

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN HARRINGTON**, on April 8, 1991, at  
10:00 AM

#### **ROLL CALL**

##### **Members Present:**

Dan Harrington, Chairman (D)  
Bob Ream, Vice-Chairman (D)  
Ben Cohen, Vice-Chair (D)  
Ed Dolezal (D)  
Jim Elliott (D)  
Russell Fagg (R)  
Mike Foster (R)  
Bob Gilbert (R)  
Marian Hanson (R)  
Jim Madison (D)  
Ed McCaffree (D)  
Bea McCarthy (D)  
Tom Nelson (R)  
Mark O'Keefe (D)  
Bob Raney (D)  
Ted Schye (D)  
Barry "Spook" Stang (D)  
Fred Thomas (R)  
Dave Wanzenried (D)

##### **Members Excused:**

David Hoffman (R)  
Orval Ellison (R)

**Staff Present:** Lee Heiman, Legislative Council  
Julia Tonkovich, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

#### **DISCUSSION ON SB 226**

**REP. REAM** explained the amendments agreed upon in income tax subcommittee, drafted partially by the Department of Revenue (DOR). **Exhibit 1** The amendments increase the percentage to 2.5% to make state retirees whole (at 2% they were not made whole); clarifying language was also added. Prior to the Davis decision (1989), private retirees with a pension plan had a \$3600 exemption for their pension income, while state retirees were

exempt from all pension income. 42% of Montana retirees have no pension income whatsoever (i.e. farmers and small businesspeople). This bill gives every retiree with pension income a \$3600 exemption. 58% of Montana retirees have pension income; approximately 20,000 households have private retirement income, 12,000 have federal retirement income, and 11,000 have state retirement income. The bill would have no impact on households with private pensions, as they would be retained at their current \$3600 level; it would impact federal and state pensioners (\$21.9 million over the biennium). Making state retirees whole would require about \$7 million of that, leaving just under \$15 million. Because the fiscal note calculations used the 2% rate, not the 2.5% rate, the "make whole" amount in the fiscal note is closer to \$5 million. Although federal and state retirees are nearly equal in number, much more income is taxed on federal retirees; therefore, the bulk of the funds will come from federal retirees.

REP. REAM said SB 226 is a compromise bill that will not please everyone, particularly federal retirees who have had a tax holiday for the past two years.

Motion: REP. HARRINGTON moved to amend SB 226.

REP. HARRINGTON said his amendment sets the exemption at \$12,000. Exhibit 2 A 1% "make-whole" percentage will not be needed if the exemption is set at this amount. The legislature is taxing retirement, and doesn't seem to want to tax anything else; this is a problem. Mr. Heiman clarified that the amendments lower the percentage rate to 1% for the distribution of monies to PERS and TERS beneficiaries.

REP. COHEN asked whether the income tax subcommittee considered REP. HARRINGTON's amendments. REP. REAM said the subcommittee discussed the concept, but did not have the actual amendments.

REP. MCCARTHY said changing the definition of "retirees" to include "people over age 65" would get rid of the 42% of Montana retirees who are not on any standard pension plan.

REP. STANG spoke against REP. HARRINGTON's amendment. The \$15 million the state lost in the Davis decision will be recaptured by REP. REAM's amendment; some people want to be subsidized for retirement while they're holding another job.

REP. ELLIOTT spoke against REP. HARRINGTON's amendment. The bill as presented by REP. REAM will satisfy private and state retirees (though not federal retirees). More importantly, raising the exemption to \$12,000 will greatly increase the inequities that retirees without pension income will face.

REP. NELSON said if the legislature were to treat everyone equally, they should define "retiree" by age as REP. MCCARTHY suggested so people without a standard pension plan, like

farmers, will get some tax relief from the bill as well. Because of Montana's rapidly increasing retirement-age population, any "make-whole" provisions will need to increase, and will put more financial pressure on the General Fund.

REP. GILBERT spoke against the amendment, saying it would increase retirement benefits to many of the lower payments. If the exemption were set at \$8,000, he could support the bill, but not otherwise.

Vote: Motion failed 5 to 14. **Exhibit 3**

Motion: REP. HARRINGTON moved to amend HB 226.

REP. HARRINGTON proposed striking the 1% "make whole" provision from his original set of amendments.

REP. RANEY said the age consideration would be too difficult to insert into the bill at this point in the session.

REP. MCCARTHY said the age consideration will take care of many people the committee is concerned about, namely people without a standard pension plan such as independent businesspeople, farmers, and ranchers. The federal age for retirement is 65.

REP. REAM said this issue was discussed during the 1989 session; there is much disparity, even within Montana, as far as when a person can actually begin drawing retirement benefits. Real fairness and equity would be to give no exemptions whatsoever; income tax is based on ability to pay, no matter what the sources of income are. Many retired people are financially better off after they retire than when they are working.

REP. ELLIOTT said income exclusions are intended to help people out. Exclusions without a cap benefit people who are better off than the majority of the state's population (people with retirement incomes over \$40,000, excluding retirement benefits). Under the present system, 30-35% of benefits goes to these people. These people do not need further economic assistance; further, these exclusions do not benefit the state.

REP. HARRINGTON said this session, the legislature does not seem to want to raise taxes on anybody but these people. The \$12,000 exclusion will cover people receiving basic retirement incomes; those above \$12,000 will still be taxed.

REP. GILBERT said those people who do not have a qualifying retirement program are being left out; that is 42% of retired people in Montana. They should not get a complete exclusion, but if the legislature is going to give an exclusion to state and federal employees, it should also give an exclusion to people over 65 who are not under any standard retirement plan. This will provide fairness for everyone.

REP. REAM said the bill is merely putting the state back where it was two years ago. The fiscal impact is on the federal retirees who have had a tax break for those two years; the only way they can get back to where they were two years ago is by adding a "make whole" provision.

Vote: Motion failed 7 to 12. Exhibit 4

REP. HARRINGTON said the "make whole" provision might go through the legislature, but the next time the legislature meets, the money that covers the 2 1/2% provision will be the first thing to go if the state needs money. Sooner or later, the money will go somewhere else, and the employees will not be "made whole" at all.

Motion: REP. McCARTHY moved to amend SB 226.

REP. McCARTHY proposed extending the definition of "retirees," inserting "or age 65" following "plans or systems" in line 12. This will pick up all Montana's retirees.

REP. HARRINGTON asked whether retirement income after 65 or earnings after age 65 that would be excluded. REP. McCARTHY said all income would be included.

REP. RANEY asked whether REP. McCARTHY could estimate the fiscal impact. REP. McCARTHY said no.

Vote: Motion failed 7 to 11. Exhibit 5

Motion/Vote: REP. REAM moved to adopt the subcommittee/DOR amendments to HB 226. Motion carried 14 to 5 with REPS. GILBERT, FAGG, NELSON, FOSTER, and HANSON voting no.

Motion/Vote: REP. REAM MOVED HB 226 BE CONCURRED IN AS AMENDED. Motion carried 11 to 9. Exhibit 6

Motion/Vote: REP. RANEY moved to reconsider the bill. Motion carried unanimously.

Motion: REP. FOSTER moved to amend HB 226.

REP. FOSTER said the Revenue Oversight Committee should examine the bill, and the effects of all proposed amendments, in the interim.

REP. O'KEEFE said the Revenue Oversight Committee can look at the bill, but nothing can be done there that the Taxation Committee cannot do. The revenue numbers are here. It is a question of philosophy, not dollar amounts.

REP. GILBERT said it would be wise to study alternatives to this proposal, as federal retirees may file a lawsuit.

Vote: Motion carried 15 to 3 with REPS. O'KEEFE, REAM, and STANG voting no.

Motion/Vote: REP. REAM MOVED SB 226 BE CONCURRED IN AS AMENDED. Motion carried 11 to 9. Exhibit 6

DISCUSSION ON SB 333

Motion: REP. REAM moved to adopt the DOR amendments to SB 333. Exhibit 7

REP. THOMAS asked whether the DOR amendments have as complete a grandfather provision as the other set of amendments offered in SB 333's previous hearing.

Jeff Miller, DOR, said in the past, people made investment decisions on the basis of a law that is being changed by SB 333. DOR amendments state if a person is in compliance with current law, and continue to meet the requirements of filing and paying taxes on the corporate level, that person will be grandfathered. The other set of amendments offered in subcommittee covered a situation which DOR feels is currently outside the law, and dealing with illegal situations is not within the scope of this committee's duties.

Mr. Miller said Montana allows people to choose whether to be taxed at the corporate level or at the individual level. People will have until the end of 1991 to elect the exception that is in current law. After that point, everyone will be on the same level.

Vote: Motion carried unanimously.

Motion/Vote: REP. REAM MOVED SB 333 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

REP. STANG agreed to carry the bill on the floor.

DISCUSSION ON SB 93

Judy Rippingale, DOR, said the committee had asked the department to compare the method and amounts collected 10 years ago with the amounts collected by the proposed bill. The department could only go back eight years; the total for the elapsed eight years was an \$86,000 difference (slightly over \$10,000/year).

Motion/Vote: REP. MCCARTHY MOVED SB 93 BE CONCURRED IN AS AMENDED. Motion carried 12 to 7.

DISCUSSION ON SB 111

REP. COHEN said SB 111 had been amended in subcommittee and received a positive recommendation.

**Motion:** REP. McCAFFREE moved to adopt the subcommittee amendments to SB 111. **Exhibit 8**

REP. McCAFFREE said the amendments agreed upon in subcommittee remove "transportation" from the entirety of the bill, and changes the retroactive date to 1990.

REP. COHEN said the waste industry supports these amendments; there is no transportation vehicle so specialized that it can be used only for waste collection or reduction purposes. The bill is based on an Oregon law that has worked well for several years.

**Vote:** Motion carried unanimously.

**Motion/Vote:** REP. McCAFFREE MOVED SB 111 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

#### **HEARING ON SB 151**

SEN. ECK explained the amendment, which covers employers who hire people for one day a week or only a few hours every month.

**Exhibit 9** Employers would not have to pay a tax on employees who work a quarterly average of 10 hours/week. An employer who hired a worker for 39 hours/month would not have to pay this tax.

SEN. ECK said she did not feel strongly about the amendment, but had agreed to have it prepared. Employers who tie their hiring practices to tax policy are questionable. However, this amendment would not have a big financial impact, and may make recordkeeping slightly easier.

**Motion/Vote:** REP. REAM moved to adopt the amendment. Motion carried 10 to 7. **Exhibit 10**

REP. COHEN said on most group health insurance programs, there is a three-month waiting period before the employee is eligible for benefits. He asked if employers with a health insurance plan will have to pay the tax during the three months their new employee is not eligible for benefits, and if so, what will the administrative procedures be for tax billing?

Mr. Heiman said if an employer has a health insurance plan, he or she will not have to pay the tax, even if new employees are not eligible for health insurance benefits for three months.

REP. HARRINGTON said this bill might ensure that some employers will not hire people for more than 39 hours/month.

REP. NELSON asked what would be the case if an employer hired an "uninsurable" employee. REP. COHEN said, according to Mr. Heiman's interpretation, as long as the employer has a group health plan for the other employees, taxes on this uninsured worker will not need to be paid. REP. GILBERT disagreed, saying

the bill will obligate employers to pay tax on all uninsured employees, regardless of whether they have a health plan or not.

REP. NELSON said all employees under \$24,000/year will not only be eligible for Medicaid maternity coverage, but also for all other Medicaid benefits. This is a socialized medical program for Montana employees who make under \$24,000.

SEN. ECK said the bill recognizes that one of the reasons Medicaid costs are increasing so rapidly is the number of uninsured employees. The bill says employers have an obligation to make a contribution to Medicaid, because when they don't provide health insurance, they are contributing to the cost of Medicaid. Directly or indirectly, they're causing the state to subsidize employers who do not provide health insurance to their employees. This tax is not a big contribution, but it is one that will make some difference.

Motion/Vote: REP. REAM MOVED SB 151 BE CONCURRED IN AS AMENDED. Motion failed on a tie vote, 10 to 10. Exhibit 11

Motion/Vote: REP. GILBERT MOVED SB 151 BE TABLED. Motion failed, 9 to 11. Exhibit 12

Further executive action on SB 151 held until Friday, April 12.

#### DISCUSSION ON SB 275

REP. REAM said DOR was to provide a legal opinion on the constitutionality of the bill per the income tax subcommittee's request.

Jeff Miller, DOR, said the question the subcommittee raised concerned whether or not the repeal of the retailer's license tax would impact the constitutionality of the severance tax. The information is not currently available, but will be at a later time.

Further discussion on SB 275 held until Friday, April 12.

#### DISCUSSION ON SB 375

REP. HARRINGTON said last session, he carried a bill for the assessors who wanted to attend assessor classes, and the bill was nearly killed by people who didn't want to "force" the assessors to attend classes. This bill was not requested by the assessors, and according to testimony, most of them think the classes are unnecessary.

Motion/Vote: REP. MCCARTHY MOVED SB 375 BE TABLED. Motion failed on a tie vote, 9 to 9. Exhibit 13

REP. HARRINGTON said the committee will hold the bill indefinitely.

DISCUSSION ON SB 384

Motion/Vote: REP. McCARTHY MOVED SB 384 BE CONCURRED IN. Motion carried, 11 to 9. Exhibit 14

DISCUSSION ON SB 370

REP. COHEN said every member of the subcommittee supported the bill and the first amendment, which does away with the income tax check-off and provides instead that the Department of Justice make the grants from the tax collected for possession of illegal substances. Exhibit 15

Motion: REP. COHEN moved the committee adopt amendment 1.

REP. THOMAS said the only concern is as the success of the DARE program grows, its source of income will be reduced.

Vote: Amendment 1 carried unanimously.

Motion: REP. COHEN moved the committee adopt Amendment 2.

Mr. Heiman explained Amendment 2, which came from the Justice Department and deletes sections 6, 8 and 9 of the bill (the income tax deduction provisions). Exhibit 16

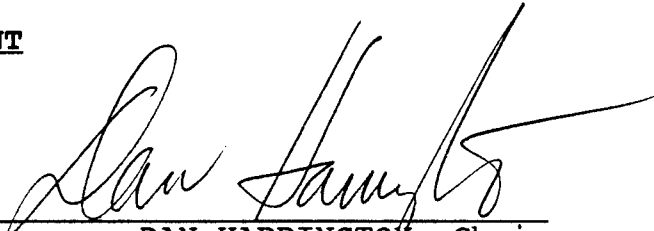
REP. COHEN said when the provision was a "check-off," it was a contribution that one could deduct from one's income tax. Now, since it's no longer a contribution, there is no need to deduct it.

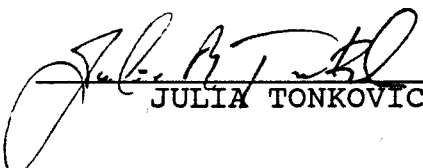
Vote: Motion carried unanimously.

Motion/Vote: REP. COHEN MOVED SB 370 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:30

  
DAN HARRINGTON, Chair

  
JULIA TONKOVICH, Secretary

DH/jmt



# HOUSE OF REPRESENTATIVES

## TAXATION COMMITTEE

ROLL CALL

DATE

4/8/91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	X		
REP. BEN COHEN, VICE-CHAIRMAN	X		
REP. BOB REAM, VICE-CHAIRMAN	X		
REP. ED DOLEZAL	X		
REP. JIM ELLIOTT	X		
REP. ORVAL ELLISON		X	
REP. RUSSELL FAGG	X		
REP. MIKE FOSTER	X		
REP. BOB GILBERT	X		
REP. MARIAN HANSON	X		
REP. DAVID HOFFMAN		X	
REP. JIM MADISON	X		
REP. ED MCCAFFREE	X		
REP. BEA MCCARTHY	X		
REP. TOM NELSON	X		
REP. MARK O'KEEFE	X		
REP. BOB RANEY	X		
REP. TED SCHYE	X		
REP. BARRY "SPOOK" STANG	X		
REP. FRED THOMAS	X		
REP. DAVE WANZENRIED	X		

3:00

4-12-91

JDB

HOUSE STANDING COMMITTEE REPORT

April 8, 1991

Page 1 of 5

Mr. Speaker: We, the committee on Taxation report that Senate Bill 226 (third reading copy -- blue) be concurred in as amended.

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

Carried by: Rep. Harrington

And, that such amendments read:

1. Title, line 14.

Following: "RESIDENTS;"

Insert: "TO DIRECT A STUDY OF THE TAXATION OF RETIREMENT  
BENEFITS; TO PROVIDE A STATUTORY APPROPRIATION FOR  
ADJUSTMENT PAYMENTS;"

Following: "~~15-30-101,~~"

Insert: "15-30-101,"

2. Title, line 15.

Following: "15-30-136,"

Insert: "17-7-502,"

3. Page 3.

Following: line 7

Insert: "Section 1. Section 15-30-101, MCA, is amended to read:

"15-30-101. Definitions. For the purpose of this chapter, unless otherwise required by the context, the following definitions apply:

(1) "Base year structure" means the following elements of the income tax structure:

(a) the tax brackets established in 15-30-103, but unadjusted by subsection (2) of 15-30-103, in effect on June 30 of the taxable year;

(b) the exemptions contained in 15-30-112, but unadjusted by subsections (7) and (8) of 15-30-112, in effect on June 30 of the taxable year;

(c) the maximum standard deduction provided in 15-30-122, but unadjusted by subsection (2) of 15-30-122, in effect on June 30 of the taxable year.

(2) "Consumer price index" means the consumer price index, United States city average, for all items, using the 1967 base of 100 as published by the bureau of labor statistics of the U.S. department of labor.

(3) "Department" means the department of revenue.

(4) "Dividend" means any distribution made by a corporation out of its earnings or profits to its shareholders or members, whether in cash or in other property or in stock of the corporation, other than stock dividends as herein defined. "Stock dividends" means new stock issued, for surplus or profits capitalized, to shareholders in proportion to their previous holdings.

(5) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person, whether individual or corporate, acting in any fiduciary capacity for any person, trust, or estate.

(6) "Foreign country" or "foreign government" means any jurisdiction other than the one embraced within the United States, its territories and possessions.

(7) "Gross income" means the taxpayer's gross income for federal income tax purposes as defined in section 61 of the Internal Revenue Code of 1954 or as that section may be labeled or amended, excluding unemployment compensation included in federal gross income under the provisions of section 85 of the Internal Revenue Code of 1954 as amended.

(8) "Inflation factor" means a number determined for each taxable year by dividing the consumer price index for June of the taxable year by the consumer price index for June, 1980.

(9) "Information agents" includes all individuals, corporations, associations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, brokers, real estate brokers, employers, and all officers and employees of the state or of any municipal corporation or political subdivision of the state, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income with respect to which any person or fiduciary is taxable under this chapter.

(10) "Knowingly" is as defined in 45-2-101.

(11) "Net income" means the adjusted gross income of a taxpayer less the deductions allowed by this chapter.

(12) "Paid", for the purposes of the deductions and credits under this chapter, means paid or accrued or paid or incurred, and the terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

(13) "Pension and annuity income" means:

(a) systematic payments of a definitely determinable amount from a qualified pension plan, as that term is used

in section 401 of the Internal Revenue Code, or systematic payments received as the result of contributions made to a qualified pension plan that are paid to the recipient or recipient's beneficiary upon the cessation of employment;

(b) payments received as the result of past service and cessation of employment in the uniformed services of the United States;

(c) lump-sum distributions from pension or profitsharing plans to the extent that the distributions are included in federal adjusted gross income;

(d) distributions from individual retirement, deferred compensation, and self-employed retirement plans recognized under sections 401 through 408 of the Internal Revenue Code to the extent that the distributions are not considered to be premature distributions for federal income tax purposes; or

(e) amounts after cessation of regular employment received from fully matured, privately purchased annuity contracts.

~~(13)~~ (14) "Purposely" is as defined in 45-2-101.

~~(14)~~ (15) "Received", for the purpose of computation of taxable income under this chapter, means received or accrued and the term "received or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

~~(15)~~ (16) "Resident" applies only to natural persons and includes, for the purpose of determining liability to the tax imposed by this chapter with reference to the income of any taxable year, any person domiciled in the state of Montana and any other person who maintains a permanent place of abode within the state even though temporarily absent from the state and has not established a residence elsewhere.

~~(16)~~ (17) "Taxable income" means the adjusted gross income of a taxpayer less the deductions and exemptions provided for in this chapter.

~~(17)~~ (18) "Taxable year" means the taxpayer's taxable year for federal income tax purposes.

~~(18)~~ (19) "Taxpayer" includes any person or fiduciary, resident or nonresident, subject to a tax imposed by this chapter and does not include corporations."

Renumber: subsequent sections

4. Page 4, lines 13 through 18.

Strike: "all" on line 13 through "system" on line 18

Insert: "the first \$3,600 of all pension and annuity income received as defined in 15-30-101"

5. Page 8, lines 14 through 22.

Strike: subsection (8) in its entirety

6. Page 11, lines 6 through 11.

Strike: subsection (h) in its entirety

Renumber: subsequent subsection

7. Page 13, lines 3 through 11.

Strike: subsection (6) in its entirety

8. Page 13, line 13.

Following: "deposit"

Insert: "-- statutory appropriation"

Strike: "allocated"

Insert: "statutorily appropriated, as provided in 17-7-502, from  
the general fund"

9. Page 13, line 17.

Strike: "4"

Insert: "5"

10. Page 13, line 21.

Strike: "2%"

Insert: "2 1/2%"

11. Page 22.

Following: line 4

Insert: "Section 17. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition --  
requisites for validity. (1) A statutory appropriation is an  
appropriation made by permanent law that authorizes spending  
by a state agency without the need for a biennial  
legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be  
effective, a statutory appropriation must comply with both  
of the following provisions:

(a) The law containing the statutory authority must be  
listed in subsection (3).

(b) The law or portion of the law making a statutory  
appropriation must specifically state that a statutory  
appropriation is made as provided in this section.

(3) The following laws are the only laws containing  
statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-  
203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-  
25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-  
101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-  
424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-  
10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-  
301; 19-13-604; 20-6-406; 20-8-111; 20-9-361; 23-5-306; 23-

5-409; 23-5-610; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306; [section 3]; and section 13, House Bill No. 861, Laws of 1985.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments. (In subsection (3), pursuant to sec. 10, Ch. 664, L. 1987, the inclusion of 39-71-2504 terminates June 30, 1991.)"

NEW SECTION. Section 18. Study of taxation of retirement benefits. The revenue oversight committee is requested to study the taxation of retirement benefits, including all relevant permutations of income sources and age criteria. The revenue oversight committee is also to keep abreast of legal developments involving the taxation of retirement benefits. The revenue oversight committee is to report its findings and recommendations to the 53rd legislature."

Renumber: subsequent sections

12. Page 22, line 12.

Strike: "3 and"

Following: "4"

Insert: "and 5"

13. Page 22, line 14.

Strike: "3 and"

Following: "4"

Insert: "and 5"

HOUSE STANDING COMMITTEE REPORT

April 8, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 333 (third reading copy -- blue) be concurred in as amended.

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

Carried by: Rep. Stang

And, that such amendments read:

1. Title, line 15.

Following: ";

Insert: "PROVIDING A LIMITED EXCEPTION ALLOWING CORPORATIONS THAT CURRENTLY USE SUBCHAPTER S. CORPORATION STATUS FOR FILING FEDERAL INCOME TAX AND REGULAR CORPORATION STATUS FOR FILING MONTANA INCOME TAX TO CONTINUE THAT METHOD OF FILING;"

2. Page 14, line 10.

Strike: "For purposes of this part"

Insert: "(1) Except as provided in subsection (2)"

3. Page 15, line 9.

Following: line 8

Insert: "(2) A corporation that would otherwise be a small business corporation may continue to be subject to the taxes imposed by Title 15, chapter 31, if all of the following conditions are met:

(a) on December 31, 1991, the corporation was doing business in Montana and had a valid Subchapter S. corporation election but had not elected to be taxed as a Montana small business corporation;

(b) after December 31, 1991, the corporation has not filed as a Montana small business corporation; and

(c) the corporation files a corporate license tax return, as required by 15-31-111, reporting all income or loss as determined under Title 15, chapter 31, and attaches a copy of the federal Subchapter S. corporate tax return."

HOUSE STANDING COMMITTEE REPORT

4/8/91  
9:25 AM  
April 8, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 93 (third reading copy -- blue) be concurred in .

Signed: [Signature]  
Dan Harrington, Chairman

100-100000-100000



HOUSE STANDING COMMITTEE REPORT

April 8, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that Senate Bill 111 (third reading copy -- blue) be concurred in as amended.

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

Carried by: Rep. McCaffree

And, that such amendments read:

1. Title, line 8.

Strike: ", TRANSPORT,"

2. Page 2, lines 1 and 2.

Strike: ", transportation,"

3. Page 2, line 11.

Strike: ", transport the material,"

Following: "process"

Strike: "it"

Insert: "the material"

4. Page 2, line 24.

Strike: ", transportation,"

5. Page 3, line 4.

Strike: "solely"

Insert: "primarily"

6. Page 3.

Following: line 15

Insert: "(1) "Collect" means the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility."

Renumber: subsequent subsections

7. Page 4, line 3.

Strike: ", transport,"

8. Page 4, line 9.

Strike: ", transport,"

9. Page 4, line 14.  
Strike: "1986"  
Insert: "1990"
10. Page 4, line 19.  
Strike: ", transport,"
11. Page 4, line 23.  
Strike: ", transport,"
12. Page 5, line 2.  
Strike: ", transport,"
13. Page 5, line 8.  
Strike: ", transports,"
14. Page 5, line 15.  
Strike: ", transportation,"
15. Page 5, line 22.  
Strike: ", transports,"
16. Page 6, line 6.  
Strike: ", transporting,"
17. Page 6, line 16.  
Strike: "1986"  
Insert: "1990"
18. Page 7, lines 13 and 14.  
Strike: ", transport,"

HOUSE STANDING COMMITTEE REPORT

4:05  
4-11-91  
JDB

April 8, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 384 (third reading copy -- blue) be concurred in .

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

Carried by: Rep. Harrington

HOUSE STANDING COMMITTEE REPORT

April 8, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that Senate Bill 370 (third reading copy -- blue) be concurred in as amended .

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

Carried by: Rep. Cohen

And, that such amendments read:

1. Title, lines 10 and 11.

Strike: "FOR A VOLUNTARY INCOME TAX CHECKOFF"

Insert: "THAT THE DEPARTMENT OF JUSTICE MAY USE PROCEEDS FROM THE DANGEROUS DRUG TAX"

2. Title, line 12.

Strike: "15-30-121"

Insert: "15-25-122"

3. Title, lines 13 and 14

Strike: "AND A RETROACTIVE APPLICABILITY DATE"

4. Page 4, line 10 through page 10, line 10.

Strike: sections 6 through 10 in their entirety.

Insert: "Section 6. Section 15-25-122, MCA, is amended to read:

"15-25-122. Disposition of proceeds. (1) The department shall transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in 15-25-111(1), to the state treasurer on a monthly basis.

(2) The state treasurer shall deposit one-third of the tax to the credit of the department of family services to be used for the youth evaluation program and chemical abuse aftercare programs.

(3) The treasurer shall credit the remaining two-thirds of the tax proceeds as follows:

(a) one-half to the department of justice to be used for grants to the Montana drug abuse resistance education trust fund account established in [section 1] and to youth courts to fund chemical abuse assessments and the detention of juvenile offenders in facilities separate from adult jails; and

(b) one-half to the account created by 44-12-206(3) if a state government law enforcement agency seized the drugs.

If a local government law enforcement agency seized the drugs, then that amount must be credited to the treasurer or finance officer of the local government, be deposited in its general fund, and be used to enforce drug laws.""

Renumber: subsequent section

5. Page 10, lines 11 and 12.

Strike: "-- RETROACTIVE APPLICABILITY. (1)"

Insert: "."

6. Page 10, lines 14 through 18.

Strike: subsections (2) and (3) in their entirety

Amendments to Senate Bill No. 226  
Third Reading Copy

Requested by Rep. Ream  
For the Committee on Taxation

Prepared by Lee Heiman  
April 8, 1991

Income Tax

1. Statutory Approp  
2. Def. of pen.  
and annuity.

1. Title, line 14.

Following: "RESIDENTS;"

Insert: "TO PROVIDE A STATUTORY APPROPRIATION FOR ADJUSTMENT  
PAYMENTS;"

2. Title, line 15.

Following: "15-30-136,"

Insert: "17-7-502,"

3. Page 13, line 13.

Following: "deposit"

Insert: "-- statutory appropriation"

Strike: "allocated"

Insert: "statutorily appropriated, as provided in 17-7-502, from  
the general fund"

4. Page 13, line 21.

Strike: "2%"

Insert: "2 1/2%"

5. Page 22.

Following: line 4

Insert: "Section 17. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition --  
requisites for validity. (1) A statutory appropriation is an  
appropriation made by permanent law that authorizes spending  
by a state agency without the need for a biennial  
legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be  
effective, a statutory appropriation must comply with both  
of the following provisions:

(a) The law containing the statutory authority must be  
listed in subsection (3).

(b) The law or portion of the law making a statutory  
appropriation must specifically state that a statutory  
appropriation is made as provided in this section.

(3) The following laws are the only laws containing  
statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-  
203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-  
25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-  
101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-  
424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-  
10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-  
301; 19-13-604; 20-6-406; 20-8-111; 20-9-361; 23-5-306; 23-  
5-409; 23-5-610; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206;

Ex. 1  
4/8/91  
SB 226

37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306; [section 3]; and section 13, House Bill No. 861, Laws of 1985.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments. (In subsection (3), pursuant to sec. 10, Ch. 664, L. 1987, the inclusion of 39-71-2504 terminates June 30, 1991.)""

Renumber: subsequent sections

EXHIBIT 1  
DATE 4/28/91  
HB SB226

Amendments to Senate Bill No. 226  
Third Reading Copy

Requested by DOR  
For the Committee on Taxation

Prepared by Lee Heiman  
April 8, 1991

1. Title, line 14.

Following: "~~15-30-101,~~"

Insert: "15-30-101,"

2. Page 3.

Following: line 7

Insert: "Section 1. Section 15-30-101, MCA, is amended to read:

"15-30-101. Definitions. For the purpose of this chapter, unless otherwise required by the context, the following definitions apply:

(1) "Base year structure" means the following elements of the income tax structure:

(a) the tax brackets established in 15-30-103, but unadjusted by subsection (2) of 15-30-103, in effect on June 30 of the taxable year;

(b) the exemptions contained in 15-30-112, but unadjusted by subsections (7) and (8) of 15-30-112, in effect on June 30 of the taxable year;

(c) the maximum standard deduction provided in 15-30-122, but unadjusted by subsection (2) of 15-30-122, in effect on June 30 of the taxable year.

(2) "Consumer price index" means the consumer price index, United States city average, for all items, using the 1967 base of 100 as published by the bureau of labor statistics of the U.S. department of labor.

(3) "Department" means the department of revenue.

(4) "Dividend" means any distribution made by a corporation out of its earnings or profits to its shareholders or members, whether in cash or in other property or in stock of the corporation, other than stock dividends as herein defined. "Stock dividends" means new stock issued, for surplus or profits capitalized, to shareholders in proportion to their previous holdings.

(5) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person, whether individual or corporate, acting in any fiduciary capacity for any person, trust, or estate.

(6) "Foreign country" or "foreign government" means any jurisdiction other than the one embraced within the United States, its territories and possessions.

(7) "Gross income" means the taxpayer's gross income for federal income tax purposes as defined in section 61 of the Internal Revenue Code of 1954 or as that section may be labeled or amended, excluding unemployment compensation included in federal gross income under the provisions of section 85 of the Internal Revenue Code of 1954 as amended.



(8) "Inflation factor" means a number determined for each taxable year by dividing the consumer price index for June of the taxable year by the consumer price index for June, 1980.

(9) "Information agents" includes all individuals, corporations, associations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, brokers, real estate brokers, employers, and all officers and employees of the state or of any municipal corporation or political subdivision of the state, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income with respect to which any person or fiduciary is taxable under this chapter.

(10) "Knowingly" is as defined in 45-2-101.

(11) "Net income" means the adjusted gross income of a taxpayer less the deductions allowed by this chapter.

(12) "Paid", for the purposes of the deductions and credits under this chapter, means paid or accrued or paid or incurred, and the terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

(13) "Pension and annuity income" means:

(a) systematic payments of a definitely determinable amount from a qualified pension plan, as that term is used in section 401 of the Internal Revenue Code, or systematic payments received as the result of contributions made to a qualified pension plan that are paid to the recipient or recipient's beneficiary upon the cessation of employment;

(b) payments received as the result of past service and cessation of employment in the uniformed services of the United States;

(c) lump-sum distributions from pension or profitsharing plans to the extent that the distributions are included in federal adjusted gross income;

(d) distributions from individual retirement, deferred compensation, and self-employed retirement plans recognized under sections 401 through 408 of the Internal Revenue Code to the extent that the distributions are not considered to be premature distributions for federal income tax purposes; or

(e) amounts after cessation of regular employment received from fully matured, privately purchased annuity contracts.

~~(13)~~(14) "Purposely" is as defined in 45-2-101.

~~(14)~~(15) "Received", for the purpose of computation of taxable income under this chapter, means received or accrued and the term "received or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

~~(15)~~(16) "Resident" applies only to natural persons and includes, for the purpose of determining liability to the

EXHIBIT 1  
DATE 4/08/91  
HB SB 226

tax imposed by this chapter with reference to the income of any taxable year, any person domiciled in the state of Montana and any other person who maintains a permanent place of abode within the state even though temporarily absent from the state and has not established a residence elsewhere.

~~(16)~~(17) "Taxable income" means the adjusted gross income of a taxpayer less the deductions and exemptions provided for in this chapter.

~~(17)~~(18) "Taxable year" means the taxpayer's taxable year for federal income tax purposes.

~~(18)~~(19) "Taxpayer" includes any person or fiduciary, resident or nonresident, subject to a tax imposed by this chapter and does not include corporations.""

Renumber: subsequent sections

3. Page 4, lines 13 through 18.

Strike: "all" on line 13 through "system" on line 18

Insert: "the first \$3,600 of all pension and annuity income received as defined in 15-30-101"

4. Page 8, lines 14 through 22.

Strike: subsection (8) in its entirety

5. Page 11, lines 6 through 11.

Strike: subsection (h) in its entirety

Renumber: subsequent subsection

6. Page 13, lines 3 through 11.

Strike: subsection (6) in its entirety

7. Page 13, line 17.

Strike: "4"

Insert: "5"

8. Page 22, line 12.

Strike: "3 and"

Following: "4"

Insert: "and 5"

9. Page 22, line 14.

Strike: "3 and"

Following: "4"

Insert: "and 5"

Amendments to Senate Bill No. 226  
Third Reading Copy

Requested by Rep. Harrington  
For the Committee on Taxation

Prepared by Lee Heiman  
April 2, 1991

1. Title, line 9.  
Strike: "\$3,600"  
Insert: "\$12,000"
2. Page 4, line 13.  
Strike: "\$3,600"  
Insert: "\$12,000"
3. Page 8, line 22.  
Strike: "\$3,600"  
Insert: "\$12,000"
4. Page 11, line 6.  
Strike: "\$3,600"  
Insert: "\$12,000"
5. Page 13, line 10.  
Strike: "\$3,600"  
Insert: "\$12,000"
6. Page 13, line 21.  
Strike: "2%"  
Insert: "1%"
7. Page 16, line 11.  
Strike: "\$3,600"  
Insert: "\$12,000"
8. Page 17, line 2.  
Strike: "\$3,600"  
Insert: "\$12,000"
9. Page 17, line 19.  
Strike: "\$3,600"  
Insert: "\$12,000"
10. Page 18, line 4.  
Strike: "\$3,600"  
Insert: "\$12,000"
11. Page 18, line 20.  
Strike: "\$3,600"  
Insert: "\$12,000"
12. Page 19, line 11.  
Strike: "\$3,600"

Insert: "\$12,000"

13. Page 19, line 24.

Strike: "\$3,600"

Insert: "\$12,000"

14. Page 20, line 10.

Strike: "\$3,600"

Insert: "\$12,000"

15. Page 20, line 20.

Strike: "\$3,600"

Insert: "\$12,000"

16. Page 21, line 4.

Strike: "\$3,600"

Insert: "\$12,000"

17. Page 21, line 12.

Strike: "\$3,600"

Insert: "\$12,000"

18. Page 21, line 22.

Strike: "\$3,600"

Insert: "\$12,000"

EXHIBIT 3  
DATE 4/08/91  
HB SB 226

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 226 NUMBER 1

MOTION: Adopt Harrington amendments

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		X
REP. ED DOLEZAL		X
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG		X
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON		X
REP. DAVID HOFFMAN		
REP. JIM MADISON		X
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY	X	
REP. TOM NELSON		X
REP. MARK O'KEEFE		X
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN		X
REP. TED SCHYE	X	
REP. BARRY "SPOOK" STANG		X
REP. FRED THOMAS		X
REP. DAVE WANZENRIED	X	
REP. DAN HARRINGTON, CHAIRMAN	X	
TOTAL	5	14

EXHIBIT 4  
DATE 4/08/91  
HB SB 226

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08 BILL NO. SB 226 NUMBER 2

MOTION: Adopt Harrington amendments, striking the 1% provision

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		X
REP. ED DOLEZAL		X
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG	X	
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON		X
REP. DAVID HOFFMAN		
REP. JIM MADISON		X
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY	X	
REP. TOM NELSON	X	
REP. MARK O'KEEFE		X
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN		X
REP. TED SCHYE	X	
REP. BARRY "SPOOK" STANG		X
REP. FRED THOMAS		X
REP. DAVE WANZENRIED	X	
REP. DAN HARRINGTON, CHAIRMAN	X	
TOTAL	7	12

EXHIBIT 5  
DATE 4/28/91  
HB SB 226

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/28/26 BILL NO. SB 226 NUMBER 3

MOTION: Adopt McCarthy amendment

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		
REP. ED DOLEZAL		X
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG	X	
REP. MIKE FOSTER	X	
REP. BOB GILBERT	X	
REP. MARIAN HANSON	X	
REP. DAVID HOFFMAN		
REP. JIM MADISON		X
REP. ED MCCAFFREE		X
REP. BEA MCCARTHY	X	
REP. TOM NELSON	X	
REP. MARK O'KEEFE		X
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN		X
REP. TED SCHYE		X
REP. BARRY "SPOOK" STANG		X
REP. FRED THOMAS	X	
REP. DAVE WANZENRIED		X
REP. DAN HARRINGTON, CHAIRMAN		X
TOTAL	7	11

EXHIBIT 6  
DATE 4/08/91  
HB SB 226

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08 BILL NO. SB 226 NUMBER 4

MOTION: Do recommend with subcommittee amendments

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN	X	
REP. ED DOLEZAL	X	
REP. JIM ELLIOTT	X	
REP. ORVAL ELLISON		
REP. RUSSELL FAGG		X
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON		X
REP. DAVID HOFFMAN		X
REP. JIM MADISON	X	
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY	X	
REP. TOM NELSON		X
REP. MARK O'KEEFE	X	
REP. BOB RANEY	X	
REP. BOB REAM, VICE-CHAIRMAN	X	
REP. TED SCHYE		X
REP. BARRY "SPOOK" STANG	X	
REP. FRED THOMAS		X
REP. DAVE WANZENRIED	X	
REP. DAN HARRINGTON, CHAIRMAN		X
TOTAL	11	9



EXHIBIT 7  
DATE 4/08/91  
HB SB 333

Amendments to Senate Bill No. 333  
Third Reading Copy

Requested by Income Tax Subcommittee  
For the Committee on Taxation

Prepared by Greg Petesch  
April 8, 1991

1. Title, line 15.

Following: ";

Insert: "PROVIDING A LIMITED EXCEPTION ALLOWING CORPORATIONS THAT  
CURRENTLY USE SUBCHAPTER S. CORPORATION STATUS FOR FILING  
FEDERAL INCOME TAX AND REGULAR CORPORATION STATUS FOR FILING  
MONTANA INCOME TAX TO CONTINUE THAT METHOD OF FILING;"

2. Page 14, line 10.

Strike: "For purposes of this part"

Insert: "(1) Except as provided in subsection (2)"

3. Page 15, line 9.

Following: line 8

Insert: "(2) A corporation that would otherwise be a small  
business corporation may continue to be subject to the taxes  
imposed by Title 15, chapter 31, if all of the following  
conditions are met:

(a) on December 31, 1991, the corporation was doing  
business in Montana and had a valid Subchapter S. corporation  
election but had not elected to be taxed as a Montana small  
business corporation;

(b) after December 31, 1991, the corporation has not filed  
as a Montana small business corporation; and

(c) the corporation files a corporate license tax return,  
as required by 15-31-111, reporting all income or loss as  
determined under Title 15, chapter 31, and attaches a copy of the  
federal Subchapter S. corporate tax return."

EXHIBIT 9  
DATE 4/08/91  
HB SB 151

Amendments to Senate Bill No. 151  
Third Reading Copy

Requested by Senator Dorothy Eck  
For the House Committee on Taxation

Prepared by Tom Gomez  
April 8, 1991

1. Page 6, line 21.

Following: "employer"

Insert: "for an average of at least 10 hours a week"

EXHIBIT 10  
DATE 4/08/91  
HB SB 151

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 151 NUMBER 1  
MOTION: Adopt Eck amendment

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		X
REP. ED DOLEZAL		
REP. JIM ELLIOTT		
REP. ORVAL ELLISON		
REP. RUSSELL FAGG	X	
REP. MIKE FOSTER	X	
REP. BOB GILBERT		X
REP. MARIAN HANSON	X	
REP. DAVID HOFFMAN		
REP. JIM MADISON	X	
REP. ED MCCAFFREE		X
REP. BEA MCCARTHY	X	
REP. TOM NELSON	X	
REP. MARK O'KEEFE	X	
REP. BOB RANEY	X	
REP. BOB REAM, VICE-CHAIRMAN	X	
REP. TED SCHYE		X
REP. BARRY "SPOOK" STANG		X
REP. FRED THOMAS	X	
REP. DAVE WANZENRIED		X
REP. DAN HARRINGTON, CHAIRMAN		X
TOTAL	10	7

EXHIBIT 8

DATE 4/08/91

HB SB 111

Amendments to Senate Bill No. 111  
Third Reading Copy

Requested by Property Tax Subcommittee  
For the Committee on Taxation

Prepared by Lee Heiman  
April 4, 1991

1. Title, line 8.  
Strike: ", TRANSPORT,"
2. Page 2, lines 1 and 2.  
Strike: ", transportation,"
3. Page 2, line 11.  
Strike: ", transport the material,"  
Following: "process"  
Strike: "it"  
Insert: "the material"
4. Page 2, line 24.  
Strike: ", transportation,"
5. Page 3, line 4.  
Strike: "solely"  
Insert: "primarily"
6. Page 3.  
Following: line 15  
Insert: "(1) "Collect" means the collection and delivery of  
reclaimable materials to a recycling or reclaimable  
materials processing facility."  
Renumber: subsequent subsections
7. Page 4, line 3.  
Strike: ", transport,"
8. Page 4, line 9.  
Strike: ", transport,"
9. Page 4, line 14.  
Strike: "1986"  
Insert: "1990"
10. Page 4, line 19.  
Strike: ", transport,"
11. Page 4, line 23.  
Strike: ", transport,"
12. Page 5, line 2.  
Strike: ", transport,"
13. Page 5, line 8.

Strike: ", transports,"

14. Page 5, line 15.

Strike: ", transportation,"

15. Page 5, line 22.

Strike: ", transports,"

16. Page 6, line 6.

Strike: ", transporting,"

17. Page 6, line 16.

Strike: "1986"

Insert: "1990"

18. Page 7, lines 13 and 14.

Strike: ", transport,"

Definition of industrial waste in 75-5-103 (75-5-103 is same).

(2) "Industrial waste" means any waste substance from the process of business or industry or from the development of any natural resource, together with any sewage that may be present.

EXHIBIT 11  
DATE 4/08/91  
HB SB 151

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 151 NUMBER 2

MOTION: Be concurred in as amended.

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN	X	
REP. ED DOLEZAL	X	
REP. JIM ELLIOTT	X	
REP. ORVAL ELLISON		
REP. RUSSELL FAGG		X
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON		X
REP. DAVID HOFFMAN		X
REP. JIM MADISON	X	
REP. ED MCCAFFREE		X
REP. BEA MCCARTHY		X
REP. TOM NELSON		X
REP. MARK O'KEEFE	X	
REP. BOB RANEY	X	
REP. BOB REAM, VICE-CHAIRMAN	X	
REP. TED SCHYE	X	
REP. BARRY "SPOOK" STANG		X
REP. FRED THOMAS		X
REP. DAVE WANZENRIED	X	
REP. DAN HARRINGTON, CHAIRMAN	X	
TOTAL	10	6

AMBIT 12  
DATE 4/08/91  
HB SB 151

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 151 NUMBER 3  
MOTION: table motion

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		X
REP. ED DOLEZAL		X
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG	X	
REP. MIKE FOSTER	X	
REP. BOB GILBERT	X	
REP. MARIAN HANSON	X	
REP. DAVID HOFFMAN	X	
REP. JIM MADISON		X
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY		X
REP. TOM NELSON	X	
REP. MARK O'KEEFE		X
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN		X
REP. TED SCHYE		X
REP. BARRY "SPOOK" STANG	X	
REP. FRED THOMAS	X	
REP. DAVE WANZENRIED		X
REP. DAN HARRINGTON, CHAIRMAN		X
TOTAL	9	11

EXHIBIT 13  
DATE 4/08/91  
HB SB 375

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 375 NUMBER 1

MOTION: table motion

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		X
REP. ED DOLEZAL		
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG		X
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON	X	
REP. DAVID HOFFMAN		
REP. JIM MADISON	X	
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY	X	
REP. TOM NELSON		X
REP. MARK O'KEEFE		X
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN	X	
REP. TED SCHYE	X	
REP. BARRY "SPOOK" STANG	X	
REP. FRED THOMAS	X	
REP. DAVE WANZENRIED		X
REP. DAN HARRINGTON, CHAIRMAN	X	
TOTAL	9	9



EXHIBIT 14  
DATE 4/08/91  
HB SB 384

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 4/08/91 BILL NO. SB 384 NUMBER 1  
MOTION: Be concurred in

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN	X	
REP. ED DOLEZAL	X	
REP. JIM ELLIOTT		X
REP. ORVAL ELLISON		
REP. RUSSELL FAGG		X
REP. MIKE FOSTER		X
REP. BOB GILBERT		X
REP. MARIAN HANSON		X
REP. DAVID HOFFMAN		X
REP. JIM MADISON	X	
REP. ED MCCAFFREE	X	
REP. BEA MCCARTHY	X	
REP. TOM NELSON		X
REP. MARK O'KEEFE	X	
REP. BOB RANEY		X
REP. BOB REAM, VICE-CHAIRMAN	X	
REP. TED SCHYE	X	
REP. BARRY "SPOOK" STANG	X	
REP. FRED THOMAS		X
REP. DAVE WANZENRIED	X	
REP. DAN HARRINGTON, CHAIRMAN	X	
TOTAL	11	9

Amendments to Senate Bill No. 370  
Third Reading Copy

Requested by Dept. of Justice  
For the Committee on Taxation

Prepared by Lee Heiman  
April 5, 1991

1. Title, lines 12 and 13.  
Strike: "AMENDING SECTION 15-30-121, MCA;"
2. Title, lines 13 and 14  
Strike: "AND A RETROACTIVE APPLICABILITY DATE"
3. Page 4, line 10 through page 8, line 5.  
Strike: section 6 in its entirety  
Renumber: subsequent sections
4. Page 9, line 5 through page 10, line 6.  
Strike: sections 8 and 9 in their entirety  
Renumber: subsequent sections
5. Page 10, line 8.  
Strike: "[Sections 7 through 9] are"  
Insert: "[Section 6] is"
6. Page 10, line 10.  
Strike: "[sections 7 through 9]"  
Insert: "[section 6]"
7. Page 10, lines 11 and 12.  
Strike: "-- RETROACTIVE APPLICABILITY . (1)"  
Insert: "."
8. Page 10, lines 14 through 18.  
Strike: subsections (2) and (3) in their entirety

Amendments to Senate Bill No. 370  
Third Reading Copy

Requested by Rep. Cohen  
For the Committee on Taxation

Prepared by Lee Heiman  
April 5, 1991

1. Title, lines 10 and 11.

Strike: "FOR A VOLUNTARY INCOME TAX CHECKOFF"

Insert: "THAT THE DEPARTMENT OF JUSTICE MAY USE PROCEEDS FROM THE  
DANGEROUS DRUG TAX"

2. Title, line 12.

Strike: "15-30-121"

Insert: "15-25-122"

3. Title, lines 13 and 14

Strike: "AND A RETROACTIVE APPLICABILITY DATE"

4. Page 4, line 10 through page 10 line 10.

Strike: sections 6 through 10 in their entirety.

Insert: "Section 6. Section 15-25-122, MCA, is amended to read:

"15-25-122. Disposition of proceeds. (1) The department shall transfer all taxes collected pursuant to this chapter, less the administrative fee authorized in 15-25-111(1), to the state treasurer on a monthly basis.

(2) The state treasurer shall deposit one-third of the tax to the credit of the department of family services to be used for the youth evaluation program and chemical abuse aftercare programs.

(3) The treasurer shall credit the remaining two-thirds of the tax proceeds as follows:

(a) one-half to the department of justice to be used for grants to the Montana drug abuse resistance education trust fund account established in [section 1] and to youth courts to fund chemical abuse assessments and the detention of juvenile offenders in facilities separate from adult jails; and

(b) one-half to the account created by 44-12-206(3) if a state government law enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs, then that amount must be credited to the treasurer or finance officer of the local government, be deposited in its general fund, and be used to enforce drug laws."

Renumber: subsequent section

5. Page 10, lines 11 and 12.

Strike: "-- RETROACTIVE APPLICABILITY . (1)"

Insert: "."

6. Page 10, lines 14 through 18.

Strike: subsections (2) and (3) in their entirety