

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on April 12,
1989, at 9:00 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

DISPOSITION OF HOUSE BILL 641

Discussion:

Senator Crippen submitted proposed amendments from Evan
Barrett, Butte (Exhibit #1). The amendments are broad
enough to cover both private and public industrial park
exemptions.

Senator Crippen MOVED TO TAKE HB 641 OFF THE TABLE. The
motion CARRIED with Senator Hager voting no.

Amendments and Votes:

Senator Crippen MOVED the amendments as per Exhibit #1. The
motion CARRIED unanimously.

Recommendation and Vote:

Senator Crippen moved HB 641 BE CONCURRED IN AS AMENDED.

Senator Gage asked what happens in the case of someone selling a small parcel of the park land.

Mr. Barrett said if the land is sold parcel by parcel it then becomes taxable.

The motion CARRIED unanimously. Senator Lynch will carry the bill on the floor.

DISPOSITION OF SENATE BILL 471

Discussion:

Director Nordtvedt, Department of Revenue, said the bill has significant enough impact that it will keep the budget from being balanced and he would not want to see it pushed if the major fiscal issues are being addressed in the regular session. He said if the committee does take action on the bill, it is very important that the bill be amended to give a credit allowance towards the pensions that have made taxable employee contributions to the state of Montana.

Senator Eck felt the bill should be held in committee until the fiscal picture is somewhat more clear. The committee members agreed informally with that action.

DISPOSITION OF HOUSE BILL 293

Discussion:

Senator Halligan said he had been working with Brenda Nordland on the bill trying to adjust the credit or the joint income levels to try to get to an acceptable level of revenue impact.

Brenda Nordland presented information to the committee regarding various levels of credit and income (Exhibit #2). She said by delaying the implementation of the bill for a year as per Senator Harp's amendment the fiscal impact could be cut in half.

Senator Norman said if the committee accepts the concept of the bill, the committee realizes it will cost some money. He felt the 25% at the \$20,000 married combined level would be only \$250,000 and that is fairly acceptable.

Senator Halligan felt it necessary to get the bill out with at least a minimum of one single and one married figure in it.

Amendments and Votes:

Senator Norman MOVED TO AMEND the bill on page 5 to reflect a 25% credit, \$20,000 married income, and \$18,000 single income levels. The fiscal impact of these amendments would be approximately \$500,000.

Senator Crippen said there is no revenue measure for funding at this time. He asked how we could pass anything with a price tag on it of any amount in this situation. He said if the money was available, there would be no problem.

Senator Halligan felt the revenue estimate is a little high and, in actuality, it would be closer to \$250,000. He said he did not think the ratio of married filers would result in a \$500,000 impact.

Senator Norman's motion to amend the bill CARRIED on a roll call vote (Exhibit #3).

Recommendation and Vote:

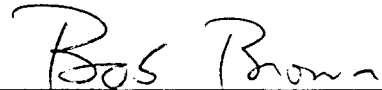
Senator Halligan MOVED HB 293 BE CONCURRED IN AS AMENDED.

Senator Crippen made a SUBSTITUTE MOTION TO TABLE HB 293.
The motion FAILED on a roll call vote (Exhibit #4).

Senator Halligan MOVED HB 293 BE CONCURRED IN AS AMENDED.
The motion FAILED on a tie vote (roll call Exhibit #5).

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR BOB BROWN, Chairman

BB:jdr

MIN412.jdr

ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 4/12/89

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 12, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 641 (third reading copy -- blue), respectfully report that HB 641 be amended and as so amended be concurred in:

Sponsor: Quilici (Lynch)

1. Page 2, line 6.

Following: "government,"

Strike: "or"

2. Page 2, line 7.

Following: "town"

Insert: ", or school district"

3. Page 2, line 12.

Following: "chapter 2"

Insert: ", and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code"

4. Page 2, line 18.

Following: "7-14-1102"

Insert: "; and

(c) the proposed tax exemption will not have an adverse economic impact on any private, for-profit industrial park within the jurisdiction of the local governing body"

5. Page 2, lines 20 through 22.

Strike: "for" on line 20 through "levied" on line 22

AND AS AMENDED BE CONCURRED IN

Signed: Bob Brown

Bob Brown, Chairman

SENATE TAXATION

EXHIBIT NO. 1

DATE 4/12/89

BILL NO. HB 641

DRAFT AMENDMENT TO HOUSE BILL 641

On the Third Reading Copy, on page 2, line 18, replace the
"." with ";".

On the Third Reading Copy, on page 2, following line 18,
insert the following language:

"(C) the proposed tax exemption will not have an adverse
economic impact on any private, for-profit industrial park
within the jurisdiction of the local governing body."

NL Proposed Income Caps
 applied: Individuals/Head of Households
 40,000 25,000
 30,000 22,000
 25,000 18,000
 20,000 15,000

EXHIBIT NO. 2
 DATE 4/17/89
 BILL NO. HB 293

OBPP -
 Mike Walsh
 4/11/89

#2

HB 293

(Change from Current Law)

Rate	Income Limit		Proportion	Fiscal Impact	
	Married	Single		FY 90	FY 91
25%	\$40,000	\$25,000	.6946	(\$1,442,801)	(\$1,514,027)
	\$30,000	_____	.5057	(\$993,313)	(\$1,042,722)
	25,000	_____	.39	(718,000)	(754,000)
	20,000	_____	.2870	(\$472,916)	(\$497,065)
10%	40,000		.6946	(1,112,000)	(1,167,000)
	30,000		.5057	(753,000)	(790,000)
	25,000		.39	(532,000)	(559,000)
	20,000				
	20,000		.2870	(336,000)	(354,000)
5%	40,000		.6946	(782,000)	(821,000)
	30,000		.5057	(512,000)	(538,000)
	25,000		.39	(347,000)	(365,000)
	20,000		.2870	(200,000)	(211,000)
1%	40,000		.6946	(451,000)	(474,000)
	30,000		.5057	(271,000)	(286,000)
	25,000		.39	(161,000)	(170,000)
	20,000		.2870	(63,000)	(67,000)

ROLL CALL VOTE

3

DATE 4/12/89

SENATE COMMITTEE TAXATION

BILL NO. HO 293

Date 4/12 House Bill No. 293 Time _____

NAME	YES	NO
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	

Bill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: Motion passed a 5,
25% credit 20,000 married
15,000 single - 1st
Bill 2

Carried

SENATE TAXATION

EXHIBIT NO. 4

DATE 4/12/89

BILL NO. HB 293

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date 4/12/89 House Bill No. 293 Time 9:57

NAME	YES	NO
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

Jill Roddy
Secretary

SENATOR BOB BROWN
Chairman

Motion: My Senator Oppose to table
HB 293.

Failed

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO 5

DATE 4/12/89

BILL NO. HB 293

SENATE COMMITTEE TAXATION

Date 4/12/89 Waukegan Bill No. 293 Time 9:59

NAME	YES	NO
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	

Bill Bryans
Secretary

SENATOR BOB BROWN
Chairman

Motion: My Senator Halligan that
HB 293 Be Passed In
As Demanded.

Failed