be moved to another class to preserve the integrity of the common tax percentage in each class. The total fiscal impact in personal property taxes is \$3 million which equals 1/2 of 1% of the property tax collections which is not terribly significant, however, Mr. Burr hoped there would be other bills that would have a more significant impact on reducing personal property taxes.

Opponents:

Gordon Morris, Montana Association of Counties, said the \$3 million fiscal impact is significant in terms of local governments and schools. While MACO strongly supports income tax reform, they do not believe this bill is the vehicle to accomplish it. He said eroding the tax base a few thousand here and a million or two there has a cumulative effect of bringing us to the situations we face today such as the I-105 revolt and the stifled economic condition due to extremely high personal property taxes.

Alec Hanson, Montana League of Cities and Towns, expressed opposition to the bill saying this bill represents a small step down the same old road. It erodes the tax base and yet the counties, cities, and schools are still operating under a tax freeze and cannot absorb any more losses. The City of Missoula would lose \$116,000 under the provisions of this bill. He urged the committee to kill the bill.

Chuck Stearns, City of Missoula, presented a chart detailing the impact of the bill on Missoula local government which he reviewed with the committee (Exhibit #6). He said the bill would not be so bad if there were a

dollar for dollar replacement provision. However, this bill, combined with the effects of several other proposed pieces of legislation this session, nibble away at the tax base until there is a significant bite taken. He urged the committee to give very serious consideration to the ramifications of passing the bill without replacement revenue.

John Lawton, City of Billings, said the city council has endorsed property tax and comprehensive tax reform. At the same time, the reform should allow local governments to keep or expand their revenue base according to the wishes of the citizens. He said this bill institutes some tax reform, but there is not provision for protection of the existing revenue base. The loss to Billings under the bill would be over \$100,000. He said the small erosions in the base do have a cumulative impact such as fewer police and fireman than ten years ago, yet a pronounced population growth has occurred.

Questions From Committee Members:

Senator Mazurek asked Representative Cohen how he justified the different rates in the same class.

Representative Cohen said the intention was to have the class rates of 11% reflect increments of the 11%, i.e. 8/11ths or 4/11ths.

Senator Eck asked if there was any discussion in the House of adding a replacement schedule.

Representative Cohen replied they had fiddled with rates trying to lower rates without significant impacts. He said Director Nordtvedt had allegedly put out a memo which reallocated bank and vehicle taxes to make up the losses. However, Representative Cohen had not seen the memo.

Closing by Sponsor:

Representative Cohen closed by saying he would appreciate it if the committee would amend the bill to conform to Representative Patterson's bill. He said the bill is not significant in terms of impact but does lead us toward tax reform and he urged the committee's support.

EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL 125

Discussion: See Following

Amendments and Votes: See Following

Recommendation and Vote:

Senator Eck MOVED HB 125 Be Concurred In.

Senator Norman questioned the need for an effective date on passage and approval.

Chuck Stearns indicated the bill had originally provided for the voters to impose a one mill levy, however, with that provision stricken, there seems to be no need for it to remain.

Gordon Morris added the one mill levy provision could have been included in a vote on the economic development levy or school election before July 1.

The motion that HB 125 Be Concurred In CARRIED with Senator Gage voting no.

DISPOSITION OF HJR 13

Discussion:

Senator Brown indicated he felt this is a purely academic resolution and not anything to which we are really tied.

Senator Eck said we are not approving a budget, we are only adopting the assumptions in the resolution and establishing a basis for LFA to use. She said she felt it should go to the floor so that the whole Senate can get more of a general understanding of what goes on in this budget process.

Senator Harp suggested waiting until the last possible minute to act on the resolution so that the latest figures can be computed and amended into the bill. The figures the resolution contains at this point are from March 20.

Amendments and Votes: None

Recommendation and Vote: None

DISPOSITION OF HOUSE BILL 567

Discussion: None

Amendments and Votes:

Senator Norman moved to amend the bill as per the attached standing committee report (Exhibit #7).

The motion CARRIED unanimously.

Recommendation and Vote:

Senator Eck MOVED HB 567 Be Concurred In As Amended.

The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL 475

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Bishop MOVED HB 475 Be Tabled.

The motion CARRIED with Senator Mazurek voting no.

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR BOB BROWN, Chairman

ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 4/5/89

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

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

April 5, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 125 (third reading copy -- blue), respectfully report that HB 125 be concurred in.

Sponsor: Harrington (Lynch)

BE CONCURRED IN

Signed: _____

Bob Brown

Bob Brown, Chairman

A-5-89
10:30

TOM
John Vincent

State of Montana
Stan Stephens, Governor

SENATE TAXATION
EXHIBIT NO. 1 0.1
DATE 4/5/89
BILL NO. HB 280



Department of Revenue
Ken Nordtvedt, Director

Room 455, Sam W. Mitchell Building
Helena, Montana 59620

March 16, 1989

Representative Bob Raney
Montana House of Representatives
Capitol Station
Helena, Montana 59620

Dear Representative Raney:

Per your request, attached are the amendments we discussed for HB 280.

The amendments allow the exclusion of the greater of \$4,000 or 50% of the household's total retirement income from the income used to determine the credit. Current law only allows the exclusion of \$4,000.

With these amendments, HB 280 will reduce income tax collects by \$210,000 per year. A 25% exclusion would have had a negligible effect on collects.

If you have any questions, feel free to contact me.

Sincerely,

Steve Bender,
Acting Deputy Director

R

Form 2EC

1988

Montana

ELDERLY HOMEOWNER/RENTER CREDIT

SENATE TAXATION

1988

File on or before April 17, 1989 or with your Form 2 or 2S

DATE 4/5/89

Form with fields: LAST NAME, First Name & Middle Initial, Your Social Security No., Spouses last name if different, Spouses First Name & Initial, Spouses Social Security No., Mailing Address, City, State, Zip Code, Property Address if different, City, State, Zip Code.

DO NOT USE THIS SPACE

Table with 3 columns: Question, YES, NO. Row 1: PART I IF THE ANSWER TO ANY OF THE QUESTIONS BELOW IS NO, YOU'RE NOT ELIGIBLE FOR THE CREDIT. DO NOT COMPLETE THIS SCHEDULE. Row 2: Were you age 62 or older as of December 31, 1988? Row 3: Did you reside in this state for 9 months or more during 1988? Row 4: Did you occupy Montana residence(s) as an owner or renter a total of 6 months during 1988? Row 5: Was this residence subject to property tax? (Examples Not subject to tax, HUD or government subsidized rental housing)

PART II—List Income From All Members of the Household (See Instructions)

- 1. Enter total income received from wages, fees, bonuses, capital gains at 100%, ordinary income, dividends and interest
2. Enter total income for business, partnerships, rents, royalties, etc. (Do not include any losses)
3. Enter all pensions and annuities, including Railroad Retirement, PERS, Veteran's Disability, Social Security, etc.
4. Enter any payments and interest on federal, state, county and municipal bonds
5. Enter alimony, public assistance, unemployment, tax refunds, and all other income not listed above
6. Total income (Add lines 1 thru 5) Total
7. Maximum exclusion per household \$4000.00
8. Total household income (Subtract line 7 from 6) (If less than zero enter zero) Total

PLEASE FOLLOW INSTRUCTIONS ON THE BACK WHEN COMPLETING THIS FORM

HOMEOWNER—Complete line 9 (Renters—Use line 10)

9. General property tax paid on residence and land in 1988 (Not to exceed 1 acre, do not include special assessments or fees.) (See instructions)

RENTER—Complete form on reverse side

- 10. Rent paid on residence in 1988 (attach receipts)
11. Rent equivalent—Multiply line 10 by 15% (.15)
12. Total of allowable property tax and/or allowable rents paid—Line 9 and/or line 11

PERCENT OF HOUSEHOLD INCOME COMPUTATION

- 13. Total household income from line 8
14. Enter multiplier figure from tax table on reverse side
15. Net allowable household income—Multiply line 13 by line 14
16. Subtract line 15 from 12 (If this is zero or less, you cannot take the credit; do not file this form)
17. Enter the amount from line 16 or \$400 whichever is smaller (The maximum refund is \$400)

If you file a Montana State Tax Form 2, enter amount from line 17 on line 58.
If you file a Montana State Tax Form 2S, enter amount from line 17 on line 35.
If you are not required to file Form 2 or 2S, mail this claim form to the address stated below.
Income Tax Division, P.O. Box 5805, Montana Department of Revenue, Helena, MT 59604.

REFUNDS WILL BE ISSUED THROUGH THE INCOME TAX DIVISION

I declare under penalty of false swearing that the information in this return and attachment is true, correct and complete.

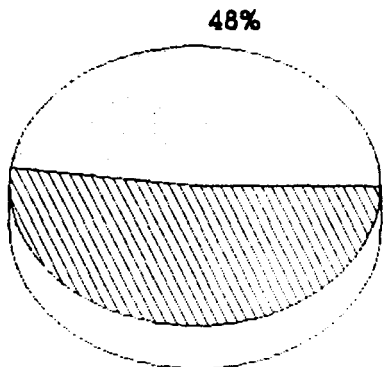
Signature lines: Your signature, Date, Telephone Number, Spouse's signature, Date

*distribution requested by
Rep. Ben Cohen*

Dependent Care Credit

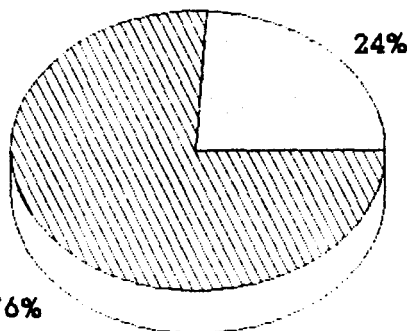
House Bill 293

Percent of Gross Salary For Child Care



52%

Gross Salary : \$10,000
Two children in child care



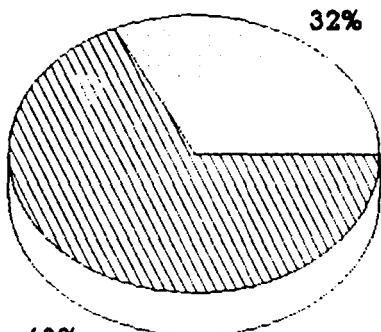
76%

Gross Salary : \$10,000
One child in child care

Dependent Care Credit

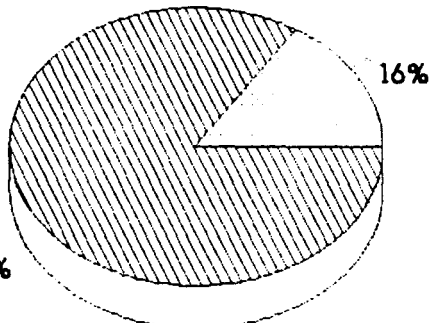
House Bill 293

Percent of Gross Salary For Child Care



68%

Gross Salary : \$15,000
Two children in child care



84%

Gross Salary : \$15,000
One child in child care

distributem request

MONTANA CHILD CARE FACT SHEET

SENATE TAXATION
 EXHIBIT NO. 3
 DATE Ren Cohen 4/5/84
 BILL NO. HB 243

POPULATION

1987 Estimates

Total population:	809,000
Total number of children under 18 years:	224,000
Total number of children 5-14 years:	124,000
Total number of children under 5 years:	64,000

1980 Census

Total population:	786,690
Total number of children under 18 years:	231,895
Total number of children 6-17 years:	140,038
Total number of children under 6 years:	76,416
Total number of families:	207,524
Total number of female-headed households:	19,952

Of total number of children under age 18:

 31.1 % are in married couple families

 10.4 % have a female-headed household (no husband present)

 2.0 % have a male-headed household (no wife present)

 6.4 % live with other relatives or non-relatives, are a spouse or head of household or are inmates of institutions or group quarters

Source: Montana Census and Economic Information Bureau, 1980 Census, Helena, MT; and Montana Women in the 80's, Montana Department of Labor and Industry Research and Analysis Bureau, Helena, MT.

MEDIAN INCOME

Median incomes:	<u>Family of 4</u>	<u>Family of 3</u>	<u>Family of 2</u>
	\$20,776	\$18,758	\$15,491
	<u>Married Couple</u>	<u>Female-Headed Household</u>	<u>Female-Headed with children under 6 years</u>
	\$19,558	\$ 9,157	\$ 4,931

Median income for all families: \$18,413

Median income for female-headed households: 49.7 % of median income for all families

Source: Montana Census and Economic Information Bureau, 1980 Census, Helena, MT.

MONTANA FAMILIES IN POVERTY

Number of families with children under 18 years below poverty level:	13,854
Number of female-headed households below poverty level:	6,072
Number of female-headed households with children under age 6 below poverty level:	3,074

One-third of Montana families living in poverty with children under 18 years of age are headed by a female with no husband present.

Determining Poverty Level:

<u>Family of 4</u>	<u>Family of 3</u>	<u>Family of 2</u>
\$7,442	\$6,787	\$4,723

Monthly Montana AFDC benefit for family of 3 (in 1986): \$354

Source: Montana Census and Economic Information Bureau, 1980 Census, Helena, MT; and Children's Defense Fund, Washington, D.C.

Estimated Change in Taxable Value and Taxes
 Due to Changes in Tax Rates
 By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied	Proposed Taxes Levied	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied
1 Net Proceeds	100.000%	100.000%	279,816,735	279,816,735	0	0	44,473,369	44,473,369	0	0
2 Gross Proceeds of Coal Strip Mines	45.000%	45.000%	122,610,046	122,610,046	0	0	13,498,902	13,498,902	0	0
2 Gross Proceeds of Metal Mines	3.000%	3.000%	7,887,795	7,887,795	0	0	2,151,104	2,151,104	0	0
2 Gross Proceeds of Underground Coal	33.300%	33.300%	0	0	0	0	0	0	0	0
Class 2 Totals										
3 Eligible Mining Claims	30.000%	30.000%	8,805	8,805	0	0	4,650	4,650	0	0
3 Grazing Land	30.000%	30.000%	38,374,487	38,374,487	0	0	8,684,347	8,684,347	0	0
3 Tillable Irrigated	30.000%	30.000%	13,774,339	13,774,339	0	0	3,269,517	3,269,517	0	0
3 Tillable Non-Irrigated	30.000%	30.000%	83,394,245	83,394,245	0	0	19,237,154	19,237,154	0	0
3 Wild Hay	30.000%	30.000%	5,536,827	5,536,827	0	0	1,341,917	1,341,917	0	0
Class 3 Totals										
4 City/town Lots Commercial	3.860%	3.860%	35,613,176	35,613,176	0	0	13,474,863	13,474,863	0	0
4 City/town Lots Residential	3.860%	3.860%	54,481,389	54,481,389	0	0	20,294,644	20,294,644	0	0
4 Class 20 Out of Production Land	3.860%	3.860%	0	0	0	0	0	0	0	0
4 Class 20 Out of Production Land	3.860%	3.860%	0	0	0	0	0	0	0	0
4 Exempt Improvements	0.000%	0.000%	0	0	0	0	0	0	0	0
4 Exempt Land	0.000%	0.000%	0	0	0	0	0	0	0	0
4 Farmstead 1 Acre	3.088%	3.088%	3,857,875	3,857,875	0	0	1,005,724	1,005,724	0	0
4 Farmstead 1 Acre - Low Income	1.902%	1.902%	32,401	32,401	0	0	8,265	8,265	0	0
4 Improved Existing Improvements	2.140%	2.140%	70,004	70,004	0	0	27,605	27,605	0	0
4 Impr. on Ag and Timber Land	3.088%	3.088%	51,273,818	51,273,818	0	0	12,357,168	12,357,168	0	0
4 Impr. on Ag Land - Low Income	1.367%	1.367%	126,085	126,085	0	0	31,852	31,852	0	0
4 Impr. on City/Town Lots Commercial	3.860%	3.860%	100,178,185	100,178,185	0	0	37,998,872	37,998,872	0	0
4 Impr. on City/Town Lots Residential	3.860%	3.860%	170,680,043	170,680,043	0	0	63,454,286	63,454,286	0	0
4 Impr. on Class 20 Out of Production	3.860%	3.860%	0	0	0	0	0	0	0	0
4 Impr. on Disparately Owned Ag Land	3.860%	3.860%	765,041	765,041	0	0	173,631	173,631	0	0
4 Impr. on Hydraulic Power Works	3.860%	3.860%	0	0	0	0	0	0	0	0
4 Impr. on Industrial Sites	3.860%	3.860%	22,778,451	22,778,451	0	0	6,454,790	6,454,790	0	0
4 Impr. on Qualified Golf Courses	1.930%	1.930%	441,140	441,140	0	0	135,395	135,395	0	0
4 Impr. on Right of Way	3.860%	3.860%	811,446	811,446	0	0	261,690	261,690	0	0
4 Impr. on Surban Tracts Commercial	3.860%	3.860%	23,302,089	23,302,089	0	0	6,968,289	6,968,289	0	0
4 Impr. on Surban Tracts Residential	3.860%	3.860%	103,533,799	103,533,799	0	0	29,407,279	29,407,279	0	0
4 Impr. on Tracts and Lots - Low Income	2.258%	2.258%	3,740,799	3,740,799	0	0	1,295,698	1,295,698	0	0
4 Industrial Sites	3.860%	3.860%	2,828,515	2,828,515	0	0	892,263	892,263	0	0
4 Mobile Homes	3.860%	3.860%	15,217,828	15,217,828	0	0	4,511,890	4,511,890	0	0
4 Mobile Homes - Retired and Disabled	2.226%	2.226%	274,025	274,025	0	0	87,449	87,449	0	0
4 Nonproductive Land Under 20 Acres	2.000%	2.000%	86,180	86,180	0	0	23,256	23,256	0	0
4 Qualified Golf Courses	1.930%	1.930%	199,805	199,805	0	0	60,832	60,832	0	0
4 Suburban Tracts Commercial	3.860%	3.860%	8,628,060	8,628,060	0	0	2,559,211	2,559,211	0	0
4 Suburban Tracts Residential	3.860%	3.860%	56,384,527	56,384,527	0	0	15,895,860	15,895,860	0	0
4 Suburban Tracts - Low Income	2.282%	2.282%	1,347,506	1,347,506	0	0	461,952	461,952	0	0
4 Adjustment for 20% Exemp. of 1st \$40,000	3.737%	3.737%	0	0	0	0	0	0	0	0
Class 4 Totals										
5 Air and H2O Pollution Control	3.000%	3.000%	656,652,187	656,652,187	0	0	217,842,763	217,842,763	0	0
5 All Gasohol Related Property	3.000%	3.000%	14,099,825	14,099,825	0	0	2,167,748	2,167,748	0	0
5 Impr. on New Industrial Sites	3.000%	3.000%	1,068,977	1,068,977	0	0	410,337	410,337	0	0

SENATE TAXATION

EXHIBIT NO. 4 P. 2

DATE 4/5/89

BILL NO. HB 475

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied	Total 1988 Taxes Levied	Proposed Taxes Levied	Change in Taxes Levied
5 Locally Assessed Co-op Improvements	3.000%	3.000%	10,140	10,140	0	0	2,708	2,708	0
5 Locally Assessed Co-op Land	3.000%	3.000%	65,602	65,602	0	0	22,984	22,984	0
5 Locally Assessed Co-op Pers. Prop.	3.000%	3.000%	558,390	558,390	0	0	121,994	121,994	0
5 Locally Assessed Co-op Vehicles	3.000%	3.000%	47,579	47,579	0	0	13,186	13,186	0
5 New Industrial Sites	3.000%	3.000%	4,470	4,470	0	0	1,607	1,607	0
5 New Industry - Other Property	3.000%	3.000%	2,247,362	2,247,362	0	0	761,474	761,474	0
5 R & D Improved Improvements	0.000%	3.000%	0	0	0	0	0	0	0
5 R & D Land	3.000%	3.000%	20,310	20,310	0	0	4,671	4,671	0
5 R & D Personal Property	3.000%	3.000%	876	876	0	0	201	201	0
5 Rural Co-op companies	3.000%	3.000%	15,053	15,053	0	0	3,462	3,462	0
5 Rural Co-op companies	3.000%	3.000%	8,957,521	8,957,521	0	0	2,169,326	2,169,326	0
Class 5 Totals			27,096,655	27,096,655	0	0	5,679,835	5,679,835	(0)
6 Ag Implements	11.000%	11.000%	55,254,775	55,254,775	0	0	12,657,327	12,657,327	0
6 All Other Property	16.000%	11.000%	168,127	115,587	(52,540)	(14,242)	31,332	31,332	(14,242)
6 Buses	13.000%	11.000%	171,932	145,481	(26,451)	(6,709)	43,606	36,897	(6,709)
6 Cable TV Systems	16.000%	11.000%	1,709,878	1,175,541	(534,337)	(184,884)	591,629	406,745	(184,884)
6 CB's and Mobile Phones	13.000%	11.000%	184,541	156,150	(28,391)	(7,513)	48,834	41,321	(7,513)
6 Coal and Ore Haulers	16.000%	11.000%	3,224,825	2,217,067	(1,007,758)	(172,923)	553,354	380,431	(172,923)
6 Furniture and Fixtures	13.000%	11.000%	41,280,363	34,929,538	(6,350,825)	(2,319,716)	15,078,153	12,758,437	(2,319,716)
6 Indep. Telephone Companies	8.000%	8.000%	626,129	626,129	0	0	164,240	164,240	0
6 Machin. other than Farm, Min., Manuf.	11.000%	11.000%	24,999,646	24,999,646	0	0	5,495,527	5,495,527	0
6 Manufacturing Machinery	11.000%	11.000%	72,949,015	72,949,015	0	0	19,572,062	19,572,062	0
6 Mining Machinery	11.000%	11.000%	1,327,230	1,327,230	0	0	348,683	348,683	0
6 Oil Field Equipment	11.000%	11.000%	19,797,678	19,797,678	0	0	3,139,380	3,139,380	0
6 Radio and TV Broadcasting Equip.	16.000%	11.000%	1,159,617	797,237	(362,380)	(122,624)	392,396	269,772	(122,624)
6 Rental Equipment	11.000%	11.000%	1,587,747	1,587,747	0	0	553,043	553,043	0
6 Rental Equipment	4.000%	4.000%	200,346	200,346	0	0	69,891	69,891	0
6 Rural Telephone Property	8.000%	8.000%	67,291	67,291	0	0	22,584	22,584	0
6 Ski Lifts	11.000%	11.000%	390,981	390,981	0	0	109,343	109,343	0
6 Supplies and Materials	11.000%	11.000%	6,757,722	6,757,722	0	0	1,678,547	1,678,547	0
6 Theatre and Sound Equipment	16.000%	11.000%	111,965	76,976	(34,989)	(13,093)	28,805	28,805	(13,093)
6 Trailers	11.000%	11.000%	4,529,825	4,529,825	0	0	1,219,741	1,219,741	0
6 Trucks 1 to 1/2 Tons	13.000%	11.000%	3,776,989	3,195,914	(581,075)	(161,367)	887,520	887,520	(161,367)
6 Trucks over 1 1/2 Tons	11.000%	11.000%	7,614,418	7,614,418	0	0	2,025,261	2,025,261	0
Class 6 Totals			247,891,040	238,912,294	(8,978,746)	64,899,962	61,896,891	61,896,891	(3,003,071)
7 Electric Companies	12.000%	12.000%	143,971,122	143,971,122	0	0	20,581,347	20,581,347	0
7 Gas and Electric Companies	12.000%	12.000%	128,159,981	128,159,981	0	0	28,949,909	28,949,909	0
7 Natural Gas companies	12.000%	12.000%	978,738	978,738	0	0	205,683	205,683	0
7 Pipelines	12.000%	12.000%	43,153,714	43,153,714	0	0	8,908,015	8,908,015	0
7 Telecomm. Companies	12.000%	12.000%	62,137,056	62,137,056	0	0	21,098,413	21,098,413	0
Class 7 Totals			378,400,611	378,400,611	0	79,743,367	79,743,367	79,743,367	(0)
8 Airlines	12.000%	11.869%	6,083,033	6,016,627	(66,406)	(20,930)	1,896,365	1,896,365	(20,930)
8 Railroads	10.970%	10.850%	41,311,729	40,859,823	(451,906)	(116,466)	10,530,472	10,530,472	(116,466)
Class 8 Totals			47,394,762	46,876,450	(518,312)	12,564,233	12,426,836	12,426,836	(137,397)
9 Timber Land	3.840%	3.840%	6,488,624	6,488,624	0	0	1,823,407	1,823,407	0

STATE T. WATSON
 EXHIBIT NO. 4
 DATE 4/5/87
 BILL NO. AB 275

Estimated Change in Taxable Value and Taxes
 Due to Changes in Tax Rates
 By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied
10 Cattle	4.000%	4.000%	20,255,833	20,255,833	0	4,662,707	4,662,707	4,662,707	0
10 Horses	4.000%	4.000%	953,034	953,034	0	233,311	233,311	233,311	0
10 Other Livestock	4.000%	4.000%	57,024	57,024	0	13,745	13,745	13,745	0
10 Sheep	4.000%	4.000%	626,679	626,679	0	137,609	137,609	137,609	0
10 Swine	4.000%	4.000%	109,008	109,008	0	24,696	24,696	24,696	0
Class 10 Totals			22,001,578	22,001,578	0	5,072,068	5,072,068	5,072,068	0
Class 1 thru 10 Totals			1,937,328,736	1,927,831,678	(9,497,058)	480,286,595	477,146,128	477,146,128	(3,140,467)

PROPERTY TAXATION

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

EXHIBIT NO. 4 P. 1
DATE 4/5/89
BILL NO. 43475

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied
11 Autos, Trucks lt 1 Ton	0.0000%	0.0000%	0	0	0	0	0	0
11 Motorcycles	0.0000%	0.0000%	0	0	0	0	0	0
11 Off Road Vehicles	16.0000%	0.0000%	0	0	0	0	0	0
11 Repair Tools	8.0000%	0.0000%	4,373,945	0	(4,373,945)	1,352,879	0	(1,352,879)
11 Tack Equipment	11.0000%	0.0000%	305,319	0	(305,319)	76,018	0	(76,018)
11 Watercraft, ATV Back Taxes	11.0000%	0.0000%	941,796	0	(941,796)	302,770	0	(302,770)
Class 11 Totals			5,621,060	0	(5,621,060)	1,731,668	0	(1,731,668)

Statewide Totals	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied
Statewide Totals	1,942,949,796	1,927,631,678	(15,118,118)	482,018,262	477,146,128	(4,872,135)

Commercial Property
With Railroads 1,369,869,114
With Airlines 1,410,728,937
Total 2,780,598,051

Tax Rates
Railroads 0.092466
Airlines 0.092775

Amendments to House Bill No. 475
Third Reading Copy

Requested by Rep. Ben Cohen
For the Senate Committee on Taxation

Prepared by Dave Bohyer
April 4, 1989

1. Page 21, line 2.
Strike: "and"

2. Page 21, line 3.
Strike: "."
Insert: "; and"

3. Page 21.
Following: line 5
Insert: "(F) all property described in [section 7]."

4. Page 32, line 9.
Following: "(a)"
Insert: "(i) except as provided in subsection (1)(a)(ii) and
except for personal property specifically included in
another class,"

5. Page 32, lines 12 and 13.
Strike: "except" on line 12 through "class" on line 13

6. Page 32.
Following: line 22
Insert: "(ii) items of personal property that satisfy all of the
following:
(A) the full and true value of the personal property
is less than \$5,000;
(B) the personal property is owned by a business whose
primary business income is from rental or lease of personal
property to individuals wherein no one customer of the
business accounts for more than 10% of the total rentals or
leases during a calendar year; and
(C) the lease of the personal property is generally on
an hourly, daily, or weekly basis."

7. Page 35, line 2.
Following: "(4)"
Insert: "(a)"
Strike: "Class"
Insert: "Except as provided in subsections (4)(b) and (4)(c),
class"
Strike: "10%"
Insert: "11%"

CHIEF OF TAXATION
EXHIBIT NO. 5
DATE 4/5/81
BILL NO. HB 475

8. Page 35.

Following: line 3

Insert: "(b) Property described in subsection (1)(a)(ii) is taxed at 4% of its market value.

(c) Property described in subsections (1)(b) through (1)(e) is taxed at 8% of its market value."

9. Page 36.

Following: line 12

Insert: "NEW SECTION. Section 7. Class fourteen property -- description -- taxable percentage. (1) Class fourteen property includes livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit.

(2) Class fourteen property is taxed at 4% of its market value."

Renumber: subsequent sections

10. Page 79.

Following: line 12

Insert: "NEW SECTION. Section 18. Codification instruction.

[Section 7] is intended to be codified as an integral part of Title 15, chapter 6, part 1, and the provisions of Title 15 apply to [section 7]."

Renumber: subsequent sections

1 LOT
1.0

3.76
6.69

3143	LOW INCOME IMPROV. ON LOTS - 0%	4	\$748.100	3.474%	\$3,372.33	3.474%	\$3,372.33	\$0.00
3144	LOW INCOME IMPROV. ON LOTS - 90%	4	\$729.100	0.000%	\$0.00	0.000%	\$0.00	\$0.00
3145	100% DISABLED VETERAN IMPROVE.	4	\$2,150.500	3.860%	\$10,771.77	3.860%	\$10,771.77	\$0.00
3301	IMPROVEMENTS ON TRACT LAND	4	\$11,309.050	3.860%	\$56,644.00	3.860%	\$56,644.00	\$0.00
3307	IMPROVEMENTS ON COMM. TRACT LAND	4	\$282,151,587	3.860%	\$1,413,222.78	3.860%	\$1,413,222.78	\$0.00
3501	IMPROVE. ON RESID. CITY/TOWN LOTS	4	\$283,101,290	3.860%	\$1,417,979.65	3.860%	\$1,417,979.65	\$0.00
3507	IMPROVE. ON COMM. CITY/TOWN LOTS	4	\$24.800	3.860%	\$124.18	3.860%	\$124.18	\$0.00
3607	COMMERCIAL IMPROVEMENTS ON R.O.V.	4	\$30.200	1.930%	\$75.65	1.930%	\$75.65	\$0.00
3671	GOLF COURSE IMPROVEMENTS	4	\$9,258,000	3.860%	\$46,370.90	3.860%	\$46,370.90	\$0.00
3817	FULLY TAXED INDUSTRIAL IMPROVE.	4	\$659,489	13.000%	\$11,124.84	11.000%	\$9,413.31	(\$1,711.53)
4211	TRUCKS, 1 TON & 1.5 TON	9	\$79,823	13.000%	\$1,346.52	11.000%	\$1,139.42	(\$207.10)
4215	L.A. UTILITY TRUCKS - 1 & 1.5 TON	9	\$45,943	3.000%	\$178.81	3.000%	\$178.81	\$0.00
4217	L.A. CO-OP TRUCKS - 1 & 1.5 TON	5	\$593	16.000%	\$12.33	11.000%	\$8.43	(\$3.90)
4231	TRUCKS OVER 1.5 TONS (BACK TAXES)	10	\$1,015,380	11.000%	\$14,500.29	11.000%	\$14,500.29	\$0.00
4232	TRUCKS OVER 1.5 TONS	8	\$0	16.000%	\$0.00	11.000%	\$0.00	\$0.00
4233	L.A. UTILITY TRUCKS OVER 1.5 TONS	10	\$49,775	3.000%	\$193.73	3.000%	\$193.73	\$0.00
4235	L.A. CO-OP TRUCKS OVER 1.5 TONS	5	\$23,433	13.000%	\$395.25	11.000%	\$334.52	(\$60.73)
4301	BUSES	9	\$46,082	11.000%	\$657.75	11.000%	\$657.75	\$0.00
4513	L.A. UTILITY TRAILERS (18,000 GVW	8	\$27,667	3.000%	\$107.70	3.000%	\$107.70	\$0.00
4515	L.A. CO-OP TRAILERS (18,000 GVW	5	\$0	16.000%	\$0.00	11.000%	\$0.00	\$0.00
4531	TRAILERS 18,001 LBS GVW & OVER	10	\$463,722	11.000%	\$6,618.93	11.000%	\$6,618.93	\$0.00
4532	TRAILERS 18,000 LBS GVW & UNDER	8	\$0	16.000%	\$0.00	11.000%	\$0.00	\$0.00
4533	L.A. UTILITY TRAILERS > 18,001 GVW	10	\$0	16.000%	\$0.00	11.000%	\$0.00	\$0.00
4701	BOATS, WATERCRAFT (BACK TAXES)	16	\$41,873	11.000%	\$597.67	11.000%	\$597.67	\$0.00
4831	ATV'S AND GOLF CARTS	16	\$0	11.000%	\$0.00	11.000%	\$0.00	\$0.00
	ALL LIVESTOCK	6	\$20,776	4.000%	\$107.83	4.000%	\$107.83	\$0.00
6111	AGRICULTURAL IMPLEMENTS & MACH.	8	\$5,292	11.000%	\$75.52	11.000%	\$75.52	\$0.00
6112	HARNESS, SADDLERY, & TACK	16	\$1,486	11.000%	\$21.15	11.000%	\$21.15	\$0.00
6201	PERSONAL PROPERTY - MOBILE HOMES	12	\$5,744,075	3.860%	\$28,770.52	3.860%	\$28,770.52	\$0.00
6235	LOW INCOME MOBILE HOMES - 0%	12	\$0	0.000%	\$0.00	0.000%	\$0.00	\$0.00
6236	LOW INCOME MOBILE HOMES - 10%	12	\$0	0.386%	\$0.00	0.386%	\$0.00	\$0.00
6237	LOW INCOME MOBILE HOMES - 20%	12	\$2,595	0.772%	\$2.60	0.772%	\$2.60	\$0.00
6238	LOW INCOME MOBILE HOMES - 30%	12	\$16,932	1.158%	\$25.43	1.158%	\$25.43	\$0.00
6239	LOW INCOME MOBILE HOMES - 40%	12	\$52,725	1.544%	\$105.62	1.544%	\$105.62	\$0.00
6240	LOW INCOME MOBILE HOMES - 50%	12	\$63,002	1.930%	\$157.79	1.930%	\$157.79	\$0.00
6241	LOW INCOME MOBILE HOMES - 60%	12	\$57,983	2.316%	\$174.27	2.316%	\$174.27	\$0.00
6242	LOW INCOME MOBILE HOMES - 70%	12	\$50,356	2.702%	\$176.60	2.702%	\$176.60	\$0.00
6243	LOW INCOME MOBILE HOMES - 80%	12	\$30,931	3.088%	\$123.92	3.088%	\$123.92	\$0.00
6244	LOW INCOME MOBILE HOMES - 90%	12	\$11,600	3.474%	\$52.29	3.474%	\$52.29	\$0.00
6245	100% DISABLED VETERAN MOBILE HOMES	12	\$31,400	0.000%	\$0.00	0.000%	\$0.00	\$0.00
6311	COMMERCIAL FURNITURE & FIXTURES	9	\$31,592,249	13.000%	\$532,923.28	11.000%	\$450,935.07	(\$81,988.21)
6511	HEAVY EQUIPMENT	8	\$1,473,586	11.000%	\$21,033.32	11.000%	\$21,033.32	\$0.00
6512	SHOP TOOLS & EQUIPMENT	7	\$2,618,251	8.000%	\$27,179.53	0.000%	\$0.00	(\$27,179.53)
6514	MANUFACTURING MACHINERY & TOOLS	8	\$5,252,901	11.000%	\$74,977.79	11.000%	\$74,977.79	\$0.00
6516	OIL & GAS FIELD EQUIPMENT	8	\$273	11.000%	\$3.89	11.000%	\$3.89	\$0.00
6519	SUPPLIES & MATERIALS	8	\$769,978	11.000%	\$10,990.41	11.000%	\$10,990.41	\$0.00
6535	L.A. UTILITY HEAVY EQUIP. ON TRUCKS	8	\$358,236	11.000%	\$5,113.32	11.000%	\$5,113.32	\$0.00
6551	L.A. RTA & REA CO-OP PERS. PROP.	5	\$160,700	3.000%	\$625.57	3.000%	\$625.57	\$0.00
6831	CABLE TELEVISION SYSTEMS	10	\$666,775	16.000%	\$13,843.32	11.000%	\$9,517.25	(\$4,326.07)
6832	THEATRE PROJECTORS & SOUNDED EQUIP.	10	\$27,426	16.000%	\$569.39	11.000%	\$391.49	(\$177.90)
6833	RADIO & TV TRANSMITTING EQUIP.	10	\$724,302	16.000%	\$15,037.63	11.000%	\$10,338.37	(\$4,699.26)
6834	CITIZEN-BAND RADIOS/MOBILE PHONES	9	\$4,040	13.000%	\$68.12	11.000%	\$57.61	(\$10.51)
6836	LEASED/RENTED EQUIP. < \$5,000	6	\$425,121	4.000%	\$2,206.57	11.000%	\$6,067.97	\$3,861.40
6837	LEASED/RENTED EQUIP. NOT ELSEWHERE	8	\$2,043,165	11.000%	\$29,163.30	11.000%	\$29,163.30	\$0.00
8315	C.A. GAS/ELECTRIC CO. MILEAGE	11	\$63,473	12.000%	\$988.38	12.000%	\$988.38	\$0.00
8316	C.A. GAS/ELECTRIC CO. SITUS	11	\$1,704,276	12.000%	\$26,537.51	12.000%	\$26,537.51	\$0.00
8319	C.A. GAS/ELECTRIC PERSONAL PROP.	11	\$5,353,458	12.000%	\$92,702.49	12.000%	\$92,702.49	\$0.00
8332	RURAL ELEC/TELEPHONE COOP SITUS	5	\$163,741	3.000%	\$1,415.94	3.000%	\$1,415.94	\$0.00
8333	RURAL ELEC/TELE. COOP PERS. PROP.	5	\$666,821	3.000%	\$2,595.85	3.000%	\$2,595.85	\$0.00
8513	C.A. RAILROAD COMPANY MILEAGE	15	\$1,034,156	12.000%	\$16,103.22	12.000%	\$16,103.22	\$0.00
8514	C.A. RAILROAD COMPANY SITUS	15	\$1,455,463	12.000%	\$22,663.36	12.000%	\$22,663.36	\$0.00
8519	C.A. TELECOMMUNICATION CO. MILES	11	\$14,325,585	12.000%	\$223,383.55	12.000%	\$223,383.55	\$0.00
8520	C.A. TELECOMMUNICATION CO. SITUS	11	\$1,293,546	12.000%	\$20,142.13	12.000%	\$20,142.13	\$0.00
8526	C.A. RAILROAD CO. PERSONAL PROP.	15	\$13,275	10.970%	\$188.93	10.970%	\$188.93	\$0.00
8527	C.A. AIRLINE CO. PERSONAL PROP.	17	\$52,977	12.000%	\$824.88	10.970%	\$754.17	(\$70.71)
8529	C.A. TELECOMM. CO. PERSONAL PROP.	11	\$12,656,667	12.000%	\$197,079.49	12.000%	\$197,079.49	\$0.00

SUB-TOTAL OF RATE CHANGE EFFECTS

\$1,010,172,336

\$5,967,225.12

\$5,850,652.07

(\$116,574.05)

SENATE STANDING COMMITTEE REPORT

April 5, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 567 (third reading copy -- blue), respectfully report that HB 567 be amended and as so amended be concurred in:

Sponsor: Harrington (Eck)

1. Title, line 7.
Following: "POWERS"
Insert: "WITH SELF-GOVERNING POWERS"
2. Page 2, line 25.
Following: "powers"
Insert: "with self-governing powers"
3. Page 3, line 4.
Following: "GOVERNMENT"
Insert: "with self-governing powers"
4. Page 3, line 7.
Following: "powers"
Insert: "with self-governing powers"
5. Page 3, line 10.
Following: "GOVERNMENT"
Insert: "with self-governing powers"

AND AS AMENDED BE CONCURRED IN

Signed: Bob Brown
Bob Brown, Chairman

