MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, Chairman, on April 2, 1991, at 7:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

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

Announcements/Discussion: Senator Halligan announced the committee would take executive action for an hour, hear SB 470 at 9:00 a.m., and take executive action from 9:00 a.m. to 10:00 a.m.

EXECUTIVE ACTION ON SENATE BILL 466

Motion:

Senator Van Valkenburg said the model conservation standards are the "hang-up" in the bill. He moved to TABLE SB 466.

Discussion:

Senator Brown said a meeting was held with those people concerned about the MCS. The "hang-up" was in the energy area of the standards. He asked why the oil and gas provisions are unacceptable to the Democratic leadership.

Senator Van Valkenburg said they are not all unacceptable, however, in the context of SB 466 they are. He said perhaps in Senator Gage's bill they would be acceptable. He further stated, with all due respect to Senator Brown, this bill is a marriage made in hell. It was born stillborn and should be laid on the table.

Recommendation and Vote:

The motion to TABLE SB 466 CARRIED with Senators Thayer, Brown, Gage, Harp, and Halligan voting no.

EXECUTIVE ACTION ON SENATE BILL 465

Motion:

Senator Harp moved to TABLE SB 465. He said it was best not to do anything, either pro or con, to the gaming industry this session.

Discussion:

Senator Eck said there is revenue to be had from the bill and it assessed fairly.

Senator Doherty said the progressivity of the bill is valid.

Senator Van Valkenburg said progressivity is a good idea if it applied at the right time. He said there is no consideration given to the cost of doing business and deductions before the tax in this bill.

Senator Brown said the effective rate in South Dakota is 22.5%. The felt the higher paying machines should pay more. He stated gambling is about as regressive an activity as there can be in and of itself.

Recommendation and Vote:

The motion to TABLE SB 465 CARRIED.

EXECUTIVE ACTION ON SENATE BILL 460

Amendments, Discussion, and Votes:

Senator Van Valkenburg moved to adopt the amendments as per Exhibit #1. He referred to the attached "gray bill" (Exhibit #1a) as a means of explanation. He said the amendments keep furniture and fixtures at 6%, leave agricultural implements and mobile property at 9%, and reduces other Class 8 property to 6%. Because there is no increase in agricultural land tax, there is no need to lower the tax on agricultural machinery. The increase from 3.6% to 4.8% in real property would balance lowering the furniture and fixtures to 6%. It is not his purpose to raise revenue but rather the bill is a significant effort to lower business personal property rates and pay for the reduction through an increase in community real property to 4.8%. This is an implementation of the value added process turning raw materials in the state into jobs and production. He noted golf courses would go from 1.93% to 2.3%.

Senator Harp objected saying the amendments raise another \$2.4 million. The original concept of the bill was good but now things are beginning to be divided up. Mining is a very capital intensive industry. Agricultural machinery costs are high and the people who need help are not getting it under these amendments. He said HB 1007 is coming to this committee from the House and it may be a better vehicle to address these concerns.

Senator Eck said we need to reduce personal property taxes without shifting the burden of the tax.

Senator Thayer said the community property rates are causing a world of hurt in Great Falls.

Senator Towe said he approves of the amendments. They have been carefully devised, reductions are in place, value added concerns are well addressed, there is a reduction in furniture and fixtures from which everyone in business will benefit.

Senator Van Valkenburg said there is a real potential for economic growth in Montana under this bill. The only alternative to reducing the personal property rate is a sales tax.

The motion to AMEND SB 460 CARRIED on a roll call vote (attached).

Recommendation and Vote:

Senator Van Valkenburg moved SB 460 DO PASS AS AMENDED.

Senator Brown asked how this bill compares to HB 1004.

Senator Van Valkenburg replied the taxable value in the state is virtually identical in both this bill and HB1004. He said Mr. Adams indicated that even though the taxable value remains the same, an additional \$2.4 million is raised. Senator Van Valkenburg said his intention is to have the bill remain revenue neutral and he would further amend the bill to address that increase if it is factual.

The motion to PASS SB 460 AS AMENDED CARRIED on a roll call vote (attached).

EXECUTIVE ACTION ON SENATE BILL 435

Motion:

Senator Van Valkenburg moved to remove SB 435 from the table.

Senator Brown, sponsor of SB 435, said he was unaware of any interest in removing the bill from the table. He wondered what the "grand strategy" is behind the motion.

Senator Van Valkenburg replied, "Senator Brown, we like your bill".

The motion CARRIED with Senators Gage and Thayer voting no.

Recommendation and Vote:

Senator Van Valkenburg moved that SB 435 DO PASS. He said it is important that the people of Montana have the opportunity to vote on the future of the university system. The Governor apparently does not think it is important if his budget is any indication. The polls indicate there is good support for an increase in taxes for the university system support.

Senator Gage said the people are not going to listen to the legislature. Il05 is what they are concerned about.

Senator Harp said people from the university system have indicated to him that they are very concerned if the voters turn this increase down it could do irreparable damage to them.

Senator Thayer felt it would endanger the six mill levy, also.

Senator Van Valkenburg said there is a risk involved in putting this a vote. However, he said there is a greater risk involved in absolute inaction. If there is a vote against the surtax, there will strong direction to the members of the university system to reduce enrollments, cut services, and, potentially, eliminate units altogether. We need public direction about the future of the university system and this bill presents an opportunity for that to happen.

Senator Brown replied to Senator Van Valkenburg by saying the 5% surcharge would generate approximately \$37 million which is approximately what the Commission of the 90's and Beyond recommended for the university system. Members of the university system would like to have amendments added to the bill to apply the provisions of the bill specifically to the recommendations of the that Commission. He said he hoped Senator Van Valkenburg would address those concerns when the bill reaches the floor.

Senator Van Valkenburg said he had no problems with that suggestion. He felt the revenue should apply to the university system and not be put into the general fund in order to decrease the budget with a replacement appropriation being granted to the system .

The motion that SB 435 DO PASS CARRIED on a roll call vote.

HEARING ON SENATE BILL 470

Presentation and Opening Statement by Sponsor:

Senator Towe, District 46, said this bill is the Coal Tax Reform Act of 1991. He said he was unhappy with the reduction in the coal tax from 30% to 15%. He felt it is inappropriate to go back to the 30%, however, other things can be done. He said the bill may not be successful, but it needs to be brought to people's attention. He said the state cannot afford a \$38 million yearly reduction which is the end result of the 15% rate. The purpose of the reduction was to increase production and employment, neither of which has occurred.

Senator Towe reviewed Exhibit #2 with the committee. He noted the figures were taken from the Montana Coal Council brochure (Exhibit #3).

This bill establishes a 13.5% tax because the rate is changed to an FOB mine price as opposed to the contract sales price. He noted that the effective rate of the 30% tax is only 20%. At the 20% rate the effective rate of the tax is 13.45%. In effect, the 13.45% rate is right where the tax is now at 20%. The 13.5% rate in the bill is a flat percentage of the FOB price

with no deductions, no royalties, and no taxes. The bill includes excess profits, minerals in place, and returns to gross proceeds and applies the full 40 mills that everyone else pays on their property.

Senator Towe reviewed Exhibits #4, #5, and #6 for the committee.

Senator Towe said of the 18 states surrounding Montana, only Wyoming and Montana do not tax minerals in place.

He emphasized that Montana is not taxing at 20%, when the tax goes down to 15% we are not taxing at 15%. This tax, in SB 470, would be a straightforward 15.5% tax.

Proponents' Testimony:

There were no proponents.

Opponents' Testimony:

Jim Mockler, Montana Coal Council, presented his testimony in opposition to the bill (Exhibit #7).

Gary Spaeth, Midwest Energy Resources, Detroit Edison, and Minnesota Power spoke in opposition to the bill. He said they buy half of the state's coal. He said coal tonnage moves in contracts of less than five cents. They buy over 15 million tons of Montana coal a year and are the primary market for Montana coal. Increases in taxes will curtail that market. Detroit Edison buys 55% of its coal, 11 million tons of coal a year, in Montana. They now buy 2.5 million tons from Wyoming, two years ago they bought none from Wyoming. Wyoming coal is looking better and better because the price and transportation costs are going to be more competitive if bills such as SB 470 were to pass.

Ken Williams, Entech, said he agreed with Mr. Mockler and Mr. Spaeth. He said the competitive edge is very fine in Montana. Entech is poised to gain a significant part of the market back and not only would they lose that market advantage, but all the out of state markets would be lost under this bill.

Shelly Boecker, Big Horn County Commissioners, expressed strong opposition to the bill.

Tom Ebzery, representing NERCO Coal Corporation, spoke in opposition to the bill. He presented comparison figures on state production taxes, royalties, and federal taxes between Montana and Wyoming and a rail transportation map (Exhibits #8 and #8a).

Lorna Frank, Montana Farm Bureau, said the Farm Bureau has taken a stand in opposition to any new taxes. That opposition includes coal taxes.

Larry Salmonsen, a miner from Bighorn County, said employment has improved greatly in the mine in which he works. There were 20 people employed there before the rate reduction began and now there are 65. If this bill is passed, that trend would be reversed, he felt.

Questions From Committee Members:

Senator Doherty asked Mr. Spaeth if he would have any problem with the addition of the 40 mill provision.

Mr. Spaeth replied Detroit Edison would oppose it. He said Montana is fairly competitive with Wyoming now, but any change would greatly impair that ability to compete.

Closing by Sponsor:

Senator Towe said we are dealing with a perception problem here. He said he would be happy with an FOB 13.5% tax. With the addition of the Montana gross proceeds, the effective rate of the tax would be 20.5%. A valuable resource is leaving the state of Montana which can never be returned or replaced. Twenty percent is not an unreasonable figure and it makes good sense to devise a better method of taxation and ensure a good return on the sale of our state resources.

EXECUTIVE ACTION ON SENATE BILL 352

Recommendation and Vote:

Senator Van Valkenburg moved to TABLE SB 352. He said he thinks the bill puts Montana in a precarious position with the competition for coal sales in Montana. He said it is a mistake to not let the rate drop to 15%.

Senator Yellowtail said he was disappointed in the industry not living up to its promises of increased production and employment.

Senator Doherty said in the strongest terms the industry did not live up to its part of the bargain. They did endeavor to meet the window of opportunity, but they did not increase production and employment. Senator Eck said she thought the bill had good possibilities by freezing the tax and allocating the revenue to projects that would stimulate industry and value added projects. She felt the industry could give a little in this case.

Senator Thayer said businesses have to be competitive - that is the bottom line. He wondered what all the miners that went back to work would think of the comments being made. He said the coal industry is doing the best they can and they need a fair and stable tax policy so they can compete. He felt everything will improve as a result.

Senator Van Valkenburg closed on his motion saying there are other factors involved such as cost of alternative fuels, transportation, industry competition and increased productivity costs, some of which are volatile. This is not a black and white issue and it is difficult to make decisions about it. Most of the coal has been under long term contracts which are expiring now. Incentives are needed to ensure renewal of those contracts. The only reasonable alternative is to table the bill.

The motion to TABLE SB 352 CARRIED with Senator Towe voting no.

EXECUTIVE ACTION ON SENATE BILL 373

Discussion:

Senator Van Valkenburg said he felt there are some things in this bill that are of real value and should be kept alive. He is hoping to see some interest from Republicans, in particular, and everyone in general, in education in the state of Montana. He felt the bill can be a vehicle for compromise between the parties in both education funding and oil and gas taxation. He wants to know if there is any interest in reaching a compromise.

Senator Gage said his only response would be his understanding of the Governor's position which is that he has provided the largest budget Montana has ever had. The Governor feels he has given adequate and sufficient increases to higher education in the state in his budget proposal. The Governor feels that budget can be sustained and passed without the addition of additional revenue. Senator Gage said he agreed with the Governor in his assessment of the budget.

Senator Van Valkenburg said he was disappointed to hear Senator Gage say he cannot separate himself from the Governor in any way. He asked why there can't be a legislator to legislator action on the most important issue facing Montana this session.

Senator Gage replied in this respect the Governor is right. The people do not want and will not stand for a tax increase for any reason.

SENATE TAXATION COMMITTEE April 2, 1991 Page 9 of 9

Senator Van Valkenburg said he would like to keep the bill alive as a place for discussion, however, if the Republicans are not willing to discuss it all, he sees no reason to even bother.

Senator Gage said he would not even offer the amendments because the Democratic position and the Governor's position make this bill "dead on arrival".

Senator Towe said this bill gives the oil companies a break. He felt the bill should be kept alive until action is taken on HB 892. He said he is disappointed that the idea is we have to reduce taxes in order to sell more product.

Senator Gage said it was not his statement that the state would be "floating in money", rather, he hoped to stem the decline. He said he has no idea what "fair share" means. He has seen no definition and until there is a definition that the tax can be based on, it would appear fair to him to tax everyone at 100% of market value. But we are not willing to do that because we have a tremendous agricultural lobby in the state that scares everyone to death and they don't want feel 100% is their fair share. The \$8 million revenue effect in the bill is based on a million barrels of new production. The question is whether the incentives would produce the million barrels of new production so that in a year they will start paying local government severance tax and in two years start paying state severance tax.

The remainder of the discussion was of a very political and sometimes acrimonious nature and did not apply to the bill under consideration. The committee adjourned for the day without taking further action on the bill.

ADJOURNMENT

Adjournment At: 10:00 a.m.

SENATOR MIKE HALLIGAN, Chairman

JILL D. ROHYANS, Secretary

MH/jdr

ROLL CALL

SENATE TAXATION

COMMITTEE

DATE 4/2/9/

52 LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
SEN, ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	, X	i	
SEN. GAGE	X		
SEN. HARP	XX		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	X		:
SEN. YELLOWTAIL	X		
•			

Each day attach to minutes.

Sunate Ja COMMITTEE ON 58440 VISITORS' REGISTER Check One BILL # NAME REPRESENTING Support Oppose \$\frac{\$9}{470} Big Horn Co. 470

SENATE TAXATION

EXHIBIT NO.

BILL NO.

Amendments to Senate Bill No. 460 First Reading Copy

Requested by Senator Svrcek For the Committee on Taxation

> Prepared by Jeff Martin March 25, 1991

1. Title, lines 5 and 6.

Strike: "REDUCING" on line 5 through "PERCENT" on line 6 Insert: "CREATING A NEW CLASS OF PROPERTY FOR STATIONARY COMMERCIAL PROPERTY; ESTABLISHING THE TAX RATE ON STATIONARY COMMERCIAL PERSONAL PROPERTY AT 6 PERCENT"

2. Title, line 8. Following: "FOR"

Insert: "INCOME-PRODUCING"

3. Title, line 9.

Strike: "INCREASING" Insert: "ESTABLISHING"

Following: "ON"

Insert: "INCOME-PRODUCING"

4. Title, line 10. Strike: "TO 5.07" Insert: "AT 4.8"

Following: "PERCENT;"

Insert: "PROVIDING THAT NONINCOME-PRODUCING COMMERCIAL LAND AND

IMPROVEMENTS ARE RETAINED IN CLASS FOUR PROPERTY;"

5. Page 1, line 18.

Strike: "a"

Insert: "an income-producing"

6. Page 1, line 20.

Strike: "a"

Insert: "an income-producing"

7. Page 2, line 6.
Following: ";"

Insert: "and"

8. Page 2, lines 7 through 9.

Strike: subsection (d) in its entirety

9. Page 2, line 9.

Following: "yards"

(ii) are not in production and are not producing on

the assessment date of the current taxable year;

(iii) have not been in production and have not been producing income for 6 consecutive months preceding the

current taxable year; and
(iv) are not included in class twenty property as
described in 15-6-150"

10. Page 2, line 12.
Following: "(1)(a)"
Insert: ","
Strike: "and"
Following: "(1)(b)"
Insert: ", and (1)(d)"

11. Page 3, lines 19 through 21 Strike: subsection (c) in its entirety

12. Page 4, line 11.
Following: "all"
Insert: "self-propelled"

13. Page 4, lines 11 through 13. Strike: ", fixtures" on line 11 through "five" on line 13

14. Page 4, line 14.
Following: "all"
Insert: "self-propelled"

15. Page 4, lines 14 through 16. Strike: ", fixtures" on line 14 through "five"on line 16

16. Page 4, lines 20 through 22. Strike: subsection (e) in its entirety Renumber: subsequent subsections

17. Page 5, lines 1 through 8. Strike: subsections (h) through (l) in their entirety Renumber: subsequent subsections

18. Page 5, lines 10 and 11.

Strike: "(n)" on line 10 through "property;" on line 11

Renumber: subsequent subsection

19. Page 5, line 20 through page 6, line 10. Strike: subsections (3) and (4) in their entirety Renumber: subsequent subsection

20. Page 6, lines 11 and 12. Strike: "(a)" on line 11 through "class" on line 12 Insert: "Class"

21. Page 6, line 12. Strike: "<u>6%</u>" Insert: "9%"

22. Page 6, lines 14 through 16. Strike: subsection (b) in its entirety

```
23. Page 6, line 20.
```

Strike: "eight"

Insert: "twenty-two"

24. Page 6, line 25.

Strike: "eight"

Insert: "twenty-two"

25. Page 9, line 2.

Strike: "and"

Following: "[section 6]"

Insert: ", and [section 7]"

26. Page 9, line 24.

Following: "for"

Insert: "income-producing"

27. Page 9, line 25.

Strike: "and"

28. Page 10, line 1.

Following: "for"

Insert: "income-producing"

29. Page 10, line 2.

Following: class

Insert: "; and

(c) all golf courses, including land and improvements actually and necessarily used for that purpose, that consist of at least 9 holes and not less than 3,000 lineal yards"

30. Page 10, line 3.

Following: "(2)"

Insert: "(a)"

Strike: "or"

Insert: ","

Following: "15-24-1501,"

Insert: "or subsection (2)(b) of this section,"

31. Page 10, line 4.

Strike: "5.07%"

Insert: "4.8%"

32. Page 10.

Following: line 5

Insert: "(b) Property described in subsection (1)(c) is taxed at
 one-half the taxable percentage rate established in
 subsection (2)(a).

NEW SECTION. Section 7. Class twenty-two property -- description -- taxable percentage. (1) Class twenty-two

property includes:

(a) all mining machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;

- (b) all manufacturing machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;
- (c) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;
- (d) furniture, fixtures, and equipment, except that specifically included and taxed in another class, used in commercial establishments as defined in this section;
 - (e) x-ray and medical and dental equipment;
 - (f) citizens' band radios and mobile telephones;
- (g) radio and television broadcasting and transmitting equipment;
 - (h) cable television systems;
 - (i) theater projectors and sound equipment; and
 - (j) value-added property as defined in this section.
- (2) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or service, wholesale, retail, or food-handling business.
- (3) The term "value-added property" means but is not limited to property that is used for the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the 1987 Standard Industrial Classification Manual prepared by the United States office of management and budget. The property must be used for the:
 - (a) processing of Montana raw materials; or
- (b) processing semifinished products produced in Montana that are used as a raw material in further manufacturing.
- (4) (a) Except as provided in subsection (4)(b), class twenty-two is taxed at 6% of its market value.
- (b) Value-added property that is acquired by an industry after July 1, 1991, and is used in a value-added process is taxed at 5% of its market value."

Renumber: subsequent sections

33. Page 10, line 7. Strike: "and" Following: "6" Insert: ", and 7"

34. Page 10, line 10.

Strike: "and"
Following: "6"
Insert: ", and 7"

XATION SENATE EXHIBIT N atu

はないないではないない。

LC 1827/01

INTRODUCED BY Sunt BILL NO. 4400

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE

TAXATION OF PROPERTY; REDUCING CAEANAGE A WEW CLASS OF ETTAISLISTING TEACHER APPROVIDING THAT CLASS EIGHT PROPERTY MOTEX TY FOR STATOLINEN COMMENCIAL IROPERTY: 6

USED FOR VALUE-ADDED PROCESSES IS ELIGIBLE FOR A REDUCED TAX

RATE; CREATING A NEW PROPERTY CLASS FOR COMMERCIAL LAND AND

ESTABLISHALC
IMPROVEMENTS; INCREASING THE TAX RATE ON COMMERCIAL LAND AND

14, 8 IMPROVEMENTS \$ -4.4 4.4 PERCENT ; A AMENDING SECTIONS 15-6-134,

COMMERCIAL LAND + IMPROVEMENTS ARE RETAINED CLASS FOUR PROPERTY; APPLICABILITY DATE." 15-6-138, 15-7-103, ANY 15-10-402, MCA; AND PROVIDING PROVIDING THAT NONTHEME PROCEING

アイスタ

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-6-134, MCA, is amended to read:

taxable *15-6-134. Class percentage. (1) Class four property includes: property -description

four

except-that or specifically included in another class; (a) all land that is not devoted to commercial

commercial use except--those ਉ a11 improvements 10 that specifically not devoted included AN INCOME-ב ב - A PRODUCING

20

19 18 17 16 15 14

another class; the first \$80,000 or less of the market value of

property and appurtenant land not exceeding 5 acres owned or any improvement included in subsection (1)(b) on real

25 21 23 22

25 24 23 22 21 20

> are integrally related in a single working unit;
> are not in production and are not producing on the assessment date of the current taxable year; producing income for 6 consecutive months preceding have not been in production and have not been

commercial land and improvements that:

current taxable year; and (iv) are not included described in 15-6-150" in class twenty property as

as adjusted according to subsection (2)(b)(ii); Andah \$10,000 for a single person or \$12,000 for a married couple actually and necessarily used for that purpose, that consist otherwise 10 under contract for deed and actually occupied for months a year as the primary residential dwelling of any (d) -all-golf-courses, including land and improvements whose tax-exempt total income income from of all types is a11 sources not more than ä including least

of at least 0 tholes and not less than 3,000-lineal yards

Class four property is taxed as follows:

is taxed at 3.86% of its market value. property (a) Property described in subsections (1)(a) and (1)(b) المرازل المرازل Except--as--provided--in--i5-24-1482-or-15-24-1581

taxed percentage following table: 9 (i) Property 3.86% figure ရှ based S J T described market on income and in subsection value determined from multiplied (1)(c)ρy the S

5,001 -1,001 -3,001 -2,001 Single Person 1,001 0 - \$ 1,000 Income 6,000 5,000 4,000 3,000 2,000 6,001 -4,801 3,601 2,401 -1,201 -Married Couple 0 1 Income \$ 1,200 7,200 6,000 4,800 3,600 2,400 Multiplier Percentage 503 \$0\$ 301 20% 101 0

INTRODUCED BILL

ب	Ьy	w ·						
6 6		P .		9	00	7.	0	
levels is determined by:	t be	subsection (2)(b)(i) must be adjusted for inflation annually	7	9,001 -	100,8	7,001	6,001 -	
<u>ب.</u>		Ę	Ξ.	-	1	٠.	-	
ο.	de	š	ij		•	'	'	
et	Ď	(2	Φ	10,000	9	00	7	
eca	ğ	~	Ę.	ò	9,000	8,0(0	7,000	
nin	ē	2	(ii) The income	ŏ	ŏ	0	ŏ	
e d	т.	<u>:</u>	Ģ					٠
ρ	ř	5	-	10	9	a	7	
••	T e	C.	ev	8	6	8,401	7,201	
	en	Ö	levels	10,801 -	9,601 -	10	2	
	Ē	رو رو		•	ı	•		
	٠	ط غ	contained	1	ĭ	10	~	
	3	t SI) ta	12,000	10,800	9,600	8,400	
	à	ed	Ď	00	90	00	00	
	ju	fo	Ď					
	Sti	Ħ	in					
	62	ju						
	ñ	12	the					
	ő	tic		106	808	70%	109	
	5	š	table	-	*	*	3	
	O	an	51					
	'n	ממ	m					
	department of revenue. The adjustment to the income	11	'n					
	Ô	٧.	5					

- (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter of 1986; and
- (B) rounding the product thus obtained to the nearest whole dollar amount.

 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published quarterly in

(c) Property described in subsection (1)[0] to tened at one-half the texable percentage rate established in Subsection (2)(e).

analysis of the U.S. department of commerce

the Survey of Current Business by the bureau of economic

(3) After July 1, 1986, no adjustment may be made by the department to the taxable percentage rate for class four property until a revaluation has been made as provided in 15-7-111.

(4) Within the meaning of comparable property as defined in 15-1-101, property assessed as commercial property is comparable only to other property assessed as other than commercial property is comparable only to other property assessed as other than commercial property to other property

Section 2. Section 15-6-138, MCA, is amended to read:
"15-6-138. Class eight property -- description --

taxable percentage. (1) Class eight property includes:

(a) all agricultural implements and equipment; self- projection (b) all_Amining machinery fixtures equipment

(b) all mining machinery fixtures, equipment, tools that are not exempt under 15-6 201(1)(r) and supplies

amoopt those included in those five;

\[\sigma_{\color=\c

17 (d) all trailers, including those prorated under 18 15-24-102, except those subject to taxation under

61-3-504(2);

except goods and equipment specifically included and taxed another class;

19 20 21 22

(f) buses and trucks having a rated capacity of morethan 1 ton, including those prorated under 15-24-102;

(g) truck toppers weighing more than 300 pounds;

13-

terials or substances in
limited to property that is used for the mechanical or
(4) The term "value added property" means but is not
wholesale, retail, or food-handling business.
motel; office; petroleum marketing station, or service,
(3) **Bonmercial establishment includes any hotel;
environment.
ore, or other earthen material in a mining or quarrying
and that are primarily designed and used to transport coal,
means nonhighway vehicles that exceed 18,000 pounds per axle
(2) As used in this section, "coal and ore haulers"
lieu of a property tax.
class in this part, except that property subject to a fee in
<pre>fe)(p) all other property not included in any other</pre>
Talue-seded property; and
(n) theater projectors and sound equipment, and
<pre>(m) coal and ore haulers;</pre>
the cable television systems,
equipment
(k) radio and belevision broadcasting and transmitting
(j) citizens' band radios and mobile telephones;
(i) x-ray and medical and dental perdipment;
establishments as defined in this section;
specifically included in another class, used in commercial
tal zarurtures - sameures - and - agripmonty - exocpt that

Standard Industrial Classification Manual prepared by the United States office of management and budget. The property must be used for the: (a) processing of Montana raw materials, such as
the

(a) processing of Montana raw materials, such as minerals, ore, agricultural products, and forestry products; or

(b) processing of semifinished products produced in Montana that are used as a raw material in further manufacturing.

(4)(5) (a) Except as provided in subscetton (3)(8), C/A/S
Class eight property is taxed at 9 con of its market value.

section that is used in a value added process is taxed at 5% of the market using."

NEW SECTION. Section 3. Application for classification as value-added property. (1) Any person, firm, or other group seeking to qualify its property for classification as value-added property under class the shall make application to the department of revenue on a form provided by the department.

(2) If the department makes an initial determination that the property qualifies as value-added property under furcify: furcional class eight, it shall publish notice of and hold a public

-5-

22 23 19 20 21

-6-

classification.

Section 4. Section 15-7-103, MCA, is amended to read:

"15-7-103. Classification and appraisal -- general and uniform methods. (1) It is the duty of the department of revenue to implement the provisions of 15-7-101 through

(a) for a general and uniform method of classifying lands in the state for the purpose of securing an equitable and uniform basis of assessment of said lands for taxation purposes;

15-7-103 by providing:

(b) for a general and uniform method of appraising city and town lots;

(c) for a general and uniform method of appraising rural and urban improvements;

(d) for a general and uniform method of appraising timberlands.

(2) All lands shall be classified according to their use or uses and graded within each class according to soil and productive capacity. In such classification work, use shall be made of soil surveys and maps and all other pertinent available information.

(3) All lands must be classified by parcels or subdivisions not exceeding 1 section each, by the sections, fractional sections, or lots of all tracts of land that have

been sectionized by the United States government, or by
metes and bounds, whichever yields a true description of the
land.

(4) All agricultural lands must be classified and appraised as agricultural lands without regard to the best and highest value use of adjacent or neighboring lands.

property classified in [section 6]. classified in 15-6-134 and the year used in the appraisal of specifying must be appraised on its market value in the same year. 15-6-134 or completed under the provisions of a11 ä the may use the same year for property classified in property classified (section 6]. The department shall publish a rule any year periodic revaluation used 'n the in 15-6-134 or [section 6] 15-7-111 after January appraisal of taxable property S.

assessing them separately." may the sewage disposal or domestic water supply systems be other improvements in which they are located. assessed, and included twice supply systems All sewage disposal systems and domestic use water ьy taxed separately of. al1 including dwellings them from may in the the land, house, or not valuation and In 0 no appraised,

Section 5. Section 15-10-402, MCA, is amended to read:

"15-10-402. Property tax limited to 1986 levels. (1) Except as provided in subsections (2) and (3), the amount of

19 20 21 22 23 24

(3) limited to property that is used for the mechanical or chemical transformation of materials or substances into United States office of management and budget. products in the manner defined as manufacturing in must be used for the: Standard Industrial Classification Manual prepared by the tates office of management and budget. The proper The term "value-added property" means but the 1987 property is not

(b) processing semifinished products produced Montana that are used as a raw material in further processing of Montana raw materials; or ä

manufacturing.

(4) (a) Except as provided in subsection (4)(b),

2

(4) (a) Except as provided in subsection (4)(b), class twenty-two is taxed at 6% of its market value.
(b) Value-added property that is acquired by an industry after July 1, 1991, and is used in a value-added process is taxed at 5% of its market value."

Renumber: subsequent sections

taxable for any taxing jurisdiction, exceed taxes levied on property described 15-6-136, year 1986. 15-6-142, and 15-6-144, and [section the in 15-6-133, amount levied 6 may not, 15-6-134, for

Title 20; or chapter 12, part 41; elementary and chapter 12, part 21; special improvement districts, Title 7, ő The limitation contained in subsection (1) does levies for rural improvement districts, Title 7, bonded indebtedness. high school districts,

taxation property described in 1986 levels. construction subsection ç improvements (1) are ç ç subject deletions

changes in amount notwithstanding an increase levied" 3 O. and the in the value » the used taxes used reappraisal, to convert number "amount imposed on in this of a õ levied* mill." appraised value mills 9 adjustments an individual piece of property, section, decrease mean levied, the the ä ij ő ç "amount of taxes the value taxable value, actual increase percentage due dollar

14

description -includes: taxable Section percentage. ģ Class twenty-one property 2 Class

22

٠

specifically <u>a</u>11 included in another class; land used tor INCOME-PRODUCING r commercial purposes except that

> subsection (2) (a). . "(b) Property described in subsection (1)(c) one-half the taxable percentage rate established 15 taxed

except those specifically all improvements used for A commercial INCOME PRODUCING purposes

9

property included (2)(4)Except 25 in class twenty-one is taxed at provided illy included in another class with section of the section (2)(6) of the section 30,68%

S market value

applies to taxable years beginning integral part of Title [sections 3 {Sections NEW SECTION. SECTION. w of. æ. ≥6]. Title Section 8. Section 7. Dre J 6] are 15, 15, chapter intended Applicability. chapter Codification after December 31, 6 ö 6 part part ē codified as an ۲, [This instruction. ; apply and act] ő

10

NEW SECTION. property includes: section 7. percentage. (1) Class twenty-two

-End-

except those included in included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies 2 all mining machinery except that specifically class five;

and supplies except those included in class five;
(c) all goods and equipment intended for rent or lease, except goods and equipment specifically included and (b) all manufacturing machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r),

(d) furniture, fixtures, and equipment, except that specifically included and taxed in another class, used in commercial establishments as defined in this section; taxed in another class;

equipment; radio x-ray and medical and dental equipment; citizens' band radios and mobile telephones; television broadcasting and transmitting

cable television systems;

motel; office; petroleum marketing station; or service theater projectors and sound equipment; and value-added property as defined in this section "Commercial establishment" includes any hotel; section

ROLL CALL VOTE

SEN. HALLIGAN SEN. BROWN SEN. ECK SEN. GAGE SEN. VAN VALKENBURG SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. BROWN SEN. ECK SEN. GAGE SEN. VAN VALKENBURG SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY X Chairman	NO
SEN. ECK SEN. GAGE SEN. VAN VALKENBURG SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECRETARY Chairman	
SEN. GAGE SEN. VAN VALKENBURG SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY Chairman	
SEN. VAN VALKENBURG SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. HARP SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. YELLOWTAIL SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. THAYER SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. TOWE SEN. KOEHNKE SEN. DOHERTY SECTETARY Chairman	
SEN. KOEHNKE SEN. DOHERTY SECRETARY SECRETARY SECRETARY Chairman	
SEN. DOHERTY SECRETARY Secretary Chairman	
Secretary Chairman Chairman	χ
•	
•	
Motion: Jun Sunater Con Callenbur	
Motion: Lux Sinater Pau Pallenhur to amend 539/60 as a	4
attent to the	1 <u> </u>
(DVIACH MANA)	

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION		
Date 1/2/9/ SB 1	Bill No. (/6/) T	ime
NAME	YES	NO
SEN. HALLIGAN	X	,
SEN. BROWN		X
SEN. ECK	λ	
SEN. GAGE		X
SEN. VAN VALKENBURG	<i>x</i>	
SEN. HARP		χ
SEN. YELLOWTAIL	Ìλ	
SEN. THAYER		X
SEN. TOWE	X	
SEN. KOEHNKE		X
SEN. DOHERTY	X	
Secretary Sill Arhyans	Senster Mi	h Hallya
that SB 460 B	Jan Valko	nlung
that SB 460 B	n Para As	, /
amondod		

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION				
Date	4/2/9/ SB Bill No.	<i>435</i> 1	'ime	
NAME		YES	NO	
SEN.	HALLIGAN	X		
SEN.	BROWN	X		
SEN.	ECK	λ	•	
SEN.	GAGE		X	
SEN.	VAN VALKENBURG	X		
SEN.	HARP		X	
SEN.	YELLOWTAIL	χ		
SEN.	THAYER		X	
SEN.	TOWE	χ		
SEN.	KOEHNKE	X		
SEN.	DOHERTY	X		
	zill dad zu l	mile	Vallen.	
Secretar	Chairman	IIMMU (I	Chilly un	
Motion:	Ly denata Dan 1 Short SB 435	Dellam	dur	
	Shart SB 435	Do Pax	& T	
			-	

SENATE	TAXATION	
EXHIBIT N	107	
DATE	4/2/9	1
BILL NO.	SA	470

PROGRESS SINCE THE COAL TAX REDUCTION TOOK EFFECT

The first reduction phase took effect on July 1, 1988:

	PRODUCTION	COAL MINE EMPLOYMENT
July 1, 1988	38.9 million tons	1142 employees
July 1, 1989	37.8 million tons	1113 employees
July 1, 1990	37.5 million tons	1102 employees
Dec. 31, 1991	34.3 million tons (est)	1146 employees*
Dec. 31, 1992	34.4 million tons (est)	
Dec. 31, 1993	34.2 million tons (est)	·)
Dec. 31. 1994	30.6 million tons (est)	

Source: Production figures - Montana Coal Council
Employment figures - Montana Department of Labor (the numbers used by the companies to pay workers compensation and unemployment compensation taxes)

^{*} January 31, 1991

Production and Value

The following chart shows production for 1979 through 1989. The price r ton at the various sites depends on the quality of coal (heating value, inisture content, sulfur and ash content, etc.) but an average for Calendar Year 1989 was \$7.40 per ton making the value of that coal \$280 million. The price is established by the Department of Revenue after the three state and o federal taxes are deducted. Therefore, it does not reflect the total cost the coal.

Coal Production

Year	Production (Million Tons)
1979	32.5
1980	30.0
1981	33.3
1982	27.8
1983	28.7
1984	33.1
1985	33.1
1986	33.7
1987	34.4
1988	38.9
1989	37.8

Source: Workers Comp. Division, Dept. of Labor

Coal Production Estimates in Millions of Tons for the Major Montana Coal Mines as of January, 1990

	Actual 1989	1990	1991	1992	1993	1994
ecker Coal	10.1	9.4	9.1	9.2	9.2	8.8
nife River	.3	.2	.2	.2	.2	.2
Peabody Coal	3.7	3.5	3.2	3.2	3.2	0
Spring Creek	6.0	7.0	7.0	7.0	7.0	7.0
Western Energy	13.7	12.0	11.8	11.8	11.6	11.6
/estmoreland	4.0	3.0	3.0	3.0	3.0	3.0
	37.8	35.1	34.3	34.4	34.2	30.6

Source: Individual Companies

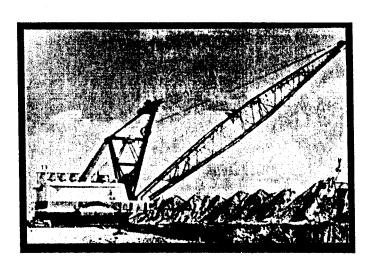
This brochure was prepared by the staff of the Montana Coal Council with the assistance of informational sources quoted. The Montana Coal Council is a trade association whose members are involved in the production of coal in Montana. We support realistic state and national environmental and social standards. The Council also recognizes the need for a federal energy policy that will lead to the development of domestic energy sources and reducing this nation's dependence on foreign oil.

Montana Coal Council 2301 Colonial Drive Helena, MT 59601 (406) 442-6223 Executive Director: James D. Mockler

Office Manager: Danette M. Warren

SENAIL IAXATION EXHIBIT NO.

Montana Coal 1990



Every ton of Montana coal replaces 31/2 barrels of foreign oil.

SENATE TAXATION

EXHIBIT NO.

TABLE 1

BALL NO. 5/

Repeal Local Government Severance Tax and Gross Proceeds

(In Millions)

	Fiscal 1992	Fiscal 1993	Biennium
Oil	\$28.910	\$30.252 [°]	\$ 59.162
Gas	7.754	7.541	15.295
Cont	12.901	-1. <u>12,689</u>	25.590
'l'otal	\$49.565	\$50.482	\$100.047

		TAI	BLE 3		
Estimated	Net	and	Gross	Proceed	Taxes
		(In N	Millions) ·	

	Tax Fiscal 1992	Tax Fiscal 1993	Tax Biennium 1992-93	40 Mills Fiscal 1992	40 Mills Fiscal 1993	40 Mills Biennium 1992-93
Oil	\$32.802	\$34.324	\$ 67.126	\$ 6.817	\$ 7.133	\$13.950
Gas	8.585	8.350	16.935	1.732	1.684	3.416
Coal	** 12.680 🖔	12.472	<u>25.152</u>	4.644	4.568	9.212
Total	\$54.067	\$55.146	\$109)213	\$13.193	\$13.385	\$26.578

Table 3 \$67.126
Table 1 59.162
\$ 7.964

Table 3 $\frac{GAS}{\$16.935}$.
Table 1 $\frac{15.295}{\$1.640}$

Table 3 $\frac{\text{COAL}}{\$25.152}$ Table 1 $\frac{25.590}{\$38}$

Table 3 \$109.213 Table 1 100.047 \$ 9.166

SENATE TAXATION

EXHIBIT NO. 5

DATE 4/5/9/ M

BILL NO. 5/5 479

MONTANA COAL TAX

Under Senate Bill 470:

13.5% of F.O.B. Mine Price

Combined with Local Geovernment Severance Tax (Flat Tax) and Resource Indemnity Trust Tax:

Statutory Rate: Flat tax = 5.0%

RIT tax = .5%

Effective Rate: Flat tax = 3.36%

RIT tax = .337%

Severance tax = $\frac{13.50\$}{17.197\$}$

Combined rate under current law (after July 1, 1991):

Effective Rate - Flat tax = 3.36%

- RIT tax = .337%

Severance tax = $\frac{10.09\$}{13.787\$}$

COMPARISON WITH NORTH DAKOTA

North Dakota Tax Rate = 77 cents per ton.

At \$7.36 per ton - 10.42%

At \$5.50 per ton - 14.0%

At \$5.00 per ton - 15.4%

COMPARISON WITH WYOMING

State Severance Tax - 8.5% (The base varies according to the Direct Mining Cost Ratio at the particular mine site).

Assume	78%	Direct	Mining	Cost	Ratio	•_	6.375%

- Plus Ad valorum tax (County Property

Tax - Campbell Co. = 59.324 mills) - 4.45%

- Plus Sales Tax (4% in Campbell Co.) - 4.0% 14.825%

Assume 85% Direct Mining Cost Ratio - 6.79%

- Plus Ad valorum tax - 4.74%

- Plus Sales Tax - 4.0% 15.53%

Without the sales tax:

Assume 78% Direct Mining Cost Ratio - 10.825% Assume 85% Direct Mining Cost Ratio - 11.53%

DATE 4/3/9/ BHL NO. 90 47)

COMPETITIVE ADVANTAGE OF MONTANA COAL

Freight Rates: It is 125 miles shorter to Minneapolis from Montana Coal mines (Decker and Spring Creek).

Assume 1.0 cents per ton mile = \$1.25 per ton less frieght.

Assume \$8.00 per ton coal before Montana Severance taxes:

	MONT	ANA			•	IMOYW	NG
Coal	-	\$8.00			Coal	_	\$8.00
Tax	-	1.34			Tax	-	.92
		9.34					8.92
			Plus	Extra	Frieght	-	1.25
							$1\overline{0.17}$

In order for the Montana tax to price Montana Coal out of the market (Minneapolis and Great Lakes area), we would have to have a tax with an effective rate of 27.1%:

Competitive Wyoming price - \$10.17 Montana tax (\$10.17 - \$8.00) - 2.17 Effective rate (\$2.17 /\$8.00) - 27.1%

		DER RIVER COUNTY, IN SOUTHEASTERN MONTANA,
\$4.		TAND BACK OF MONTANA'S COMMITMENT TO THE
COAL CO	MPANIES, "THROUGH THE WINDOW OF OPPORT	UNITY", TO REDUCE THE COAL SEVERANCE TAX
TO 15%,	JULY 1, 1991 - THANK YOU!	
- C2"	A Coin Broadusmo	
والمعتمل المستعمل الم		Control to the second section of the section of the second section of the second section of the second section of the section of the second section of the section of
June	Lidering Brookes 04f	The set Total Control of the second Control
and.	1) Carthela	
(x	Broadies Ad	AND THE RESIDENCE OF THE CONTRACT OF THE CONTR
Sho	runa Rhodes Brondus	/
Mya	curia Bhoces	entitions again and acoustic femous and acoustic acoustic action of the control o
- Bur	a Trank Swidner 59317	del ** Company on the Company of the Service
` .		
_ C.P.E.	regl Harrie Breagles M.	The latter that was a second and advanced to the control of the co
A Street Courses to		marks and the control of the control
a and the service	en la companya de la companya della companya de la companya de la companya della	en elemente la marchina de marchina de la marchina
**************************************		makan sakaban mengan dalam mengan dalam keranjan dan pengangan dalam dan pengangan dalam dalam dalam dalam dal
understand metals at the ex-	on the control was an experienced about the second	authorization and more account of the contract and the contract account of the
	na sa tanàna mandri ny kaominina dia kaominina dia mandri mandri mpikambana ny kaominina dia mpikambana ao ami I	
sternation of	er en	PR with the surface was represented by the control of the control
	The same of the same of the same of the past of the same of the sa	
	THE STATE OF THE PARTY OF THE P	The late shape review underscapes after a control of the control o
		Production of Participation in the Control of the C
		· · · · · · · · · · · · · · · · · · ·
	الرياق والميان وليهل والأوجاء والمعترك المعيد العمل منطاليس المسائنة الأعمار المسائنة المستدين للسائمة المادانة	make a number of Maria Philadel Philadel (Maria Maria Maria Maria) (Maria Maria Mari
or one for our absence		ord with confidence of the production of the pro
	no anti-si di anti-si di dia calamina di mandra di Tanàna di mandra di m	and blacks before discount described the Manager Control subsequence of Company to the second
T		d 1980 de la company de la com
. we excussion	The Committee of the Co	material and the state of the granter of the account and the control of the contr
	north and 115 north standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months and a standard months and a standard months and a standard months a standard months and a standard months a standard months and a standard months a standard months a st	All non-materials (Materials Andrews) of materials and the materials and the materials and the second
. Santana .	and the state of t	manathagad diagnas selestanal risk mark to travel 4 common transcription of the common selection of the common of
	and the state of t	- The same bandle of the state of the band of the same bandle of the same of t
_		
	and the second s	the second decrease of the decision which the second is the second control of the second
	The state of the s	and a market annual to the continue to the con
H ₂ ·		

announcers also acceptable to an Alexander to a

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF F	POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA,
HEREBY REQUEST THAT THE MONTANA LEGISLATURE	
COAL COMPANIES, "THROUGH THE WINDOW OF OPPO	ORTUNITY", TO REDUCE THE COAL SEVERANCE TAX
Murine R. Hanlan	Biddle Mont 59314
Cheri Gutton	Broadus Mt. 59317
Je ren Huall	Olive, MT 59343
John molly	Olive MT 59343
Monald Speedel.	Proadus MT 59317
Batherine Stabio	Broadus Mt.
VarBrose	Bready MT. 59317
Babbie Hidel	Broadus MT 59317
Mancy Staddard	Broade, nt 59317
- Janey Stadon	1000 0 M 7 9 3 1 /
THE BILL THE STATE OF THE BILL WITH THE SEASON FROM THE STATE OF S	That is the motion of a common section of the common section of th
AND THE PROPERTY OF A STATE OF THE	age and the state of the second of the secon
en e	The Commitment of the Committee of the C
de en de como de como como como como como como mante de como d	en e
The St. Common Common the Its houses ("the wall made of the particular places and the day agreements" of the day.	and the second s
and the second of the second of the second of the second for the second for the second of the second	The state of the s
The state of the s	e institut on the second secon
A 19 for all the end down to feet the first and all of the end of the end of the trade of the trade of the end	and the manufactural groups the continue transfer and angular and the continue transfer and the continue of th
the state of the s	gg - The Market Administration of the Market Assessment of the Administration of the Assessment of the
PP PI have a more his house of the result bearing and the companies of the	ge (Contractive Contractive Co
	man the transfer that the set of the left of the contract country and the contract of the second of
The second secon	Afternoon and the contract of
	and a second control of the control
	ng
	and the second second design of the second design o
	Add had the man after the control of

. .

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991, - THANK YOU! Rt. 89 Broadus, Mt. Rt. 89 Broadus, Mt. Biddle MT 59314

15%,	JULY 1, 199		YOU!		An
Jou	Jung	1000	·	May deligate to a construction of	HCK 82 Box C1 Belle Cule, int
Man	0/12-21	Carri	1.	,	Broadus Mr.
Pan	willy V	To To	1		Bralus Mt
200	at Ri	io)	d i 1997-til detailled f 19aandillionad vis	Baumadu (48a	Rt 89 Bradus Mt.
fur	ω_{-} μ_{α}		ter terripier des années de les des proposes, principies,		De B. L. Dillians
Maria Missaulia in Itali	in the second of the second second		and and it is a major of the designation that I have	AMILA MINER.	The second secon
	in the second presidential of the last property of second regis		The state of the s	n and the second	del Martin de Carte d
··· ***	i y die 1890 – oppisch die Printestan gebrui	er man en	سالا المعاومة المعاودة والمعاومة المعارضة	·	- Commence of the second secon
international constitutions	and the state of the state of the state of	•	· · · · · · · · · · · · · · · · · · ·	,	
				EF-183	
element de le legen	e and filler is small in 1877 in parthops and		akanin a haakking a dhaannaring ii	eki eki kusus Parangan	and the state of the second state of the second state of the second seco
erancina (c.)	د به معالم از المعالم		ern der de seitert der seitert alle seitert der seitert auf	MA seemal	make the make on the second of
	e alesta and a ¹⁷⁸ 6, main any mpinka 1963 (1964) at lan		and the second s	-restaure and	and the supplementation of the second control of the supplementation of the second of the supplementation of the second of the s
*********	on the court of the court of the contract of the court of	· . 100 gr-mongay, amain's standard standard	ed tuditor sweets a green was to	* In	The state of the s
1 an	o red School coming Birth Colonia and amplifi	THE RESERVE AND ADDRESS OF THE PARTY OF THE	Book and the Book of the Art of t		The controllation which the first controllation is a second of the controllation of the contr
→	الله الله الله الله الله الله الله الله	مين مين و دو المين ا المين المين ال	رة التوكيدية الوقطيوة فلموات الوائد الوائدة الحداد المناس	distribution and	and the desired process of the second
e-ten To Faces	, mar in inding majaya's flyadhi (1964).aagba	· · · · · · · · · · · · · · · · · · ·	-	Nahama na	والمراز المورود والمواور والمتاز والمستقيم والمصافيات أيده والمراوطية والمستقيم والمستقيم
	n in the second and t	ت ۱۹۹۴ که ۱۹۹۰ م	The lift of the state of the st		The second secon
	E.		interes de como consederante antica a que	rainve var	
na tao amin'ny avoi	and the state of t				
		• • •		en e and trape	
سيسانيها الاستطالية	and a second			a tracta in the	The state of the s
	amus makku p * eksis Promise kulus	· · · · · · · · · · · · · · · · · · ·	- Linda Propins Annual Strange Strange (Lancier)	-	
10 v. 410 v. a d au t	and a comment of annual days (100 and the Prophysical Res	# 1 44 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1	المراجعة الم	: 	man transmission and the second second and appropriate many contract and the second se
are are the second	ration was the rise confidential	•	Martin To 1 Starter for the policy of the state of the st	The release become	phonormal and the contract of
	rdeni-washida sakasa mmadidi dinadi d				The second secon
					The second secon
وهنفيد سيده والمس	removedance is the representation to be an improvedance to				
					The state of the s

;

COAL COMPANIE	s, "THROUGH THE	WINDOW OF OPPOR	TUNITY	Y", TO REDUCE THE COAL SEVERANCE TAX
1 /	1, 1991 - THANK			RIM
pel	ansigna) Orango Sua or Sua masa badan masa masa masa masa masa masa masa ma		Broadus Mont 59317
	harring Bahadang (Mara) at a tau Pillan da Pillanda (Pillanda)	والمستعدد المستعدد والمستعدد والمستعدد والمستعدد والمستعدد والمستعدد والمستعدد		The second state of the second state of the second
September and Flores's Security Constraint Security	and we a strong of the first to the strong of the strong o	, Militage geografical (The constant of School of School of School		A parameter segment and the control of the control
de asserption of the Period Committee of the s	i Burrania ("Is "Inguistation the raid the suffer Is Ithin due a unbi-thinte	TOTAL ALL MOTERNIS ALPHANIS THE HAMMAN AND ALL EST.		
personal and the second of the personal second of the seco	Control of the Contro	inde mang py a p thi gal to also differentiates get i mandam als biotistics .		Control of the Contro
The state of the community of the state of t	in and the state of the state o	menter in en men de mententiele menten verd meter 1740.		ARTHORISM CONTRACTOR C
De la servicia de parte de la compansión d	an ang taon ang ang ang ang ang ang ang ang ang an	in the state of th		The sufference of the superior
The service accepts on the least of	g	nati dependentale de la compania de	,	was a salamin has a managamban a sa managamban
,	· ·			
The second second second second second	The state of the s			
, medicinati menin ili ili ili tumba susuadu.	ustralium (1). Pale alas um un dinte se contrato estimato de timbe estimate.	त्र चेवल ६ च्यापणि त्यापास्त्राप्तः संभाषाः अवस्थानस्य स्थापाः स्थापाः स्थापाः स्थापाः स्थापाः स्थापाः स्थापाः		The Committee of the Co
, were made to the state of the	و در	riger virusinisti per (in virus) per		Table 18 Balancia Survivo (2008) 1 (1999) (2008) album spaan (2009) (2004) (2004) (2004) (2004)
ing and the first transfer of an attention	and the second of the second of the second s	u numer een sukkinsulsula eeste luukka (k.) esituusi lui n		The second of the designation of the designation of the second of the se
in the second representation of the second s	t of the second second of the second	tica substituci circus et tolono della paga medicollari et acción. E		And the second s
				Secretaria de Caracteria de Ca
, fyt is ten Cle Cladence anniversament me	amay - ramagan di Pal-Penandah di Pal-PenandRP angdAPPA-dagdAPPA-landRP 	etteratur sermida un transporte del general delle i un misse et transporte delle un un misse et transporte delle	è	
· · · · · · · · · · · · · · · · · · ·	na na isan ini 37 di masakan iku 2700° Mphilip Mahalah (Mahalah Art	al different selection for the common and a selection of the discourse of the selection of		Propose Space Communication (Communication Communication C
ing and the second of the seco	E. Limited the community of the communi	us emis ellemen saudd eidd _g wegydd sidus yn stad s		
er om Folkeristiskassa och och stade	and the second of the second o	TO BENEVAL AND AND MAIN MARKET AND THE CONTROL OF T		A STEEL AND AND A STEEL AND A
راي مايد مينيا مدرمانيات مايشنيا الدين الحدار المايد المايد المايد المايد المايد المايد المايد المايد المايد الماي	and the state of t	e destroite destruction de la labelle destruction de la destruction de la labelle de l		art North Burling (st. mate Burning). (St. Steinsche F.). In detauticht afficience von seine sein von der Seine (St. St. St. St. St. St. St. St. St. St.
•	• .			
The second secon	-m - r hand 19th neither feethere der Buden de Thebreith Höhren aufstelle ditektion			
a Medical Encloded Solve on a communicati	aan dia militari ka	geffengidd (530). Mil bed Skright i deglandagair onn dir 777 biffein seine		consider an authority (MERCALLE AND
) 		market Machiner for the Philadelphia deals. The telephone force		Above with addition the addition to the additional additional and a second second account of the additional ad
ar Sami Bandan Manusanida in .		AND THE RESIDENCE OF THE PERSON OF THE PERSO		the antiferral antiferral section is a filled with 450 fills and 300 fills and 100 fil
1 -4 : 4	Annual distribution of the Control o	M 1 Dec Colored 10 This Paris 10 This Pa		**************************************
	•			
and the state of the same and the same as a section of		THE PARTY OF THE P		

, ,	1, 1991 - THANK Y	ou!	
Ken	myth Car	ter	Broadus, Mili Olive, Montana
Corey	Awenson		Olive, Montana
1/1/2	Bu Fitten	······································	Broaders MI
	Mc flicter	**************************************	the state of the same of the s
ing meni serda in 1000 sagai 1940 Magi an	Aur. mister" (k. 1864). Miller (skrivestrose valder (h. 1878). 1874 -	an dhe anna Maria a padhana. Philips teadannaa ya 1870	AND THE RESIDENCE OF THE CONTROL OF
erin de establishe	17 - 22 a desamble de la completa aposa de la completa de la completa de la completa de la completa de la comp	d. Trock Try or T. Tri Self II. Alder posterprises of the consideration with surface and	material control of the control of t
•		•	
Service of the second of the service	The Country of the Security of	in a primar 20 star untab annon 1922 maiste (1957).	de ET Viellemmellermelle (de Barth) de vant fich in in Normal auch in
Maria (Salo a Augusta Augusta)	and \$100 colours and another these throughous throughous commission the	e montante sizito quaeren quae e con como si i con e c	The second section is a second section of the second second section is a second section of the second section section section is a second section sect
Same and the same of the same	A control of the second	,	WHEN A ANDREW SHAPE THE REAL PROPERTY AND THE STATE OF TH
	and the second s	The state of the s	
milim miliatomi, jugtaka kaka isi sest	in all processes that all all all our own defining the profile of a value	n Pormunida sagriculturo del del del se	- British of Million and Assessment State and Asses
Marie III i II i II i i i i i i i i i i i i	ika kumin na makazata kumun 1960 sa miningi mpangayan Miningi na mpa anggamingga	sente da dem e navelabatean servica de mondo que que que	magnitude and an annual for a common of the control
PARK TRY OF FEMALE ARREST CO.	ан май is le Tra () 1877 — Л. на СРГ (26.18) Ана СРБ (26.28) СРБ (26.28) В ТР (26.28) В ТР (26.28)	gregoria del Terror de esperada por la fasta de sente del como gregoria.	desire devices avained to the extension of the control of the extension of
POST CRANCE SCHOOL SPECI	and the first order to the control of the control o	an or sowers a new class of length ()	The County of The Control of Cont
to an unate out order	10 Note consider without and an intermediate appropriate page 1 ()	anticolor (t. 1871 a) Total Color (this color to color (things) of color	on the control of the
e and the contract	index in the surflete subdecision appears to subgraft differentiable frequency.	am IMP Social displace floor o Lagrage on the Latine Lagrage and	The standard Companies of Common with Special Standards of Common describes and the Common descr
Market and a second	er - Frenchen in State Frenche in Welste ausgeber 1994, deutsche beschiede seine der arbeitet.	er (1977) Tana di sala sala sala sala sala sala Sala (1971) sala (1971) sa sala sala sala sala sala sala sala	and the second s
de montana de 1 m de 20 m de	om og vil 18 stanskriver sky 1414 og skyrige Pringstonliggingen skyrs sky	TO PROPERTY AND ASSESSMENT OF THE PROPERTY AND ASSESSMENT OF THE PROPERTY OF THE PROPERTY ASSESSMENT OF THE PROPERTY OF THE PROPERTY ASSESSMENT OF THE PROPERTY ASSESSMENT OF THE PROPERTY OF THE	Propose Management Colorado a construir de la
See on the second	جويل المعجم جيماد بينيا رئيساً النسان الألباء السيحة ما المسا الأراب الأراب	er alle freen stadd ferfeth websitely let we to yet, to ge	and to a more for the second distribution of the
minat saataanin ee sii dee tee s	n Miller - Er Steilung in der Miller und der Steilung und der Steilung	terbanis de la mantina de la manda de l	and the second control of the second control
		a mara mara da di distancia del Paris, angli di Relating del 200 and Agricola (
e Sancia como a Caracteria de la Colonia de la Colonia Colonia de la Colonia de la Col	" - kur dransı bilini dir. m.dı. a "koraşı" "kurrallık dilik i	annen ili Adu i ili ilikala ilinaka aleksi aleksi aleksi ili i ili i ili aleksi aleksi es	# The Control of the
	der Die verscheit von der	FF To Mark Mark Contract of the Mark Mark Mark Mark Mark Mark Mark Mark	Control of the second s
Michigania (Marchada) (State	 - indicate Book (APPR TERMINAL AND ARRANGE APPRICATION ARRANGE APPRICATION AND ARRANGE APPRICATION AND ARRANGE APPRICATION AND ARRANGE APPRICATION AND ARRANGE AP	· Wire & Mills (Mr.) (Million Mills in deal Mills in Albeit	processes and the Company of the Com
and the Property and the same and	and the state of t	LOVER & TO AS ASSESSED ASSESSE	mad attack at the same and the control of the contr
e nome defining and a separate from the	er och die er och die gegen der det des gegen der det de	i de regional de l'article de la companie del la companie de la co	AND ARREST ARREST AND ARREST ARREST AND ARREST ARREST AND ARREST
منديني <u>دادمات د</u> الدوم	alan mananin amanin la 		erreter de des resources de la colorie de la colorie de la colorie de
		- Participa Ph. Shinishinaka participa ya Nilakakapa ya Participa ya Participa	and hardest more alleline and discounts for commencer and the analysis of the second by the second b
		······································	The state of the s

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER	·
HEREBY REQUEST THAT THE MONTANA LEGISLATURE STANI	\cdot .
COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNI	TY", TO REDUCE THE COAL SEVERANCE TAX
TO 15%, JULY 1, 1991 - THANK YOU!	
from Dowe	Stoalus IV
A Elebrit Muleuro,	Bearles mr.
Herranton	Broadus, Mont.
Diana Edwards	
Lone Steadman	Broody MT
ing and the second of the seco	The summer of th
	and the same of th
The Miles of the Control of the Cont	The Property of the Control of the C
The Control of the Co	The transference of the transference of the second
Company of the Compan	des de Billiones que mon que de servición como estado que consequencia de consequencia que en que en que en qu
en e	The way of the later than the later than the control of the contro
	Me district of the contribution of the section on the section of t
The second distance of the second	The second state was series and the second s
	Management and the second of t
the state of the s	men and the second seco
	wa makamban wa masani anga magaman magaman na mana anga magaman na magaman na magaman na magaman na magaman na
The state of the s	** With Address Street Control of
Market of the same and the same	Control and address of the office of the control of
The Control of the Co	An execution within a Millionian in the Committee of the
The state of the second control of the second of the secon	and additional and plantage and additional residence with a first and a first
	And the state of t
	in the state of th
	And the College of th

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU! Broadus mt. 59317 Broadus Mt. 59317 Drondus Dort 59517 roadus nt. 09317 Knodernille Mr 59 345

				;	
WE, THE UNDERSIGNED TAXPAYING CITIZE	NS OF PO	WDER RIV	ER COUNTY.	IN SOUTHEASTER	N MONTANA.
HEREBY REQUEST THAT THE MONTANA LEGI					
COAL COMPANIES, "THROUGH THE WINDOW					
TO 15%, JULY 1, 1991 - THANK YOU!	•				
- Laylene Morgan		مديده	-	washind thinks & fam. From 1994 1994 From	· marve
Maria Nay					•
Susie Remos				Milya Milianian de Pilla ellegunado legado en el aprilipado.	e destación permetarios que se su
	-	* PERM	ای بید خرید ۱۰۰ نیز و منبید ۱۰۰ نیزون	المان بين الألبية المانية بين المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية المانية	enne verrierin i i i i i i i i i i i i i i i i i i
Gyanda Willage	an recursive pr		Marianta terramina di Parangan da Pangan da Pangan Bangan da Pangan da P	salmanana (APPan apphalais), Asilo (AN) apphalais	Months of the Control
Nager Willens	Marine dans residence princips			and the state of t	•••
James Scala	Miljo Timograpi daliti sadirimi 1.35°.	1 4100	Mindred and Control of the Control o	Section (section and annual control of the control	
Jun Da Dog		~	and the second s		•
Linea Periodector					•
	all di 1981 di 11 augusti sud		AND THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON.	Settle Marie Set and Published and a settle of a community and	er transfer en
			an an Park Britan, in de la cast from the Salam Park Car	Marian andre in a superior and a constant	
Darbard Toursen	3	<u> </u>	ing and described for a first section of	e mended tomas e e e e e e e e e e e e e e e e e e e	e tres creations.
France Collins	mar and have been as a second	e de la companya de	minumane acuses	er ekirgakon elektrak barorra ili ili ili ili ili ili ili ili ili il	and the same of the same of
(aryon Sarabart)	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	e of To Think which the State of the State of the State of the	manak tumbanya dakam - kumpuya yaka ya sa	
Slinton Watter	·:				
Come True Phone		~	The state of the s	Market and the second and the second are second as the second and the second are second as the second are second are second as the second are second are second as the seco	
	The state of the s		o o o o o o o o o o o o o o o o o o o	atti Million vita kanala k	era amerikan sarasili ari sili sili sili s
July Joian			- Anthon Security (1980) a company of the company o	ميان ويستنفس منادو فالمحاصل مناديد	e SeleManica Promatico (1995)
James Dowler	-	-		التنظيم فوطيعه بالمؤاملين أأأ أستحالها أأنه المحادة والأراد الأراق	Michigan and Community of
D. J. M. Bloney	**********	tedtra		en The Address of State of Sta	enghanura ta engan ngan ngan araw
James J. DuBois		سد دند	Bi arramatini artifa arasta (NY) isa astata isa asala	Author Common consistence of the control of the con	e de la companya del companya de la companya del companya de la co
Kallun J. Less				•	•
Stone dell	Terrel delenario Penellari iris			receile (C.C.) The administrative of Philosophical Constitution (Sec.)	Per Character Stranger
	-	******	-	innameri tilli milli sadmi tilmin dan dina siyayar alin q milli- iyadi.	montahasan kacamantana alikeliat yili di
Fold Charles			ود مروعون جي ود يادو تاهيڪ يائينيٽيسبب	and the second s	int Work may to a control of
Mike Brileval!	-			and and the second of the seco	marka sa
Dan Del	-			hittigati canada di 18 f. di Saban a Basin (chiptar aga di sel manadata) e d	Screen of an annual screen and compact of the second
Cheri esciti			-	Market and Washington Co.	Name of the Control o
Elaine Roller		:			rice distribution (a desprisi desp
-Col More		***************************************		فناك فيتراه فالمهادية والقارات المائية والقاراة المائية والمائية والمائية والمائية والمائية والمائية والمائية	ne di relatifica de la collecció de la collección.
-CR JUCC				enteren district des agrees ("an encountry des copie de de la service	Sections and the second section is
The second secon	0				

WE. THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU! values Jus 5931/ Droadus, mr 59317 376- Broale, MT 59317 562 Broadus Mt 59317 Box 118, Broadus, M+ 59311 Box 27 Broaders Mt 59317 Box 181 Browles Mt 59317 Box 332 Droede Mt. 59317 Box 544 Broadus, Mo. 59317

SENATE STANDING COMMITTEE REPORT

Page 1 of 1 April 2, 1991

MR. PRESIDENT:

alien in man, with

We, your committee on Taxation having had under consideration Senate Bill No. 435 (first reading copy -- white), respectfully report that Senate Bill No. 435 do pass.

Signed: __

Mike Halligay, Chairman

134/2/11 Amd. Chord. 5734/2 /1:20 Sec. of Senate Box 48 Broadus, Mt. 59317 March 6, 1991

Rep. Dan Harrington & Sen. Mike Halligan Chairmen-Senate & House Taxation Committies Capitol Station Helena, Mt. 59601

Dear Sirs:

you will find attached and enclosed herewith a number of petitions signed by as many of our local tax payers as we could contact on such short notice.

The petition reads as follows:

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991. THANK YOU!!!

I sincerely hope that these petitions will influence your voting power to NOT freeze the severance tax at the disadvantagious 20% but reduce it to 15% as was promised. These petitions along with Senator Yellowtail's and Rep. Marion Hanson's corroborative statements as to our sentiments here in Broadus, on reduced coal severance tax, should alleviate any problems you might have in voting against Towe's SB352.

We shall count on your fair judgement and sincere support.

Sincerely, July Nowell

Joe McDowell, Pres.

Powder River Co. Farm Bureau

Many enclosures

we, the undersigned taxpaying citizens of powder river county, in southeastern montana, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU! Tronden 12/2/3/2 weelle A. But well Bronze My C Shamley Broadles not Brasing M. Broader St. Broaders MT DROADUS Test A lace Chile Control of Control o DRCHOUS, OLL Broadus, Mt Bready Int Laura Ackerman Alexandrica Mil Muyern Genett Butter Int Army Lidel Broodus Mont Man socy Branden, MH 58317 Broadus, int 59317 ad Ridenone Broadus Mt Broadus Mout 59317 Broader, 24 59317 Broady NJ 593/7 ub Millan Broeles Mt 52317 Hahland, MT 59003 when wash Browlew Tit 57317 Maymen Witherell Broadus, mt Jahn W. - K Broadymt 102 R. S

HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE LOAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU! Asalul E. Mª Rougell. Broadus, 1

E, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA,

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, YEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU! roadus Mt. 59317 rasher 9th 59317 thocke Horris Broadus) Goadus, Mit Sander, Tal, Bur and God Front Broodew Mt the Led amount Brandus, MT Siosils MI. oadus, mt roader me 59317 Roadus Mt. 593/7

			AND BACK OF MONTANA'S COMMITMENT TO THE
	and the second s		NITY", TO REDUCE THE COAL SEVERANCE TAX
Lof Am	eden	OO I	Box 458 Stradus, Mt 58317
Kein E.	HA TO	: المستنب المستنب المستن المستنب المستنب المستن	Material Parallel Control of Cont
- Olo	d South	ECT TO SERVICE TO The winder Service To Service who The Service To Service Williams To	Broadis, most
	us austum "The "Bayus Billiphon Hall (agust a bas spilliphon Paris Hall (agus agus Allanda) a	The decidence of the second section of the section of the second section of the secti	The state of the s
THE STORY OF THE SECURITY OF T	To you will have the sales with the sales and address of the sales and the sales are	n Third my a filt i gar th daw thirtigeach, gan chiùidead de sint each.	national masses and employment and enterprise and the control of t
	 The property of the party and t	nter nervinas so macemisso, mocio costo caso e a	ACTION CONTINUES
e - care concentration	# # 1 Mount on which they # 10 leads have the agter services	The second secon	en de la composition della com
			marks a nagrante suggester suggester sam in in a ser in suggest of suggest a
		TOTAL CONTRACT COME OF COME OF COST OF CONTRACT COST	
CALLEST POTATO LARGE ALCOHOL	i effici i i instindunci in incidenta instinduntati esti per indicenti e	arth fill for the the state of	and the second section of the section of the second section of the section of the second section of the section of th
migration of the second of the	enamente mantante aus periodo que m enderminos que esta esta esta de T	en kritise autwerp zuwadenden mit war in der in der und der	mas amagement factors of account of a second of a seco
Land Park 1995	and that the construction of a scattering suggestion of the	or compression of the respective section is a section of the secti	والمرابع والمنافية والمنافية والمنافية والمنافية والمنافية والمنافية والمنافية والمنافقة والمناف
Section of the transfer of the section of the secti	ett – vitt dav sitt och mille i state til mendettade till till state till som till state	tion of the second seco	Chain of the designation of the control of the cont
	The state of the s	- met (MICE of Cold Cold Art Alexander) - method (Amed all a vivi)	
	man i pir PP Bis mandazi, untuka maganakan katanggap tependenggap memberar	n em moto commissione formes i cerus socialis de octobra de co	the first of the state of the s
go	- Carrier of Arthurschild College and the supplier of the Arthurschild of the College and the	THE TOWN TO ME AND AND AND SHIP STATE OF THE AND AND A MAN	The second section of the section of the second section of the section of the second section of the sect
	er i samme III. er erementen erke 30 for 18 bergin III. Rekybellik etgebenselte, Wetter I	ECONOMIC NAME AND A CONTRACT AND A SECURITY OF A SECURITY	The second secon
Section 2 de la compansión de la compans	F) and the Obsert Sol® of man board comprehensive col-	ent summer conservations was a summer of the	the second secon
	mil Transparent an Erikanium (18. ayalah kandalangkan kandalangkan es	N.	ed ver undanger und er eine eine eine und eine eine eine eine eine eine eine ei
श्रु		i	
	and the second consideration of the public tender the second tend, we then pu	ermin harring to definition of the course becoming the part from only in the course of	
\$6.	r basil (Principle) tegeschiller deute settlebeschillt (Steren einstelle Steren einstelle Steren einstelle Stere	uda finilla (17 Aliu pu. 1855)da filirildi kidor da 7 Euro (dascrivo, radios) e	A Particular of Square (Control of Control o
	an in' ann an a' mainn, ang thag tha an <u>an am an an an an an</u> ang a	auritti. 1918) i till Spillebreidd i deiddesphain aga til 1973 fi Plan austa	material material to the property of the continue of the conti
Section 1990 The Section of the Control of the Cont	the section of the second desirable	gifter Wine is different it is in the constituent of the constituent o	Annual and the American American American and the second of the second o
tener the sea for the season the		and the same of th	namendede <mark>et el elle state de minera de social</mark> ante en l'estate de s'altre au sus automobiles de sant de seu en d
#**			AND more thanks and the contract of the property of the contract of the contra
Maria - Aprillo de Carrollo de Arropa de Maria de Carrollo de Labora de Carrollo de Carrol	urit van dell'ulus vagi kun dell'il Bundipaj vanjandipan allikulturaj liberageite maja		and the second s
		And the second s	

we, the undersigned taxpaying citizens of powder river county, in southeastern montana, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX JULY 1, 1991 - THANK YOU!

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER	RIVER COUNTY, IN SOUTHEASTERN MONTANA,
HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND	BACK OF MONTANA'S COMMITMENT TO THE
COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNIT	Y", TO REDUCE THE COAL SEVERANCE TAX
TO 15%, JULY 1, 1991 - THANK YOU!	
Wan Johnstons BROACKS, MT	Constitution of the second section of the second se
Layro Velleins Broken not	Alles Alles and
Elmer W. Watters Broader, Mat.	A COMMING NAMES SUBJECTS CONTINUES OF THE CONTINUES OF TH
Samuel Lementle Boyest S.	
Sula May Bruses Broadus	The second of th
	APPROXIMATE WE ARE A SECTION AND PROXIMENT ASSAULTS SHEET TO AND A SECTION ASSAULTS SHEET TO A SECTION ASSAULTS.
Trace Trouding Mt.	and the second section of the second section of the second section of the second section of the second section
James Soule	And the second section of the second
Norman Duce Broadus Mr	Warres & Automore Stategor Was Advantager on Automore States Control of Contr
tegalle fruit Doday 7/	in the third was the state of t
Zorma Lower Brooker Int.	The second section of the
Lydia V Watters Broadwo Mh.	
P.J Dandak	where the second section is a first transfer of the second badding the second section is a second section of the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section in the second section is a second section of the second section is a section of the
φ .	To be an of the delication of the majority wild of the countries of the co
Jenda Tourdayter	The wild bear was to the standard for the same of the
I A DAMAGED LYNN MI	And the state of the state of the second state
- Cundy Olson Broadus, mt	Parameter security to the second of the seco
Sengunt Lugar Broadus, MT	enterpolate in a service and and a service of the s
Dinie Watters Broadus, Mr.	ting to a self-time of the contract to the con
- Thomas the hords bleverby will	and the company of consider the following of the constant of t
lim Reinhil Boulus not	and the state of t
- Though Produs	
Top Juin Olive mt	
	and the weed that the transfer to the state of the state
Steven Bird Olive M1.	Alterna militar palaju di Maladidididi i i i i i inglija metroduk malari i interventi i interventi i i i i i i i i i i i i i i i i i i
Barray Russiff Olive, mt	and the second section of the second section with a second section of the section of t
Joi Transfin Broadus Mr	- 1886 - Annie Martin Britannie Berken (1886 - 1886
Lat Granblin, Broadus, Mr	- In the second
L'efford Franklin Broader Mt.	Taka Sada (1994) daga diki Sama (Samada) Samanaka yang dagan kepada dan Sak dada Samana Samana (1994) daga A Sama
Christing Franklin Broading M.	A contract to the second contract to the seco
- anher H. Daskell Volboog, MT	

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER	RIVER COUNTY, IN SOUTHEASTERN MONTANA,
IEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND	BACK OF MONTANA'S COMMITMENT TO THE
COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNIT	Y", TO REDUCE THE COAL SEVERANCE TAX
TO 15%, JULY 1, 1991 - THANK YOU!	
There a A Mederman	Bloadus, MT 593/7
Lega Sie (Lassie)	Breaders, MT 59317
(web) Wiste	Mondus, MT 59317
Madlesser	Moadus, MT 99317
Pitty Weisles	Moadeus MT 59317
- Sinda Bud	Tollong, m+ 59351
Laid Darland	Auadus Mr 59317
Eller of the common for the control of the control	
The first of the first of the second of the second of the second of the first of the second of the s	and the second s
The Control of the Co	and the second of the second o
er er er er er en	and the second control of the second control
The second secon	in the contract of the second
de la la companya de la companya de La companya de la companya del companya de la companya del companya de la companya del la companya de la	PRO META MATERIAL MATERIAL CONTROL CON
	to the second of the companion of the contract
The second secon	The second secon
A control of the cont	
and the second control of the second control of the second control of the second of th	entern et transformation attenuent att en
	والمراز الرابي والمراز والمستعلق والمراأ المراز والمستعلق والمستعلق والمستعلق والمستعلق والمعتقد والمعتقد
	The state of the s
	Salahanda Waste mataka cinamarekat anan salaha an salaha anan salah ana salaha an salaha an salaha an salaha an
8	marks are about 10 to 10 of Table to 10 to
	Anno alla alla ellida alla esta esta alla della esta esta esta esta esta esta esta est
	and the second s
The state of the s	Afficient Million Mathematical Implification (Mathematical Improvement Committee (Mathematical Implication (Mathematical I
in the state of th	The state of the s
THE STATE OF THE S	And had the constitution of the constitution o

THE COMPANY MAY DAVING GITTERING OF DOUDER	DIVER COUNTY IN COUNTRACTED MONTANA
WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAN	
COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNI	
TO 15%, JULY 1, 1991 - THANK YOU!	· · · · · · · · · · · · · · · · · · ·
	131/3 436/117 58317
Jame Screnteck	Brace DU 54317
Hylland J. C. J. Comme	Breeder 22 5 9317
JAMAGU JUNG	Danden,
Luna oberto	Broadus DIT
Colod Moon	Brodenew
X 11 K 1	Bready po
E 12 (1 1)	Broader 197
6 ton Living	Broadus, Mt.
Jany Could	The state of the s
Mish 12 mg Devil	Broadus MT
is and Bastund	Browches M/
Dolores & Carter	Broadus MT 59317
- Dang Marston	Broades MT
	Brander W
John Kirlinessa	and the state of t
	the state of the s
	the second secon
	of the first disease decision. The the control of t
	h Will think Wast Princetting thin days the state of the
	make mandeted matter to other the second management of the second control of the second secon
	And the state of t
The Control of Control	and a superior of the superior
	100 and 100 an
The state of the s	
	to differ the second section of the second section is the second section of the section of the second section of the section of the second section of the second section of the second section of the s
The state of the s	

.

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF PO	WDER :	RIVER COUNTY, IN SOUTHEASTERN MONTANA,
HEREBY REQUEST THAT THE MONTANA LEGISLATURE	STAND	BACK OF MONTANA'S COMMITMENT TO THE
COAL COMPANIES, "THROUGH THE WINDOW OF OPPOR	TUNIT	Y", TO REDUCE THE COAL SEVERANCE TAX
TO 15%, JULY 1, 1991 - THANK YOU!	•	
The end of the street at the second of the s		Land the control of t
		Make the state of
$\mathcal{R} = \mathcal{T}$		Box 51 Bages 14 59316
Junietais	٠	
Liene Sagelle		Box 349, Breadue, Mt. 59317
Julie Hattur		Boy 124 Broadus, M. 59317
A Company		•
Som Shaper		BOX 11 BROADUS MISUSD
Delbert Keler		Bt.82 Box 334 Broadus MT.
Control of the Contro	. ,	
E Transformación in transformación de la complete despectado de el mandeles despectados despectados de la complete del la complete de la complete del la complete de la complete del la complete de la complete de la complete de la complete de la co		were a married succession and place of control or account of the control of the c
es som til en natin i util skalla viski dant i sama erdinakse emagemengnite eri osoto promoti de baginastorius, illi suur		Control of the Contro
		That were the transfer of the continues
en entre terre de la composition della compositi		and the Blumbase lead the lead of the Children and the Arman and the leaders are supplied for the control of the Children and
en de la company		The same the contract of the same and the sa
Here with a second control of the co		The sales when the same that the same that the same is a second of the same that the s
#		and the distribution of the second section of the second s
Ext. 12 for the 17 Mars to the 1 mars to the 17th household the transfer and tran		
The second of th		Manager Manager Cabar Value Co. Caracine a construir Caracine and Cara
됐다.		one and the second state of the second state o
Comment of the contract of the		
The first of the second of the		ed vita vellegaris and the factor velocity and account of the constraint of the cons
		of Dakk Belieff emission demands to the house of a Company November of the second of t
Service of the service and the service of the servi		in Mille Mark Mark Mark College (1988) and an advantage of the college of the col
		mentalismentalista final (1.4 for the final of the content and content of the con
And the state of t		Advance and the addition of the Control of the Cont
		manufacture and right States confirmed a State was a Confirmed and a second and a confirmed an
* .		
and a district with the second of the second		- HER annual definition for the first facility and all the second of the
		The second continue of
The control of the co		And the state of t

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANKI YOU! uderville, 52 Lond

	s, "THROUGH THE W 1, 1991 - THANK Y		TY", TO REDUCE THE COAL SEVERANCE TAX	
thereof !	Schuffey	Sreadu, Mt.	South the contests the contests and the contests of the contest of the contest of the contest of the contests	
Desamil	& Like F	Rocken Mt		
Thorn		0		
11000	Wolfen,	<u>Broadis</u> , MT	eritas situativa tapa vastatas especiales que superiores en en un una trade que en en el como de como de como d	
Delly	Schell	Roadus MT	ember time take tak di militari da time tempakan di manakan mengalan kenala da time tempakan di militari da ti	
1/1/8	'DO L			
Chlew Su		rades nt	CAREST PROCESSOR AND A MATERIAL SERVICE STATE AND A STATE OF STATE	
Olenton	- Kriso B	Roadus mit	44 17 Million and Million and Million and Control of Million and Control of Million and Mi	
	1 20 4 1	y, , ,)		٠.
July flux	Man 1	Zione No	the extension of consideration consistent and a second of the second of	
en e	e	Complete the company of the company		
ing and area and in the same and the same an	k i i i alti i i i i i i i i i i i i i i i i i i	turn in terminal subtraction to the state of the subtraction of the su	Communication of the second of	
والمستشد المعاولة المارية المعارضة المع	d zalimink ka tak kalika musu angka ka mining mining mining kalika angka angka mining kalika na mangka mining Barangan kalika kal	n in the transfer and the contract contract to the contract to	man samanan realization of the second of the	
and the state of the second se	aan darah 1903 Mesi darah misi darah mengapi berhi	. The state of the	audio Bulletia salemo a une que este este cales qua esta qua elementa de culta das persones este este en el es	
Turi waki maka kalaba ba ba ke nga keteka	en der in der der der den dem der	wan More was sona a manifesta wang neliti binasi ke w	Channel (F. Backer) September and other control of the control of	
i mang pinggang ang ang ang ang ang ang ang ang a	r deren ander deren er unter de margine de de la company de la company de la company de la company de la compa	d confirmation of the design and conducting and action of	Managerian south district substrates and south	
	er i manif i e e d'Ari annihen i mag de en primer (given grant grant grant grant grant grant grant grant grant	e um medicular estadoficama um de sistem disculario de	alle des de la fact de la faction de la company de la comp	
		:		
For the September Wildows was a management	na v Principa. (ETA Principa) e PARR mater material estradores da alta esta e e	and the second of the second s	The latter formation was to the first of the control of the contro	
()	navar vari 18 d menteur da 1868 Brytis als Meladolistanianski territ i	Michigan Bellevia de la como de la Companión de la Aprilia de la Companión de	The second section of the second	
	unaan ta'u maanin da sa'uu aada uu ka saan daga daga uu aa	ern storen, makkever, oesse e osia, koronier	restricts of Manuscott Manuscott (And School	
erist was assumed a test	auto (APPANNER OF THE BEST SECTION OF THE CONTRACT O	and \$100 million of constant to the constant of the constant o	
e e e e e e e e e e e e e e e e e e e	. C. and Tale and a constitute in the particular of the constitute	management and and and construction of the second	 On the Branch of Grant described of the Order of the Superior of Transaction on the Control of the Superior of th	
St	un " a skul 19 mindiga kritiga jahr kritiga jahr kritiga jahr kritiga jahr kritiga jahr (kritiga jahr kritiga j	maka dindaksid (da. 11. mpilah dindaksa) sa tisu (11. mpilah dindaksa) s	A Millerhalth White Principles (Committee State) when with the state of the second control of the second contr	,
entre esta esta esta esta en el entre esta en el entre esta en el e	a ann a' Chaillean an Aigh ann an Aighean a Bhaillean agus an Air an Aigh ann an Aigh ann an Aigh ann an Aigh	number 19 (B) . Oth deel Shoulder - deeldeplanguise van dit 1997 de 1994 werdep	Control and Control of the Control o	
877 - 12 18 6 84 96 90 12 14 14 16 17 14 17 18		aller M _{ark} t tills syst giv tillsmingsprinkellende Mede Mark til en so	All many will be applied to the first of the control of the contro	
er teritoria en esta e	ar man, virreshar an 1881 firre dill'allamitta TRanchi (filip dell'integration (filip dell'integration)	the first the first of the state of the stat	The second secon	
<u></u>		t data sa matemia delegamente del matemias, del massasta qualificado, mili delegamen qu	- Parameter Control of	
a section of the sect	ala inggan nga atau at mana at mana manahat ang	minera attellion piratti kuun meriti tarii mili mili mili mili mili maka kuu kuu kuu kuu kuu kuu kuu kuu kuu	in a series of the series of t	***
E	-			

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER	RIVER COUNTY, IN SOUTHEASTERN MONTANA,
FIEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND	
OAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNIT	
TO 15%, JULY 1, 1991 - THANK YOU!	
- Yary alderman	Name And Address to the Address and Address and a second of the Address of the Ad
(box Daleth	The second secon
- Lindon XIII.	•
May sure	The control was the control of the c
	and the companies of the contract of the contr
Charles At alling	
AND THE RESERVE OF THE PARTY OF	AND CONTRACTOR OF STATE OF STA
Ed Sosleven	- Add 1 Mathematical particles and 153 - Construction (Construction Construction Co
alvin Rouches	•
	The same members with a security as a members of the second and the second as a second as
Lave Williams	mention and the responsibility of the control of th
Earl Clash	
	of the of 1000 and of 2000 the base has fire and a his one of a court of the court
Mardee Jackel	The Control of Control
Clarence Garden	
11 10 9 100	And the definition of the second transfer of the second state of t
Herald & alderno	Change of management and management and company of the company of
Robert Jalcott On	
and the state of t	 Other designation and the second secon
Mary Section 1	on the first communication of the contract of
(and control of the	
- Horman & suprosuge	The state of the s
Resal Schalle	
e le Harrison	
Delly life	are are manufactured and the superior of the s
The Hulfard	e Made Nation disease disease (section and section and section and section and section and section and section
Rich Rieswill	
	a 1990 A Princip World PC manifestation in Manifestation in 1990 A Princip Control of the Contro
- Rupmond Rullson	and to man additional districts to all Physics (100 may belongs) come and the man and the second of the second
Mitchell F. Buley	
	والمراوية والمتعارض والمتع
Juge Sohmuels	was a street of the transport of the street
Paricial Smith	
The state of the s	AND and the property of the second of the se
Doubleisses_	The State of the Control of the Cont
w.	

WE, THE UNDERSIGNED TAXPAYING CITIZENS OF POWDER RIVER COUNTY, IN SOUTHEASTERN MONTANA, HEREBY REQUEST THAT THE MONTANA LEGISLATURE STAND BACK OF MONTANA'S COMMITMENT TO THE COAL COMPANIES, "THROUGH THE WINDOW OF OPPORTUNITY", TO REDUCE THE COAL SEVERANCE TAX TO 15%, JULY 1, 1991 - THANK YOU!

Montana Coal Council Comments on SB 470

January I.	1018	
EXHIBIT	NO	
DATE	4/2/91	·
BHI NO	CRUY)

SB 470 (Towe) attempts to do four things:

- 1. Calculate severance tax as a percentage of gross FOB mine value including:
 - a) Pre-tax value of the coal
 - b) Severance tax
 - c) Gross proceeds tax
 - d) RITT tax
 - e) Royalty
 - f) Federal black lung tax
 - g) Federal reclamation fee
- 2. Calculate gross proceeds tax as a percentage of gross FOB mine value including:
 - a) Pre-tax value of the coal
 - b) Severance tax
 - c) Gross proceeds tax
 - d) RITT tax
 - e) Royalty
 - f) Federal black lung tax
 - g) Federal reclamation fee
 - 3. Tax coal in place at 3.86% or 45% of gross proceeds.
 - 4. Tax coal operator profits at an additional 20%.

Using the current average contract sales price for coal of \$7.40 and average mill levies at 180 mills, the following table compares SB 470 with current law (excluding "excess profits" and coal in place taxes).

	SB 470 Proposal	Current <u>Law</u>	Change
Contract Sales Value*	\$7.400	\$7.400	0
Severance Tax	1.789	1.133	+ .656
Gross Proceeds Tax @ 180 Mills**	1.471	.378	+1.093
Resource Indemnity Trust Tax	.033	.033	0
Reclamation Tax	.350	.350	0
Black Lung Tax	550	.470	+ .080
Royalty	1.656	1.395	+ .261
FOB Mine Price	\$13.249	\$11.159	+2.090

Calculated on 37.5 million ton of coal - an increase of \$78,375,000

^{*\$7.40} is contract sales price adopted by HJR 24.

^{**180} mills is approximate average for all mines.

The result is a severance tax of 24.2% and a gross proceeds tax of 19.9% which added with RITT at .4% make a total of 44.5% as opposed to 20.4% (assuming 15% severance) or an increase of 118%.

Taxing coal in place creates a special dilemma because of several things.

To my knowledge no mining company owns any of the coal they mine. Most of the coal is owned by the Federal Government, the Crow Tribe, the State of Montana or private sources other than coal companies.

While the bill states that if the producer opts not to pay the tax on coal in place, he will pay a 45% increase in gross proceeds (which raises the severance which raises the royalty which raises the gross proceeds). The producer doesn't own the coal, but I would expect he would opt to have the owner pay. However, other than providing some humor to the Federal Government, the Crow Tribe and the State of Montana, I doubt that there would be much reaction.

If on the other hand the intent all along is to charge the producers for their leases on about 1 billion tons, that would come to about another \$7 million per year if the coal in place was valued at \$1 per ton or an additional \$30 million in gross proceeds, severance and royalty if the producer paid the 45% gross proceeds penalty.

Incidently, the House has seen fit to table a bill cosponsored by Senator Towe to tax minerals in place.

After all is said and done, if there is anyone left to mine the coal and if they should make a profit for having the privilege of being in the coal business, they could pay an additional 20% income tax. An interesting concept, especially if one envisions similar treatment for lawyers, doctors and at times even farmers and ranchers.

A bill co-sponsored by this bill's sponsor to do the same thing was likewise tabled in the House.

Some questions I would assume the counties may wish to have answered is why the coal gross proceeds would no longer apply toward their general fund, elementary levies, high school levies, university levies, retirement fund and transportation fund (Sections 27-33). What are they to do with their windfall?

I also find it curious that the bill has a retroactive date to all coal produced in 1991 yet the bill specifies the new definition of "contract sales price" does not take affect until after December 31, 1991.

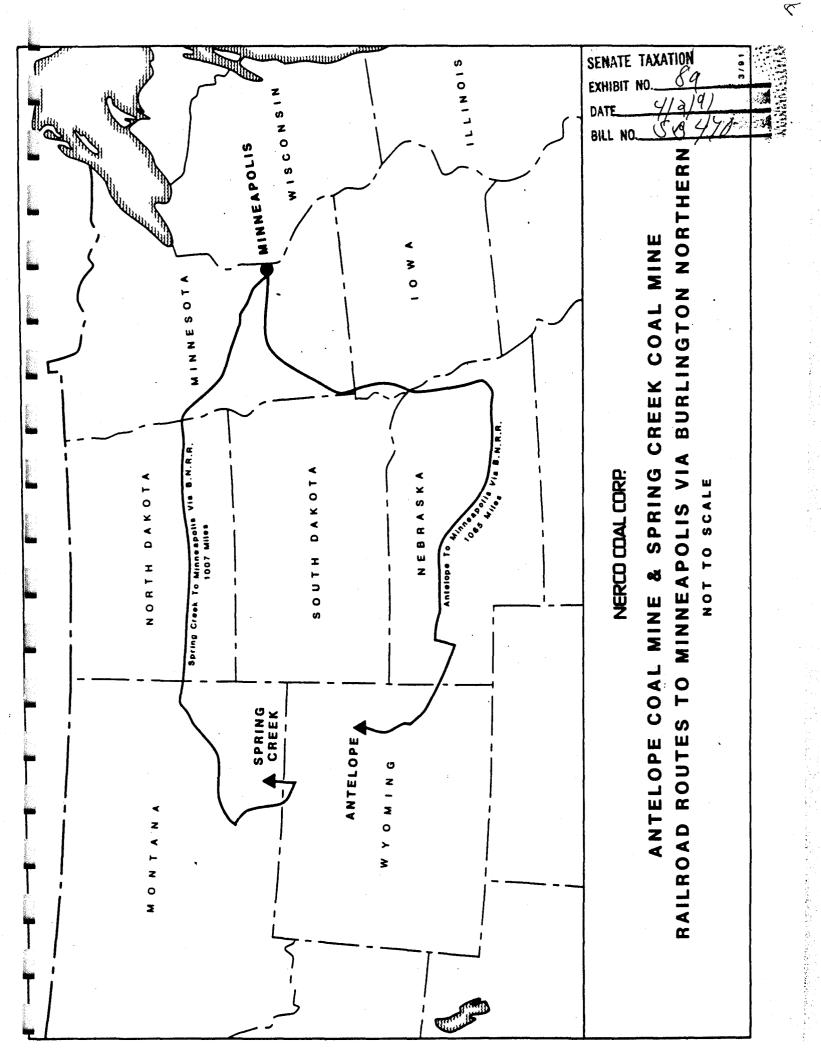
	MONTANA S.B. 470		WYOMING	
	@ 15%	@ 13.5%		
Average Sales Price	<u>\$6.00</u>	<u>\$6.00</u>	\$6.00	
State Production Taxes				
Severance	0.5991	0.810	0.375	
Gross Proceeds	0.200	0.470		
Resource Indemnity Trust Tax	0.011	0.011		
Extraction Tax			0.280^{2}	
Sub-Total	0.810	1.291	0.655 ³	
Other Taxes and Royalties	·			
Federal Reclamation Fee ⁴	0.346	0.346	0.343	
Black Lung tax	0.253	0.253	0.253	
BLM Royalty	0.750	0.750	0.750	
Sub-Total	1.349	1.349	1.346	
Total Tax	\$2.159	\$2,640	\$2,001	

¹ Montana Severance Tax at a 15% rate.

² Latest Converse County rate of 6.338%, Sweetwater County rate is 7.412%.

³ There is no Wyoming sales tax imposed on coal sold for electricity.

⁴ Fee of 35¢ is reduced some by excess moisture.



SENATE STANDING COMMITTEE REPORT

Page 1 of 5 April 2, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 460 (first reading copy -- white), respectfully report that Senate Bill No. 460 be amended and as so amended dopass:

1. Title, lines 5 and 6.

Strike: "REDUCING" on line 5 through "PERCENT" on line 6

Insert: "CREATING A NEW CLASS OF PROPERTY FOR STATIONARY

COMMERCIAL PROPERTY; ESTABLISHING THE TAX RATE ON STATIONARY

COMMERCIAL PERSONAL PROPERTY AT 6 PERCENT"

2. Title, line 8.
Following: "FOR"
Insert: "INCOME-PRODUCING"

3. Title, line 9.
Strike: "INCREASING"
Insert: "ESTABLISHING"
Following: "ON"
Insert: "INCOME-PRODUCING"

4. Title, line 10. Strike: "TO 5.07" Insert: "AT 4.8" Following: "PERCENT;"

Insert: "PROVIDING THAT NONINCOME-PRODUCING COMMERCIAL LAND AND IMPROVEMENTS ARE RETAINED IN CLASS FOUR PROPERTY;"

Page 1, line 18.
 Strike: "a"
 Insert: "an income-producing"
 Page 1. line 20.

6. Page 1, line 20. Strike: "<u>a</u>" Insert: "an income producing"

7. Page 2, line 6. Following: ";"
Insert: "and"

8. Page 2, lines 7 through 9. Strike: subsection (d) in its entirety

9. Page 2, line 9.

Following: "yards"
Insert: " (d) com
(i) are

Production State of the

Insert: " (d) commercial land and improvements that:

(i) are integrally related in a single working unit;(ii) are not in production and are not producing on

the assessment date of the current taxable year;

(iii) have not been in production and have not been producing income for 6 consecutive months preceding the current taxable year; and

(iv) are not included in class twenty property as described in $15{\sim}6{\sim}150$ "

10. Page 2, line 12. Following: "(1)(a)" Insert: "," Strike: "and" Following: "(1)(b)" Insert: ", and (1)(d)"

11. Page 3, lines 19 through 21 Strike: subsection (c) in its entirety

12. Page 4, line 11. Following: "all" Insert: "self-propelled"

13. Page 4, lines 11 through 13. Strike: ", fixtures" on line 11 through "five" on line 13

14. Page 4, line 14.
Following: "all"
Insert: "self-propelled"

15. Page 4, lines 14 through 16. Strike: ", fixtures" on line 14 through "five"on line 16

16. Page 4, lines 20 through 22. Strike: subsection (e) in its entirety Renumber: subsequent subsections

17. Page 5, lines 1 through 8. Strike: subsections (h) through (l) in their entirety Renumber: subsequent subsections

18. Page 5, lines 10 and 11.

Strike: "(n)" on line 10 through "property;" on line 11

Renumber: subsequent subsection

19. Page 5, line 20 through page 6, line 10.

Strike: "or" Insert: ","

Following: "15-24-1501,"

Bit office of

Insert: "or subsection (2)(b) of this section,"

31. Page 10, line 4. Strike: "5.07%"
Insert: "4.8%"

32. Page 10.

Following: line 5

NEW SECTION. Section 7. Class twenty-two property -- description -- taxable percentage. (1) Class twenty-two property includes:

- (a) all mining machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;
- (b) all manufacturing machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;
- (c) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class:
- (d) furniture, fixtures, and equipment, except that specifically included and taxed in another class, used in commercial establishments as defined in this section;
 - (e) x-ray and medical and dental equipment;
 - (f) citizens' hand radios and mobile telephones;
- (g) radio and television broadcasting and transmitting equipment;
 - (h) cable television systems;
 - (i) theater projectors and sound equipment; and
 - (j) value-added property as defined in this section.
- (2) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or service, wholesale, retail, or food-handling business.
- (3) The term "value-added property" means but is not limited to property that is used for the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the 1987 Standard Industrial Classification Manual prepared by the United States office of management and budget. The property must be used for the:

Strike: subsections (3) and (4) in their entirety Renumber: subsequent subsection

20. Page 6, lines 11 and 12. Strike: "(a)" on line 11 through "class" on line 12 Insert: "Class"

21. Page 6, line 12. Strike: "<u>6%"</u> Insert: "9%"

22. Page 6, lines 14 through 16. Strike: subsection (b) in its entirety

23. Page 6, line 20. Strike: "eight" Insert: "twenty-two"

24. Page 6, line 25. Strike: "eight" Insert: "twenty-two"

25. Page 9, line 2.
Strike: "and"
Following: "[section 6]"
Insert: ", and [section 7]"

26. Page 9, line 24. Following: "for" Insert: "income-producing"

27. Page 9, line 25. Strike: "and"

28. Page 10, line 1. Following: "for" Insert: "income-producing"

29. Page 10, line 2. Following: class Insert: "; and

(c) all golf courses, including land and improvements actually and necessarily used for that purpose, that consist of at least 9 holes and not less than 3,000 lineal yards"

30. Page 10, line 3. Following: "(2)" Insert: "(a)"

Strike: "or" Insert: ","

Following: "15-24-1501,"

de la companya de

Insert: "or subsection (2)(b) of this section,"

31. Page 10, line 4.

Strike: "5.07%" Insert: "4.8%"

32. Page 10.

Following: line 5

<u>NEW SECTION.</u> Section 7. Class twenty-two property -- description -- taxable percentage. (1) Class twenty-two property includes:

- (a) all mining machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;
- (b) all manufacturing machinery except that specifically included and taxed in another class, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;
- (c) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;
- (d) furniture, fixtures, and equipment, except that specifically included and taxed in another class, used in commercial establishments as defined in this section;
 - (e) x-ray and medical and dental equipment;
 - (f) citizens' band radios and mobile telephones;
- (g) radio and television broadcasting and transmitting equipment;
 - (h) cable television systems;
 - (i) theater projectors and sound equipment; and
 - (j) value-added property as defined in this section.
- (2) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or service, wholesale, retail, or food-handling business.
- (3) The term "value-added property" means but is not limited to property that is used for the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the 1987 Standard Industrial Classification Manual prepared by the United States office of management and budget. The property must be used for the:

- (a) processing of Montana raw materials; or
- (b) processing semifinished products produced in Montana that are used as a raw material in further manufacturing.
- (4) (a) Except as provided in subsection (4)(b), class twenty-two is taxed at 6% of its market value.
- (b) Value-added property that is acquired by an industry after July 1, 1991, and is used in a value-added process is taxed at 5% of its market value."

Renumber: subsequent sections

Harris Barrell

33. Page 10, line 7. Strike: "and" Following: "6" Insert: ", and 7"

34. Page 10, line 10. Strike: "and" Following: "6" Insert: ", and 7"

Stanedi

Mike Halligan, Chairman

13 4/2/91 And. Coord.

5 B 4/2 1/20 Sec. of Senate