

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Mike Halligan, on January 20, 1993,
at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)
Sen. Bill Yellowtail (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

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

Committee Business Summary:

Hearing: SB 151
Executive Action: SJR 7, SB 47, SB 122, SB 123,
SB 141, SB 151

HEARING ON SB 151

Opening Statement by Sponsor:

Senator Bob Brown, representing Senate District #2, presented Senate Bill 151, which is an act making permanent the exemption from property taxation of certain property used exclusively in the production of motion pictures or television commercials; repealing Section 11, Chapter 525, Laws of 1989; and providing an immediate effective date.

Senator Brown reported the 1989 Legislature temporarily repealed the law, and SB 151 would permanently exempt property taxation for motion picture and television commercial production when this property is in Montana less than 180 days. This bill is a result of the film-makers objections to the Glacier County Assessor imposing the migratory personal property tax on film-making equipment. Senator Brown believes the filming of movies and television commercials is developing into a positive economic growth for Montana, and imposing the migratory personal property tax would hinder that growth.

Proponents' Testimony:

Matthew Cohn, Director of Travel Montana, travel promotion division of the State Department of Commerce, presented a report entitled Montana Film Office/Travel Montana, attached to these minutes as Exhibit No. 1, which shows the over-all economic benefit to the state through feature films, commercials, television, and still photography productions filmed in Montana. Mr. Cohn stated that some commercial production companies come to Montana for only a short period of time and there is considerable repeat business. There are approximately 300-400 people in the state employed directly in this industry who are paying various taxes in the state. Mr. Cohn asked for passage of Senate Bill 151.

Keith Colbo, representing the Montana Tourism Coalition, asked the record to show they are supporting passage of Senate Bill 151.

Stuart Doggett, Executive Director of the Montana Innkeepers, appeared in support of Senate Bill 151. The Montana Innkeepers supported the bill in 1989 and feels it has enhanced production of movies and commercials in our state which have generated dollars to benefit Montana's entire economy.

Stan Kaleczyc, representing the Motion Picture Association of America, urged support of Senate Bill 151. The concern is not with the amount of the tax, but that no other state has a comparable tax and the accounting costs associated with paying the minimal tax far outweighs the value of the tax. The benefits to the state from the filming industry are substantial and the Association is receptive and appreciative of this exemption for transitory property that is in the state for a limited period of time.

Dan Erving, representing the Montana Association of Theater Owners and Montana Video Software Dealers, encouraged endorsement of Senate Bill 151, saying his organizations believe there is a definite benefit to the state's economy from the film industry.

Ellen Hargrave stated she and her husband have a guest ranch west of Kalispell. Their ranch was chosen for a commercial last summer and the economic impact is substantial to their business and employees. She asked passage of Senate Bill 151.

Dan Ritter, Montana Chamber of Commerce, encouraged a Do Pass on Senate Bill 151.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Towe asked Matthew Cohn if he had figures on a state-wide fiscal impact, and Mr. Cohn replied this is a county tax, there is no definite figure on how many films will be made in a given year, but an estimate could potentially run from \$10,000.00 to \$50,000.00 per year in different counties around the state. To this same question, Senator Brown reported that the only time this tax had been collected was in 1987 when \$3,400.00 was collected by Glacier County. Estimating five films a year would have an approximate \$20,000.00 impact to the counties involved.

Senator Towe and Senator Stang questioned whether film companies were in the state longer than 180 days. Lonie Stimac with Montana Film Office/Travel Montana answered that actual taxable filming equipment would be in the state an average 30 to 100 days, and no such equipment is located in the state on a permanent year-round basis.

Closing by Sponsor:

Senator Brown offered no further comments in closing.

EXECUTIVE ACTION ON SJR 7

Discussion:

Senator Gage presented the Chairman with a list from the Governor's office on the members who served on the previous Governor's Study Commission on the privatization of liquor stores. Senator Gage has spoken with Governor Racicot who indicated he is receptive to a request from this committee to reconstitute the previous commission; however, he asked that our committee request some staffing from the Legislative Council.

Senator Halligan called the Legislative Council to see if staff time might be available. Mr. Person said if this committee specifically requested staff time, there may be some limited time available but he expected that the Department of Revenue could potentially have some staff with the expertise to help out more regularly than the Legislative Council staff.

Alternative actions on SJR 7 are to proceed with the resolution the way it is drafted; leave it up to the Governor to do a study whether this committee requests it or not; write the Governor indicating the past committee had real potential and suggesting it should be given the opportunity to function, in lieu of the formal study by a Legislative Interim Study Committee; pass SJR 7 and broaden it by requesting executive people serve on the committee; or pass SJR 7 and if it is not chosen as an Interim Study Committee, follow up and write a letter to the department.

Motion:

Moved by Senator Gage to Table SJR 7, and that the Committee write a letter to the Governor requesting that he give consideration to reconstituting the previous committee appointed by the former Governor to study privatization of liquor stores.

Vote:

Motion carried on oral vote.

EXECUTIVE ACTION ON SB 122

Discussion:

Senator Gage presented Department of Revenue Estimated Fiscal Impact statements, attached to these minutes as Exhibits 3, 4, and 5, listing impacts on three chosen counties with those figures projected into a state-wide basis with regard to excluding furniture and fixtures.

Motion to Amend:

Senator Yellowtail moved to amend Senate Bill 122 to include all Department of Revenue amendments listed on the Amendments to Senate Bill 122, First Reading Copy, attached hereto as Exhibit No. 2.

Discussion:

None.

Vote:

Motion to amend carried unanimously on oral vote.

Discussion:

Mick Robinson, Department of Revenue Director, explained Exhibit No. 5, which estimates a total loss of \$2,053,752; this is for all of Class 8, including furniture and fixtures. As Senate Bill 122 is presently written, the impact is a decrease in state-wide tax revenue of \$554,000, as indicated on Exhibit No. 3.

Senator Stang commented he feels Senate Bill 122 is premature since work is being done on an over-all tax reform proposal; Senator Eck addressed her concern about re-doing the property tax base without making it up to the general fund in the counties.

Motion:

Senator Eck moved that Senate Bill 122, As Amended, Do Not Pass.

Vote:

Motion to Do Not Pass As Amended carried on oral vote, with Senators Gage, Grosfield, and Harp voting "no".

EXECUTIVE ACTION ON SB 123**Discussion:**

Senator Gage presented Department of Revenue amendments to Senate Bill 123, which are attached to these minutes as Exhibits 6 and 7. Exhibit No. 7 re-defines supplies.

Senator Halligan expressed concern that the new definition of supplies was not available for input during the public hearing.

Senator Yellowtail said the adverse impact to county revenues would be very substantial.

Motion:

Senator Yellowtail moved Senate Bill 123 Do Not Pass.

Substitute Motion:

Senator Gage moved the adoption of Department of Revenue amendments which are listed on Amendments to Senate Bill 123, First Reading Copy, attached to these minutes as Exhibits No. 6 and No. 7, with an indication that the adoption of these amendments would be an indication that the supplies currently covered would still be taxable.

Discussion:

Senator Halligan suggested striking everything in SB 123 after the enacting clause, except the definition of supplies, so we are not exempting supplies or affecting the impact, but would clarify existing law. Senator Towe suggested that the committee should not try to re-define supplies since the Department of Revenue is already doing that in their regulations.

Vote on Substitute Motion:

Substitute motion failed 7 to 4 on Roll Call Vote.

Vote on Original Motion:

Do Not Pass motion carried 8 to 3 on roll call vote.

EXECUTIVE ACTION ON SB 141**Discussion:**

Jeff Martin, Legislative Council Staff, stated the purpose of the amendment, attached to these minutes as Exhibit No. 8, is to reference the beneficial use tax on the power lines to insure that there is no misunderstanding that the exemption of Federal property does not apply to the beneficial use tax on Bonneville Power Administration power lines.

Motion to Amend:

Senator Eck moved approval of the Amendments to Senate Bill No. 141, First Reading Copy, as requested by Senator Van Valkenburg, which are attached to these minutes as Exhibit No. 8.

Vote on Motion to Amend:

Motion passed unanimously on oral vote.

Motion:

Senator Dorothy Eck moved Senate Bill 141 Do Pass As Amended.

Discussion:

None.

Vote:

Motion to Do Pass As Amended carried unanimously on oral vote.

EXECUTIVE ACTION ON SB 151**Motion:**

Senator Gage moved Senate Bill 151 Do Not Pass.

Discussion:

Senator Towe stated film companies are not subject to a similar temporary tax in other states, and the length of time a film company's heavy equipment is actually within the state averages less than 180 days. The amount of revenue involved is not a lot of money and collection of the tax does more harm than is gained. Senator Halligan stated film companies will be taxed if their time in the state exceeds 180 days.

Vote:

Do Not Pass motion on Senate Bill 151 failed 6 to 4 on roll call vote.

Motion:

Senator Brown moved Senate Bill 151 Do Pass.

Discussion:

Senator Brown reminded the committee that passage of this bill would not affect every county in the state, and the impact to the few counties involved would be negligible. Senator Yellowtail objected to exempting the film making industry from taxation while residents are paying all taxes, and he feels Senate Bill 151 is an insult to Montana taxpayers.

Vote:

Motion to Do Pass SB 151 carried 6 to 4 on roll call vote.

EXECUTIVE ACTION ON SB 47**Discussion:**

Senator Stang questioned how many doctors have moved to Montana, and stayed in Montana, because of the tax credit incentive now allowed.

Senator Gage mentioned 14 doctors have taken advantage of the tax credit, and Senator Halligan said his information is that the recruitment of doctors to Montana rural communities has made a difference in the short time it has been in effect.

Senator Eck supports the incentives to physician assistants and practitioners as an access to providing primary health care in rural areas, some of which may never be able to attract physicians. She feels the bill is a positive step towards the whole health care program.

Senator Towe questioned Senator Eck on how to deal with future requests from dentists, naturopaths, veterinarians, etc., for similar tax credit incentives. Senator Eck replied that those others are not primary care providers.

Mick Robinson, Director of the State Department of Revenue, reviewed the fiscal impact through expanding the tax credits under Senate Bill 47. Based on estimates provided by the Montana State Board of Nursing, an additional 42 individuals could qualify for the tax credit, at an estimated impact to approximately \$120,000.00 per year. Senator Towe believes a more realistic figure is closer to \$200,000.00 in total amounts of tax credits.

Senator Gage expressed concerns about the tax credit applying to people who currently live in rural areas as opposed to applying strictly as an incentive for new and additional people moving to rural areas.

Senator Halligan questioned whether this bill is premature since the Legislature is looking at major health care problems. If Senate Bill 47 is tabled, the committee could later consider a comprehensive package of those primary health care providers known to have an impact, and deal with expansion of the tax credit at a time when sufficient records and foundations are available. The committee would not be closing the door on this issue.

Senator Brown said he is against tax credit incentives, and in light of the fact that the legislature is reviewing the whole health care issue, questions whether it is wise to pass this bill.

Senator Yellowtail would like to see data evaluating the effectiveness of the physicians' tax credit incentive program.

Senator Eck stated she would not object to SB 47 being tabled until a hearing is held on all health care proposals. She would be uncomfortable putting this issue off to another year, and would accept having it tabled with the idea of re-considering it once a broader picture is proposed.

Motion:


Senator Yellowtail moved that Senate Bill 47 be Tabled.

Vote:

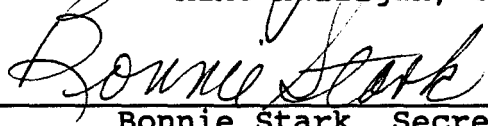
Motion to Table Senate Bill 47 passed unanimously on oral vote.

ADJOURNMENT

Adjournment: The meeting adjourned at 9:30 a.m.



Mike Halligan, Chair



Bonnie Stark, Secretary

MH/bjs

ROLL CALL

SENATE COMMITTEE TAXATION

DATE 1-20-93

NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair	✓		
Sen. Eck, Vice Chair	✓		
Sen. Brown	✓		
Sen. Doherty	✓		
Sen. Gage	✓		
Sen. Grosfield	✓		
Sen. Harp	✓		
Sen. Stang	✓		
Sen. Towe	✓		
Sen. Van Valkenburg	✓		
Sen. Yellowtail	✓		

FC8

Attach to each day's minutes


ADVERSE

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 20, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 122 (first reading copy -- white), respectfully report that Senate Bill No. 122 be amended as follows and as so amended do not pass.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 7.

Strike: "A RETROACTIVE"

Insert: "AN"

2. Page 7, line 4.

Strike: "retroactive"

3. Page 7, lines 6 and 7.

Strike: "retroactively" on line 6 through "1-2-109," on line 7

Strike: "1992" on line 7

Insert: "1993"

-END-

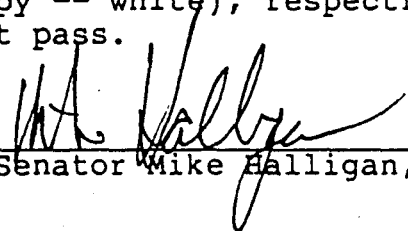
ADVERSE

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 20, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 123 (first reading copy -- white), respectfully report that Senate Bill No. 123 do not pass.

Signed: 

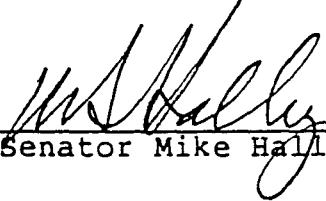
Senator Mike Halligan, Chair

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 20, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 141 (first reading copy -- white), respectfully report that Senate Bill No. 141 be amended as follows and as so amended do pass.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Page 1, line 14.

Following: "(a)"

Insert: "except as provided in 15-24-1203,"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 20, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill ~~No. 151~~ (first reading -- white copy), respectfully report that Senate Bill No. 151 do pass.

Signed: 
Senator Mike Halligan, Chair

ROLL CALL VOTE

SENATE COMMITTEE

TAXATION

BILL NO. *SB/23*

DATE _____

1-20-93

TIME

8:00

A.M,

P.M.

NAME

YES

NO

[illegible]

Bonnie Stark
SECRETARY

W. H. Hall
CHAIR

SUBSTITUTE

MOTION: Adopt Department of Revenue Amendments of

1/13/93 and 1/15/93.

ROLL CALL VOTE

SENATE COMMITTEE

TAXATION

BILL NO. SB123

DATE 1-20-93

TIME 8:00

A.M. P.M.

NAME _____

YES

NO

[illegible]

Bonnie Stark
SECRETARY

SECRETARY

Mr. Kelly
CHAIR

CHAIR

MOTION: Do Not Pass

ROLL CALL VOTE

SENATE COMMITTEE

TAXATION

BILL NO. SB151

DATE 1-20-93 TIME 8:00 (A.M.) P.M.

NAME _____

YES

NO

[illegible]

Bonnie Stark
SECRETARY

MS Hall
CHAIR

MOTION: Do not Pass

ROLL CALL VOTE

SENATE COMMITTEE

TAXATION

BILL NO. SB 151

DATE 1-20-93 TIME 8:00 A.M. P.M.

NAME

YES

NO

[illegible]

Donnie Stark
SECRETARY

~~SECRETARY~~

M. S. Kelly
CHAIR

CHAIR

MOTION: Do Pass



Montana

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-20-93

BILL NO. SB 151

MONTANA FILM OFFICE/TRAVEL MONTANA

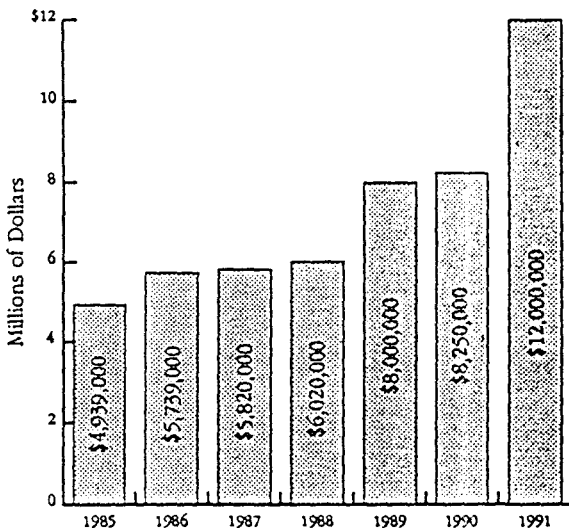
The Montana Film Office/Travel Montana was created in 1974. It is funded entirely by the 4% Accommodations Tax.

The primary role of the Montana Film Office is to bring productions (feature films, commercials, television) into Montana for the overall economic benefit of the state. As the number of productions filmed in Montana continues to grow, so do the job opportunities for Montanans and the amount of direct expenditures to Montana businesses generated by out-of-state production companies.

In 1991 those expenditures exceeded \$12 million not including the personal expenditures of production company crew members. This figure was \$8 million in 1990 and \$6 million in 1988. (Totals for 1992 are not in yet. However, we had a total of 67 projects including three motion pictures.)

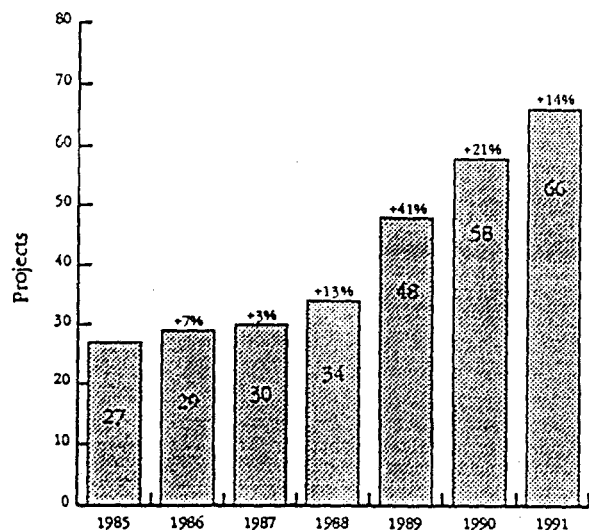
Beyond their immediate economic benefits, some films and commercials also provide Montana with side benefits that exceed our best estimates, by exposing Montana's beauty and flavor to audiences worldwide. A few good examples are the Manhattan, Montana beef commercial, both VISA Gold's and American Express' portrayal of Montana as the ideal vacation commercials, and Robert Redford's interpretation of Norman Maclean's *A River Runs Through It*.

MONTANA REVENUE FROM FILMING
(by year*)



*reflects only expenditures directly related to production costs;
excludes personal expenditures by actors and crew members

MONTANA FILM PROJECTS PER YEAR



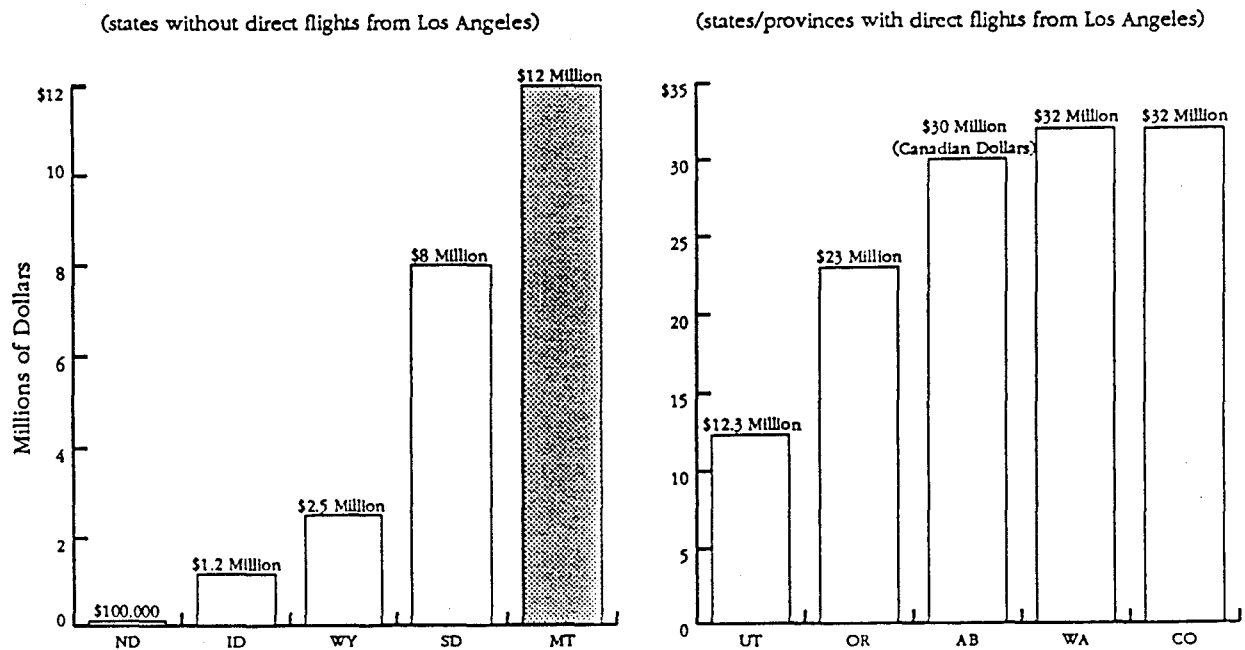
Travel Montana

Department of Commerce • 1424 9th Avenue • Helena, Montana 59620
Phone (406) 444-2654 • FAX (406) 444-2903

It is the Montana Film Office's responsibility to ensure that the state is "film friendly". We not only work with producers to find locations that fit their script, we also act as their liaison through every phase of production.

Producers have come to depend on a state's film office to help them cut through any red tape that may slow them down in the whirlwind world of shooting on location--time is money. A state's willingness and ability to accomplish this can weigh heavily in a production companies decision in choosing a location. Montana's reputation is sterling in this regard. We are noted in Hollywood for our overall attitude of cooperativeness and facilitation which gives us a definite competitive edge.

1991 STATE FILM REVENUE



*revenue data supplied by film commissions

Montana Businesses Directly Affected by the Film Industry

EXHIBIT 1
DATE 1-20-93
FILE SB-151

Air Cargo	Costume Rentals	•Dentists
Air Charter	Delivery Services	•Doctors
•Helicopter	Dumpsters	•Eye Doctors
•Fixed wing	Federal Express	•Masseuse
Antique Stores	Florists	Motor Homes/Trailers
Appliance Dealers	Furniture Rental	Office Supplies
Art Supplies	Gasoline Suppliers	Photo Processing/Film
Banks	Grocery Stores	Portable Toilets
Beepers/Mobile Phones	Hardware Stores	Printer Services
Business Machines:	Health Clubs	Production Companies
•Copiers	Heavy Equipment Rental	Recycling Centers
•Fax machines	Hotels	Restaurants
•Typewriters	Ice Suppliers	Security Companies
Car Rentals	Locksmiths	Sign Makers
Caterers	Lumber Stores	Taxi Service
Casting Agencies	Medical:	Tents/Canvas Companies
Cleaners/Laundries	•Ambulances	Video Rentals
Coffee Suppliers	•Chiropractors	Water Suppliers

Made in Montana

Features

1992

- *Ballad of Little Jo*
- *Josh & S.A.M.*
- *South to Wyola*

1991

- *A River Runs Through It*
- *Diggstown*
- *Far and Away*
- *Keep The Change*
- *Nobody's Sweetheart*

1990

- *Common Ground*
- *Son of the Morning Star*
- *True Colors*

1989

- *Always*
- *Bright Angel*
- *Montana*
- *Thousand Pieces of Gold*

1988

- *Cold Feet*
- *Disorganized Crime*

1987

- *Pow Wow Highway*
- *War Party*

1986

- *Amazing Grace and Chuck*
- *Stacking*
- *The Untouchables*

1985

- *Runaway Train*

1983

- *The Stone Boy*
- *Triumphs of a Man Called Horse*

1982

- *Firefox*

1980

- *Continental Divide*
- *Fast Walking*

Pre-1980

- *All the Young Men*
- *Beartooth*
- *Cattle Queen of Montana*
- *Christmas Coal Mine Miracle*
- *Damnation Alley*
- *Dangerous Mission*
- *Devils Horse*
- *Evil Knievel*
- *Grey Eagle*
- *Heartland*
- *Heaven's Gate*
- *The Killer Inside Me*
- *The Legend of Walks Far Woman*
- *Little Big Man*
- *Missouri Breaks*
- *The Other Side of Hell*
- *Pony Express Rider*
- *Potato Fritz*
- *Rancho Deluxe*
- *Red Skies Over Montana*
- *Rodeo Red & the Runaway*
- *Route 66*
- *South by Northwest*
- *Telefon*
- *Thunderbolt & Lightfoot*
- *Warpath*
- *Where the Rivers Rise*
- *Winds of Autumn*
- *Winterhawk*

Commercials and Stills

Acura, Allied Signal, American Express, Amtrak, AT&T, Audi, Banc One, Benneton, Bon Appetit, Bon Marche, British Vogue, Brooklyn Gum, Budweiser, Butck, Busch Beer, Chevy Blazer, Chrysler Minivan, Conseco Insurance, Coor's Light, Death Penalty Photo Book, Dodge Truck, Eddie Bauer, Elle Magazine, Esquire Magazine, Fletschmann's Margarine, Ford, Ford Explorer, French Glamour, Guess Jeans, H.I.S. Jeans, Harley Davidson, Harold's Clothing, Honda, Hush Puppy Shoes, Interstate Bank, Isuzu, Jeep, Jeep Cherokee, Kemper Insurance, L.L. Bean, Lord & Taylor, Marlboro, Marshall Fields Catalog, McDonald's, Men's Journal Magazine, Mercedes, Minolta, Motel 6, National Potato Boards, Nature's Own Bread, Nestle's White Chocolate, Nike, Nissan, Orowheat Bread, Osh Kosh, Panasonic, Pat Williams Political Ad, Perkins Pancake House, Perrier, Peterbilt Trucks, Ranter Beer, Ski Magazine, Smitnoff Vodka, State Farm Insurance, Sunoco Gasoline, Target, TCI Cablevision, Timberland, United Airlines, VISA, Wathne Products

Amendments to Senate Bill 122
First Reading Copy

Prepared by Department of Revenue
(1/13/93)

1. Title, line 6.
Following: "\$100;"
Insert: "AND"

2. Title, lines 6 through 8.
Following: "MCA"
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
RETROACTIVE APPLICABILITY DATE"

3. Page 7, lines 4 through 7.
Following: "SECTION 2."
Strike: page 7, lines 4 through 7
Insert: "Applicability. [This act] applies to tax years beginning
after December 31, 1993."

Reason for Amendment: This amendment eliminates the immediate effective date and amends the retroactive applicability of the bill from the 1993 tax year to a prospective applicability starting with the 1994 tax year. The Department of Revenue would incur a significant administrative burden if the change is applicable for the 1993 tax year.

Senate Bill 122
Estimated Fiscal Impact
January 15, 1993

SENATE TAXATION

EXHIBIT NO. 3

DATE 1-20-93

BILL NO. SB 122

Exemption Applies to All Class 8 Machinery and Equipment*

Total Statewide Taxable Value of Class 8 Machinery and Equipment	\$115,306,967
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Percent of Class 8 Machinery and Equipment Valued Less Than \$100.00	1.6%
-------------------------------------------------------------------------	------

Taxable Value of Property Valued Less Than \$100.00	\$1,844,911
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Statewide Average Mill Levy Applied to Class 8 Machinery and Equipment	300.30
---------------------------------------------------------------------------	--------

Estimated Tax on Class 8 Machinery and Equipment	\$554,027
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Assumptions:

- 1) The estimated exclusion in Flathead, Glacier, and Dawson counties is typical of exclusion statewide.
- 2) Farm implements and machinery less than \$100 are currently exempt.

**** Machinery and Equipment Includes:***

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">- Machin. other than Farm, Min., Manuf.- Manufacturing Machinery- Mining Machinery- New & Expanding Ind— Mach & Eq- Oil & Gas Field Equipment | <ul style="list-style-type: none">- Cable TV Systems- Theatre and Sound Equipment- Radio and TV Broadcasting Equip.- CB's and Mobile Phones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

SENATE TAXATIONEXHIBIT NO. 4DATE 1-20-93BILL NO. SB 122

**Senate Bill 122
Estimated Fiscal Impact
January 15, 1993**

Exemption Applies to All Class 8 Except Furniture and Fixtures

Total Statewide Taxable Value of Class 8	\$231,755,415
Less Furniture and Fixtures	\$34,406,847
TOTAL Class 8 Less Furniture and Fixtures	\$197,348,568

Percent of Class 8 Property (Less Furniture and Fixtures) Valued Less Than \$100.00	1.5%
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Taxable Value of Property Valued Less Than \$100.00	\$2,881,289
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Statewide Average Mill Levy Applied to Class 8 Property Less Furniture and Fixtures	300.64
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Estimated Tax on Class 8 Property (Less Furniture and Fixtures) Valued Less Than \$100.00	\$866,231
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Assumptions:

- 1) \$100 exclusion applies to all Class 8 property except furniture and fixtures.
- 2) The estimated exclusion in Flathead, Glacier, and Dawson counties is typical of exclusion statewide.
- 3) Farm implements and machinery less than \$100 are currently exempt.

SENATE TAXATION

EXHIBIT NO.

5

DATE

1-20-93

BILL NO.

SB 122--1

**Senate Bill 122
Estimated Fiscal Impact
January 15, 1993**

Total Statewide Taxable Value of Class 8	\$231,755,415
Percent of Class 8 Property Valued Less Than \$100.00	2.8%
Taxable Value of Property Valued Less Than \$100.00	\$6,489,152
Statewide Average Mill Levy Applied to Class 8 Property	316.49
Estimated Tax on Class 8 Property Valued Less Than \$100.00	\$2,053,752

Assumptions:

- 1) \$100 exclusion applies to all Class 8 property.
- 2) The estimated exclusion in Flathead, Glacier, and Dawson counties is typical of exclusion statewide.
- 3) Farm implements and machinery less than \$100 are currently exempt.

Amendments to Senate Bill 123
First Reading Copy

Prepared by Department of Revenue
(1/13/93)

1. Title, line 5.
Following: "TAXATION;"
Insert: "AND"

2. Title, lines 6 through 7.
Following: "MCA"
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
RETROACTIVE APPLICABILITY DATE"

3. Page 8, lines 20 through 24.
Following: page 8, line 19
Strike: page 8, lines 20 through 24
Insert: "NEW SECTION. Section 3. Applicability. [This act]
applies to tax years beginning after December 31, 1993."

Reason for Amendment: This amendment eliminates the immediate effective date and amends the retroactive applicability of the bill from the 1993 tax year to a prospective applicability starting with the 1994 tax year. The Department of Revenue would incur an significant administrative burden if the change is applicable for the 1993 tax year.

Amendments to Senate Bill 123
First Reading Copy

Prepared by Department of Revenue
1/15/93

1. Title, line 4.
Following: "EXEMPTING"
Insert: "CONSUMED"

2. Title, line 5.
Following: "AMENDING"
Strike: "SECTIONS 15-6-138 AND"
Insert: "SECTION"

3. Page 1, line 10 through page 3, line 1.
Following: page 1, line 9
Strike: page 1, line 10 through page 3, line 1
Renumber: subsequent sections

4. Page 7, line 5.
Following: "(v) all"
Insert: "consumed"
Following: "all supplies."
Strike: "Supplies include all tangible material used or consumed in a business."
Insert: "Consumed supplies are tangible materials provided or furnished by a seller as an accessory to goods sold in the ordinary course of business and which are not readily reusable by the seller."

Reason for Amendment: This amendment limits the property tax exemption for supplies to those consumed supplies that are furnished to a purchaser as accessories to the goods purchased. Examples of consumed supplies are packaging material and disposable items such as paper cups and plates. Ceramic cups for example, though considered a supply item, would not be considered a consumed supply since they can be washed and reused by the seller.

SENATE TAXATION

EXHIBIT NO. 8

Amendments to Senate Bill No. 141
First Reading Copy

DATE 1-20-93
BILL NO. SB 141-1

Requested by Senator Van Valkenburg
For the Committee on Taxation

Prepared by Jeff Martin
January 19, 1993

1. Page 1, line 14.

Following: "(a)"

Insert: "except as provided in 15-24-1203,"

DATE 1-20-93

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 151

Name	Representing	Bill No.	Check One	
			Support	Oppose
Matthew Cohn	Travel MT	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lonie Stimac	Travel MT	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stuart Daggett	MT Innkeepers	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DAN ZITTER	MT CHAMBER	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dan Eving	MT Assn Theatre owners MT. Video Software Dealers	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Keith L. Colbo	MT Tourism Coalition	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ellen Hargrave	Huesed Ranches	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STAN KALEBYC	MOTION PICTURE ASSN OF AMERICA	151	<input checked="" type="checkbox"/>	<input type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY