

MINUTES

MONTANA SENATE
51st LEGISLATURE - SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on June 26,
1989, at 8:45 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 SENATE BILL 22

Discussion: (see discussion in sections below)

Amendments and Votes:

Senator Gage MOVED the amendments contained in Exhibit #1.
Senator Gage said there is not revenue to be able to
lower the percentage to 4%, therefore the 6% figure is
reflected in the proposed amendments. He felt if more
revenue can be found the percentage can be lowered in
the House to the 4% level.

The motion to AMEND CARRIED with Senator Crippen voting no.

Senator Mazurek expressed some concern as to why the
Department of Revenue was not present at the meeting
when the bill had provisions for change in a policy
that the Department was willing to take to court.

Senator Crippen MOVED to amend the bill as per the
amendments contained in Exhibit #2.

The motion to AMEND CARRIED on a roll call vote (Exhibit #3).

Senator Harp offered amendments to the bill (Exhibit #4). The committee members agreed the amendments went beyond the scope of the bill and they did not wish to consider including them in this piece of legislation.

Jim Mockler, Montana Coal Council, suggested the wording "sales tax" in the bill be changed to "production tax".

Senator Mazurek expressed grave concern about the legality of changing the name of the severance tax in order to circumvent the capping of the coal trust.

Senator Gage said in another bill he is sponsoring the tax is called a "privilege tax". He MOVED to change all references in the bill from "sales tax" to "privilege tax".

Senator Eck made a substitute MOTION to delete the reduction in the severance tax and to leave it at the current level of 15%.

The MOTION FAILED on a roll call vote (Exhibit #5).

Senator Gage MOVED the previous motion to change "sales tax" to "privilege tax".

The MOTION CARRIED with Senators Crippen and Eck voting no.

Recommendation and Vote:

Senator Gage MOVED SB 22 DO PASS AS AMENDED.

Senator Crippen said tax reform needs to be tax reform and not just a sham effort. He stoutly opposed tapping the coal trust fund and said this is just grasping at straws.

Senator Norman voiced serious concerns about the constitutionality problem. He said the philosophy of

the bill is bad. The people voted on the coal tax trust fund and we cannot abrogate that decision. He also expressed concern that the money would be going to the big businesses, not for tax relief for the middle income taxpayer.

The MOTION FAILED on a roll call vote (Exhibit #6).

Senator Norman MOVED TO TABLE SB 22. The motion CARRIED with Senators Harp, Gage, and Brown voting no.

ADJOURNMENT

Adjournment At: 9:56 a.m.



SENATOR BOB BROWN, Chairman

BB/jdr

MIN626.jdr

ROLL CALL

TAXATION

COMMITTEE

~~500th~~ LEGISLATIVE SESSION -- 1989

Date 6/26/89

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.

TAXATION COMMITTEE

HEARING NOTICE AND AGENDA

Chairman Bob Brown #41	Mike Halligan, #40
V. Chairman, Tom Hager #42	John Harp, #11
Al Bishop, #32	Joe Mazurek, #36
Bruce Crippen, #10	Bill Norman, #15
Dorothy Eck, #17	Elmer Severson, #31
Mike Walker, #6	Del Gage, #14
Jeff Martin, Staff Reseacher, Legislative Council	
Jill Rohyans, Committee Secretary, Room 412	

DATE: Monday, June 26, 1989

TIME: Morning Recess of the Senate

PLACE: Room 413/415

BILLS BEING HEARD TODAY:

None

BILLS PRESENTLY SCHEDULED:

SB 24 Tveit Permit Live Card Game of Twenty-One
Tuesday, June 27

BILLS HEARD BUT NOT ACTED UPON:

SB 3 Gage Constitutional Limits on State Spending

SB 22 Gage Property Tax Reform

HB 20 Daily Classify Canola Oil Processing and Packagaing
Facility as Class 5 Property

Proposed Amendments to SB 22
 Introduced (white) Reading Copy

The purpose of these amendments is to increase the proposed personal property tax rate from 4 to 6%. This requires numerous changes in debt limits, classification of counties, etc.

1. Page 12, line 6.
 Strike: "8.3%"
 Insert: "6%"
2. Page 12, line 17.
 Strike: "30.5%"
 Insert: "29.8%"
3. Page 13, line 1.
 Strike: "25%"
 Insert: "24.5%"
4. Page 13, line 18.
 Strike: "18.5%"
 Insert: "18.1%"
5. Page 15, line 12.
 Strike: "42.5%"
 Insert: "41.5%"
6. Page 16, line 8.
 Strike: "42.5%"
 Insert: "41.5%"
7. Page 17, line 14.
 Strike: "12.25%"
 Insert: "12%"
8. Page 17, line 25.
 Strike: "30.25%"
 Insert: "29.5%"
9. Page 18, line 13.
 Strike: "13.5%"
 Insert: "13.3%"
10. Page 20, line 2.
 Strike: "30.5%"
 Insert: "29.8%"
11. Page 20, line 12.
 Strike: "18.5%"
 Insert: "18.1%"
12. Page 20, line 18.
 Strike: "30.5%"
 Insert: "29.8%"

SENATE TAXATION

EXHIBIT NO. 1 72DATE 6/26/89BILL NO. SB 72

13. Page 21, line 3 and 15.
Strike: "12.25%"
Insert: "12.0%"
14. Page 21, line 16.
Strike: "24.5%"
Insert: "24.0%"
15. Page 22, lines 2 and 14.
Strike: "24.5%"
Insert: "24.0%"
16. Page 23, line 14.
Strike: "30.5%"
Insert: "29.8%"
17. Page 24, line 6.
Strike: "14%"
Insert: "13.8%"
18. Page 25, line 12.
Strike: "18%"
Insert: "17.6%"
19. Page 26, line 12.
Strike: "24.5%"
Insert: "24%"
20. Page 27, line 8.
Strike: "18%"
Insert: "17.6%"
21. Page 27, line 21.
Strike: "24.5%"
Insert: "24%"
22. Page 33, line 22.
Strike: "4%"
Insert: "8%"
23. Page 33, lines 14 through 17.
Strike: subsection (d) in its entirety
Re-number: subsequent subsections
24. Page 35, line 18.
Strike: "4%"
Insert: "6%"
25. Page 39, lines 10 and 12.
Strike: "4.3%"
Insert: "4.26%"

SENATE TAXATION

EXHIBIT NO. 1 P.3DATE 6/26/89BILL NO. GB 22

26. Page 40, line 2.
Strike: "4.3%"
Insert: "4.26%"

27. Page 42, line 5.
Strike: "49%"
Insert: "47.9%"

28. Page 43, line 15.
Strike: "49%"
Insert: "47.9%"

29. Page 45, line 24.
Strike: "49%"
Insert: "47.9%"

30. Title, line 6.
Following: "ON"
Insert: "CERTAIN"

31. Coal sales tax revenue needs to flow through the water development bond fund for contractual reasons. Therefore, a technical amendment is required to channel the general fund portion of the revenue through the bond account before it goes to the general fund. This is an extremely complex technical amendment that requires the assistance of the state's bond counsel. The amendment will be completed and available Monday.

NAME: Jim Mockler

DATE: 6/29/99
BILL NO. SB 22

ADDRESS: 2301 Colonial Dr

PHONE: 442-6223

REPRESENTING WHOM? Mt. Coal Council

APPEARING ON WHICH PROPOSAL: SB 22

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: page 2: lines 8 thru 25 - delete
page 3: lines 1 thru 22 - delete
page 5: lines 12 thru 15 - delete

The definition section contained in
15-35-102 is sufficient with the
exception of (7) on lines 23 & 24 page
3.

Section 3 page 5 is a completely new
concept and was not intended by
the sponsor or the Governor's office.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

change reference from "Sales Tax" to
excise tax"

EXHIBIT NO. 3

DATE 6/26/89

BILL NO. SB 22

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date 6/26/89 SENATE Bill No. 22 Time 9:31

NAME	YES	NO
SENATOR BROWN	X	
SENATOR BISHOP	Y	
SENATOR CRIPPEN	Y	
SENATOR ECK		X
SENATOR GAGE	Y	
SENATOR HAGER	X	
SENATOR HALLIGAN		Y
SENATOR HARP	X	
SENATOR MAZUREK		X
SENATOR NORMAN		Y
SENATOR SEVERSON	Y	
SENATOR WALKER		Y

Gill Robinson
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Crispin to recess the
take and pay provisions from
the bill as per the amendments
in Exhibit # 2

Amendments to Senate Bill No. **22**
First Reading Copy

Requested by Senator Harp
For the Committee on Taxation

Prepared by Jeff Martin
June 22, 1989

1. Title, line 18.

Strike: "AND"

Following: "20-9-502,"

Insert: "AND 23-5-311,"

2. Page 41, line 18.

Strike: "and"

3. Page 41, line 20.

Strike: "."

Insert: "; and"

4. Page 41.

Following: line 20

Insert: "(i) revenue received from the licensing of authorized
card games under Title 23, chapter 5, part 3."

5. Page 47.

Following: line 17

Insert: "Section 45. Section 23-5-311, MCA, is amended to read:

"23-5-311. Authorized card games. (1) The card games authorized by this part are and are limited to the card games known as bridge, cribbage, hearts, panguingue, pinochle, pitch, poker (including those poker games that are played on video gambling machines licensed under this chapter on July 1, 1989), rummy, solo, and whist.

(2) A person may conduct or participate in a live card game or make a live card table available for public play of a live card game only if it is specifically authorized by this part and described by department rules.

(3) This part does not apply to games simulated on electronic video gambling machines authorized under part 6 of this chapter."

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 5

DATE 6/26/89

BILL NO. 22

SENATE COMMITTEE TAXATION

Date 6/26/89 SENATE Bill No. 22 Time 9:40

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 Kihyano
Secretary

SENATOR BOB BROWN
Chairman

Motion: by Senator Eck to delete reduction
in personal tax - retaining
current level of 15%.

ROLL CALL VOTE

SENATE TAXATION

EXHIBIT NO. 6

DATE 6/26/89

BILL NO. SB 72

SENATE COMMITTEE TAXATION

Date 6/26/89 Senate Bill No. 72 Time 9:55am

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 Roby
Secretary

SENATOR BOB BROWN
Chairman

Motion: My Senator Gage that SB 72
do pass as amended.

Failed