

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN CHASE HIBBARD**, on January 6, 1995, at 8:00 A.M.

#### **ROLL CALL**

**Members Present:**

Rep. Chase Hibbard, Chairman (R)  
Rep. Marian W. Hanson, Vice Chairman (Majority) (R)  
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)  
Rep. Peggy Arnott (R)  
Rep. John C. Bohlinger (R)  
Rep. Jim Elliott (D)  
Rep. Daniel C. Fuchs (R)  
Rep. Hal Harper (D)  
Rep. Rick Jore (R)  
Rep. Judy Murdock (R)  
Rep. Thomas E. Nelson (R)  
Rep. Scott J. Orr (R)  
Rep. Bob Raney (D)  
Rep. John "Sam" Rose (R)  
Rep. William M. "Bill" Ryan (D)  
Rep. Roger Somerville (R)  
Rep. Robert R. Story, Jr. (R)  
Rep. Emily Swanson (D)  
Rep. Jack Wells (R)  
Rep. Kenneth Wennemar (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Lee Heiman, Legislative Council  
Donna Grace, Committee Secretary

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

**Committee Business Summary:**

Hearing: HB 32  
HB 38

Executive Action: HB 38 - Do Pass

Staff persons from the Department of Revenue continued their presentation with **Judy Paynter, Principal Tax Administrator**, distributing additional information on the state's relative tax

burden ranking in comparison with other states. EXHIBIT 1. **Larry Finch, Program Manager**, discussed the responsibilities of the Office of Research and Information, and explained that they upgrade and update the data in their information system on a daily basis. He defined a "tax burden" as the portion of an individual's income that is paid in taxes. DOR personnel continued to refer to the "Guide to Taxes Administered by the Montana Department of Revenue." [EXHIBIT 1, January 3, 1995]

**DOR Director Robinson** called attention to a form developed by the Department for use by legislators in requesting information. A copy of the form is attached as EXHIBIT 2. **Director Robinson** explained that having a written request, as opposed to an oral one, would assist them in coordinating requests and responding in a timely manner.

**Mary Whittinghill, Administrator, Property Assessment Division**, said that this division is responsible for insuring that all property in the state is treated fairly. Duties include the appraisal, assessment, and equalization of the value of all property in the state for the purpose of taxation. Ms. Whittinghill also described the recent reorganization of the Assessment Division which included the recommendations contained in HB 50 passed during the last legislative session.

**Randy Wilke, Appraisal/Assessment Bureau Chief**, provided a history of classification and said that the state is now responsible for computing tax liability, and the counties do the billing, collection and reconciliation. He then reviewed the eleven classifications currently in use for assessing property.

The educational portion of the meeting was concluded at 10:00 a.m.

{Tape: 1; Side: A.}

#### HEARING ON HB 32

#### Opening Statement by Sponsor:

**REP. DAN HARRINGTON, House District 38, Butte**, said that House Bill 32 would provide the funding to the Department of Commerce to establish an arbitration committee in connection with administration of the new vehicle warranty act known as the "lemon law." This bill would provide for a \$1.00 fee to be added to the sales tax on each new car purchased which would produce an estimated \$30,000 annually. Another \$6,000 in revenue would be produced from fees paid by individuals requesting arbitration.

**REP. HARRINGTON** complimented the Department of Commerce Consumer Protection Division and the auto manufacturers who have worked hard in this area; however, since the law was passed in 1983 and amended in 1985, very little funding has been available to administer the law even though the new car sales tax contributes a large amount of money to the general fund each year. The arbitration panel must be implemented if the law is to function

as originally intended. The cost of \$1 per new car is minimal to provide the new car owner with the assurance that if there is a problem with a car, there will be a system to deal with it.

**Proponents' Testimony:**

**Annie Bartos, Chief Legal Counsel, Department of Commerce,** outlined the Department's reasons for supporting this bill. She said the new vehicle warranty act is an example of an unfunded statutory mandate. The bill was passed as a protection to Montana consumers but the program has never been funded and, as a result, the Department of Commerce has come to the Legislature time and time again requesting funding for the program. Over the last two years, the Legislative Auditor has cited the Department for not being in compliance with the statutory mandate. The Legislative Auditor also found that the Department of Commerce does not have a program to certify or audit manufacturers' arbitration procedures. The reason the Department has not been in compliance is because they do not have the staff or the funding and, therefore are in violation of the law. Ms. Bartos explained that there are some manufacturers (Ford, Chrysler and General Motors) that are in compliance with Montana law but other manufacturers are not; therefore, there is no protection for consumers.

**Jon Noel, Director of the Department of Commerce,** said he takes audit reports very seriously, particularly when they come from the Legislature. This is an area where the Department is unable to respond to the legitimate criticism of the Legislative Auditor because of the lack of funds. **Director Noel** said the choices are to either fund the program or change the law to eliminate it, or the Department will continue to receive audit exceptions.

**Opponents' Testimony:**

**Dean Roberts, Administrator of the Motor Vehicle Division, Department of Justice,** said he was not speaking as an opponent to the "lemon law" legislation, but he does object to the funding source. The Department feels very strongly that the enforcement of the "lemon law" is vitally important to the citizens of Montana and the new car owner should be protected. He also agreed that the Department of Commerce does not have the resources to adequately enforce the law. It is the position of the Department of Justice that automobile owners are already paying enough money to register their vehicles. Presently over \$9 million is collected in fees that go to the state general fund. The Motor Vehicle Division, responsible for registering and titling vehicles, receives approximately \$3 million from the general fund for administration, leaving a surplus of \$6 million in the general fund. The "lemon law" should be funded from that \$6 million surplus.

**Steve Turkiewicz, Vice President, Montana Auto Dealers Association,** said he represented the dealers who sell the cars to Montana's consumers and emphasized that the dealers are supportive of the "lemon law." They have worked very closely

with the Department of Consumer Affairs and have instituted a program which in 1994 resolved 175 cases of consumer problems between dealers and people who purchase cars. The Association does have a problem with adding another dollar of taxation on Montana's driving public. He strongly urged that another funding source be found.

**Tom Harrison, AAA Montana**, said his organization has 90,000 members in Montana and the consensus as indicated by the last election was that they were not in favor of new taxes. This bill would benefit AAA Montana members but funding for this legislation should come from the 1.5 percent sales tax surplus that is being deposited in the general fund. He said that the automobile is already the most over-taxed single item in the state.

**Dennis Burr, Montana Taxpayers Association**, said this bill was coming to the Taxation Committee because it could not get through the Appropriations Committee. He encouraged the committee to refrain from approving earmarked funds such as this which would be deposited to the general fund and later used for an item having higher priority.

#### Questions From Committee Members and Responses:

**REP. WELLS** asked for clarification of the additional \$6,000 that would be collected if a case went to arbitration. **REP.**

**HARRINGTON** replied that if a case was set to go to arbitration, the manufacturer would have to pay \$250 and the consumer would pay \$50 and it was expected that there would be approximately 200 cases per year.

**REP. BOHLINGER** said some manufacturers do subscribe to an arbitration procedure and he asked for the number of cars sold that are not covered by this protection. **Ms. Bartos** said she did not have that information but it would be all persons in the state that own a car. If a consumer is not satisfied with the arbitration results they obtain from Ford, General Motors or Chrysler, the "lemon law" allows that consumer to go before a state-run panel and, because of a lack of funding, this panel does not exist. The only alternative at this point would be litigation.

**REP. HARPER** asked **Mr. Turkiewicz** and **Mr. Burr** if they would support this bill if the funding were to come from the new car sales tax through the general fund. Their answer was yes.

#### Closing by Sponsor:

**REP. HARRINGTON** said he did not feel people would object to paying \$1 when they purchase a new car for the protection this bill would provide. He agreed that the funding should come from the general fund; however, he had tried this and had been unsuccessful. He encouraged the Committee's favorable action on HB 32.

HEARING ON HB 38Opening Statement by Sponsor:

REP. DAN HARRINGTON, House District 38, Butte, said this bill, introduced at the request of the Department of Revenue, would clarify the Resource Indemnity Trust tax on talc, coal, vermiculite, and limestone. The law provides for a \$25 minimum tax on these nonrenewable minerals and, the way the legislation was written, people were submitting the \$25 minimum tax in addition to any other tax they might owe and the Department was required to make a refund. The new language in the bill simply provides clarification.

Proponents' Testimony:

Don Hoffman, Natural Resources Bureau Chief for the Department of Revenue, explained that bill would clarify for the taxpayer that if the gross value of talc was not in excess of \$625, the gross value of coal was not in excess of \$6,250, the gross value of vermiculite was not in excess of \$1,250, or the gross value of limestone was not in excess of \$250, an annual tax of \$25 was due. The law is not clear on this point and this bill will correct the language deficiency.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: B.}

REP. WENNEMAR asked about the cost of making refunds. Mr. Hoffman replied that the cost probably exceeded the amount of the refund.

Closing by Sponsor:

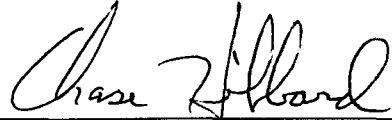
REP. HARRINGTON closed.

EXECUTIVE ACTION ON HB 38

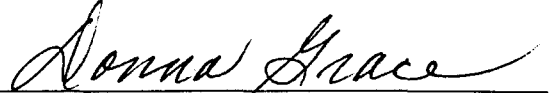
Motion/Vote: REP. RANEY MOVED THAT HB 38 DO PASS. On a voice vote, the motion passed unanimously.

ADJOURNMENT

Adjournment: 11:00 A.M.



CHASE HIBBARD, Chairman



Donna Grace, Secretary

CH/dg

# HOUSE OF REPRESENTATIVES

## Taxation

ROLL CALL

DATE Jan 6, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Chase Hibbard, Chairman	✓		
Rep. Marian Hanson, Vice Chairman, Majority	✓		
Rep. Bob Ream, Vice Chairman, Minority	✓		
Rep. Peggy Arnott	✓		
Rep. John Bohlinger	✓		
Rep. Jim Elliott	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		WAC
Rep. Rick Jore	✓		
Rep. Judy Rice Murdock	✓		
Rep. Tom Nelson	✓		
Rep. Scott Orr	✓		
Rep. Bob Raney	✓		
Rep. Sam Rose	✓		
Rep. Bill Ryan	✓		
Rep. Roger Somerville	✓		
Rep. Robert Story	✓		
Rep. Emily Swanson	✓		
Rep. Jack Wells	✓		
Rep. Ken Wennemar	✓		



## HOUSE STANDING COMMITTEE REPORT

January 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that **House Bill 38** (first reading copy -- white) do pass.

Signed: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "Chase Hibbard", written over a horizontal line.

*Chase Hibbard, Chair*

Committee Vote:  
Yes 20, No 0.

051415SC.Hbk



# STATE RANKING OF RELATIVE TAX BURDENS FY1992

Total taxes, population and personal income are expressed in 1,000's

## PER CAPITA RANKING

Rank	State	Total State & Local Taxes	Population	Per Capita Taxes
1	Alaska	2,254,758	587	3,841
2	New York	63,993,572	18,119	3,532
3	Connecticut	10,036,231	3,281	3,059
4	New Jersey	22,882,217	7,789	2,938
5	Hawaii	3,392,340	1,160	2,924
6	Massachusetts	15,309,017	5,998	2,552
7	Minnesota	11,081,160	4,480	2,473
8	Delaware	1,617,873	689	2,348
9	Maryland	11,467,141	4,908	2,336
10	California	72,073,742	30,867	2,335
11	Wyoming	1,085,772	466	2,330
12	Washington	11,944,237	5,136	2,326
13	Wisconsin	11,609,642	5,007	2,319
14	Vermont	1,303,398	570	2,287
15	Rhode Island	2,244,870	1,005	2,234
16	Illinois	25,609,314	11,631	2,202
17	Pennsylvania	26,268,472	12,009	2,187
18	Michigan	20,503,351	9,437	2,173
19	Maine	2,659,775	1,235	2,154
20	New Hampshire	2,338,839	1,111	2,105
21	Oregon	6,229,108	2,977	2,092
22	Nevada	2,712,857	1,327	2,044
23	Iowa	5,694,685	2,812	2,025
24	Arizona	7,747,332	3,832	2,022
25	Colorado	7,013,534	3,470	2,021
26	Nebraska	3,235,101	1,606	2,014
27	Virginia	12,684,150	6,377	1,989
28	Kansas	4,939,746	2,523	1,958
29	Ohio	21,336,525	11,016	1,937
30	Florida	25,919,228	13,488	1,922
31	Texas	32,838,328	17,656	1,860
32	Georgia	12,369,401	6,751	1,832
33	North Carolina	12,397,236	6,843	1,812
34	New Mexico	2,828,753	1,581	1,789
35	Indiana	10,106,757	5,662	1,785
36	Idaho	1,897,659	1,067	1,778
37	Montana	1,455,181	824	1,766
38	North Dakota	1,117,937	636	1,758
39	Kentucky	6,588,521	3,755	1,755
40	Utah	3,080,795	1,813	1,699
41	Missouri	8,646,070	5,193	1,665
42	West Virginia	3,003,188	1,812	1,657
43	Louisiana	7,076,326	4,287	1,651
44	Oklahoma	5,240,594	3,212	1,632
45	South Carolina	5,706,939	3,603	1,584
46	South Dakota	1,108,157	711	1,559
47	Arkansas	3,633,180	2,399	1,514
48	Tennessee	7,393,684	5,024	1,472
49	Alabama	5,937,421	4,136	1,436
50	Mississippi	3,458,601	2,614	1,323

## PER \$1,000 PERSONAL INCOME RANKING

Rank	State	Total State & Local Taxes	Personal Income	Taxes Per \$1,000 PI
1	Alaska	2,254,758	12,015,000	187.66
2	New York	63,993,572	405,765,000	157.71
3	Hawaii	3,392,340	24,045,000	141.08
4	Wyoming	1,085,772	7,783,000	139.51
5	Minnesota	11,081,160	84,769,000	130.72
6	Wisconsin	11,609,642	88,891,000	130.61
7	Vermont	1,303,398	10,198,000	127.81
8	New Mexico	2,828,753	22,665,000	124.81
9	Arizona	7,747,332	62,166,000	124.62
10	Maine	2,659,775	21,548,000	123.43
11	Washington	11,944,237	97,766,000	122.17
12	Oregon	6,229,108	51,353,000	121.30
13	Idaho	1,897,659	15,935,000	119.09
14	Utah	3,080,795	25,890,000	119.00
15	Iowa	5,694,685	48,347,000	117.79
16	Michigan	20,503,351	174,750,000	117.33
17	Connecticut	10,036,231	85,642,000	117.19
18	West Virginia	3,003,188	25,754,000	116.61
19	Rhode Island	2,244,870	19,291,000	116.37
20	New Jersey	22,882,217	199,181,000	114.88
21	Montana	1,455,181	12,673,000	114.83
22	Nebraska	3,235,101	28,220,000	114.64
23	Delaware	1,617,873	14,154,000	114.31
24	California	72,073,742	633,326,000	113.80
25	Pennsylvania	26,268,472	230,917,000	113.76
26	Kentucky	6,588,521	58,027,000	113.54
27	North Dakota	1,117,937	9,903,000	112.89
28	Massachusetts	15,309,017	137,924,000	111.00
29	Louisiana	7,076,326	63,970,000	110.62
30	Texas	32,838,328	298,928,000	109.85
31	Ohio	21,336,525	194,384,000	109.76
32	North Carolina	12,397,236	113,536,000	109.19
33	Kansas	4,939,746	45,706,000	108.08
34	Colorado	7,013,534	65,365,000	107.30
35	Georgia	12,369,401	115,473,000	107.12
36	Illinois	25,609,314	239,293,000	107.02
37	Nevada	2,712,857	25,398,000	106.81
38	Maryland	11,467,141	107,836,000	106.34
39	Oklahoma	5,240,594	49,340,000	106.21
40	Indiana	10,106,757	96,365,000	104.88
41	Arkansas	3,633,180	34,698,000	104.71
42	South Carolina	5,706,939	55,055,000	103.66
43	Florida	25,919,228	252,146,000	102.79
44	Virginia	12,684,150	126,237,000	100.48
45	Mississippi	3,458,601	34,545,000	100.12
46	South Dakota	1,108,157	11,303,000	98.04
47	New Hampshire	2,338,839	24,038,000	97.30
48	Alabama	5,937,421	63,458,000	93.56
49	Missouri	8,646,070	92,470,000	93.50
50	Tennessee	7,393,684	81,651,000	90.55

# TOTAL TAX, 1992

STATE	PER CAPITA	RANK
U.S.	1,288.14	
Alaska	2,730.73	1
Hawaii	2,335.79	2
Delaware	1,944.49	3
Connecticut	1,846.65	4
Minnesota	1,662.90	5
New York	1,661.81	6
Massachusetts	1,651.09	7
Washington	1,648.74	8
New Jersey	1,643.68	9
California	1,494.42	10
New Mexico	1,415.34	11
Wyoming	1,386.11	12
Wisconsin	1,380.29	13
Nevada	1,369.41	14
Pennsylvania	1,354.82	15
Kentucky	1,353.12	16
Maine	1,347.66	17
Vermont	1,339.28	18
Maryland	1,324.88	19
North Carolina	1,316.64	20
Idaho	1,303.27	21
West Virginia	1,297.93	22
Iowa	1,280.79	23
Rhode Island	1,270.04	24
Arizona	1,259.59	25
Oklahoma	1,206.19	26
Michigan	1,195.21	27
North Dakota	1,186.41	28
Nebraska	1,176.76	29
Illinois	1,157.55	30
Montana	1,153.79	31
Arkansas	1,145.60	32
Indiana	1,143.79	33
Oregon	1,113.03	34
Kansas	1,110.46	35
Virginia	1,101.67	36
Ohio	1,099.74	37
Utah	1,096.41	38
South Carolina	1,092.28	39
Georgia	1,076.43	40
Florida	1,068.49	41
Alabama	1,019.81	42
Colorado	1,018.21	43
Louisiana	991.43	44
Missouri	988.13	45
Texas	964.58	46
Mississippi	954.24	47
Tennessee	900.81	48
South Dakota	794.70	49
New Hampshire	770.64	50

Source: U.S. Dept. of Commerce, Bureau of the Census  
State Government Finances: 1992 GF/92-3 Table 26

INDIVIDUAL INCOME TAX, 1992

STATE	PER CAPITA	RANK
U.S.	410.23	
Massachusetts	889.79	1
New York	823.08	2
Hawaii	781.88	3
Oregon	746.15	4
Delaware	722.19	5
Minnesota	669.44	6
Maryland	592.39	7
Wisconsin	579.19	8
Connecticut	568.64	9
California	551.71	10
New Jersey	526.63	11
North Carolina	523.60	12
Virginia	520.82	13
Idaho	501.86	14
Iowa	501.75	15
Maine	478.94	16
Vermont	476.19	17
Rhode Island	476.08	18
Colorado	464.54	19
Georgia	456.48	20
Kentucky	447.01	21
Utah	430.99	22
Nebraska	406.37	23
Ohio	400.06	24
Illinois	393.98	25
South Carolina	391.59	26
Pennsylvania	390.47	27
Montana	390.22	28
Indiana	389.00	29
Oklahoma	379.26	30
Missouri	355.09	31
Arkansas	354.36	32
Michigan	343.49	33
West Virginia	338.09	34
Kansas	330.46	35
Arizona	323.69	36
Alabama	298.31	37
New Mexico	281.66	38
Louisiana	202.35	39
North Dakota	187.89	40
Mississippi	168.16	41
New Hampshire	62.26	42
Tennessee	18.58	43
Alaska	(x)	
Florida	(x)	
Nevada	(x)	
South Dakota	(x)	
Texas	(x)	
Washington	(x)	
Wyoming	(x)	

Source: U.S. Dept. of Commerce, Bureau of the Census  
State Government Finances: 1992, GF/92-3 Table 26

# MOTOR FUEL SALES TAX, 1992

STATE	PER CAPITA	RANK
U.S.	87.22	
Montana	147.44	1
Nebraska	138.44	2
Tennessee	130.69	3
Arkansas	128.19	4
North Carolina	125.89	5
Idaho	123.73	6
Washington	122.11	7
Mississippi	121.31	8
Iowa	118.57	9
North Dakota	118.31	10
South Dakota	116.29	11
Maine	116.18	12
New Mexico	115.58	13
West Virginia	114.79	14
Texas	110.64	15
Connecticut	110.26	16
Louisiana	109.66	17
Oklahoma	105.92	18
Delaware	105.77	19
Colorado	103.89	20
Wisconsin	103.89	21
Minnesota	103.78	22
Ohio	102.47	23
Nevada	100.20	24
Kansas	99.48	25
Virginia	98.65	26
Vermont	97.99	27
Arizona	96.54	28
Kentucky	95.89	29
Indiana	95.81	30
Maryland	94.29	31
Rhode Island	93.61	32
Oregon	91.22	33
Massachusetts	90.21	34
Illinois	88.58	35
New Hampshire	83.29	36
Wyoming	82.24	37
Florida	80.41	38
Alabama	80.00	39
South Carolina	79.76	40
Michigan	78.94	41
Utah	75.21	42
Missouri	74.01	43
Alaska	73.67	44
California	72.83	45
Georgia	66.62	46
Hawaii	62.16	47
Pennsylvania	57.82	48
New Jersey	52.72	49
New York	27.33	50

Source: U.S. Dept. of Commerce, Bureau of the Census  
State Government Finances: 1992 GF/92-3 Table 26

## MOTOR VEHICLE LICENSES TAX, 1992

STATE	PER CAPITA	RANK	NUMBER Motor Veh. Lic.	POPULATION
U.S.	42.31		10,766,482	254,492
Oklahoma	126.72	1	407,009	3,212
Minnesota	87.82	2	393,416	4,480
Wyoming	82.64	3	38,511	466
Oregon	82.27	4	244,920	2,977
Iowa	80.56	5	226,548	2,812
New Mexico	67.24	6	106,314	1,581
Vermont	62.52	7	35,637	570
North Dakota	55.08	8	35,031	636
Michigan	54.50	9	514,341	9,437
Connecticut	52.86	10	173,429	3,281
Illinois	52.62	11	612,073	11,631
Nevada	51.05	12	67,740	1,327
Rhode Island	50.53	13	50,787	1,005
Arizona	50.47	14	193,389	3,832
Montana	49.69	15	40,943	824
Arkansas	48.07	16	115,316	2,399
New Hampshire	46.37	17	51,514	1,111
Idaho	45.81	18	48,878	1,067
California	44.03	19	1,358,935	30,867
West Virginia	43.85	20	79,462	1,812
Ohio	43.71	21	481,465	11,016
Kansas	43.50	22	109,739	2,523
Massachusetts	41.84	23	250,986	5,998
Alaska	41.26	24	24,219	587
Maine	41.17	25	50,845	1,235
North Carolina	40.91	26	279,959	6,843
Wisconsin	40.90	27	204,792	5,007
New Jersey	40.50	28	315,419	7,789
Virginia	40.11	29	255,805	6,377
Washington	39.63	30	203,538	5,136
Kentucky	39.55	31	148,517	3,755
Florida	39.54	32	533,357	13,488
Texas	39.24	33	692,888	17,656
Missouri	38.68	34	200,840	5,193
Pennsylvania	37.24	35	447,173	12,009
South Dakota	35.41	36	25,176	711
Alabama	35.24	37	145,769	4,136
Hawaii	34.09	38	39,540	1,160
Nebraska	34.02	39	54,631	1,606
Tennessee	31.59	40	158,693	5,024
New York	31.00	41	561,678	18,119
Maryland	30.94	42	151,855	4,908
Colorado	29.78	43	103,328	3,470
Indiana	27.49	44	155,642	5,662
Delaware	26.76	45	18,441	689
Utah	25.08	46	45,472	1,813
Mississippi	23.98	47	62,691	2,614
South Carolina	21.96	48	79,127	3,603
Louisiana	20.19	49	86,569	4,287
Georgia	12.46	50	84,135	6,751

Source: U.S. Dept. of Commerce, Bureau of the Census  
State Government Finances: 1992 GF/92-3 Table 6

NOTE: PROPERTY TAX DATA IS FOR 1986. THUS, IT DOES NOT INCLUDE SIGNIFICANT MILL LEVY INCREASES FOR SCHOOLS OR SALES ASSESSMENT ADJUSTMENTS.

Comparison of State Individual Tax Burdens  
Taxes Per Capita  
1990

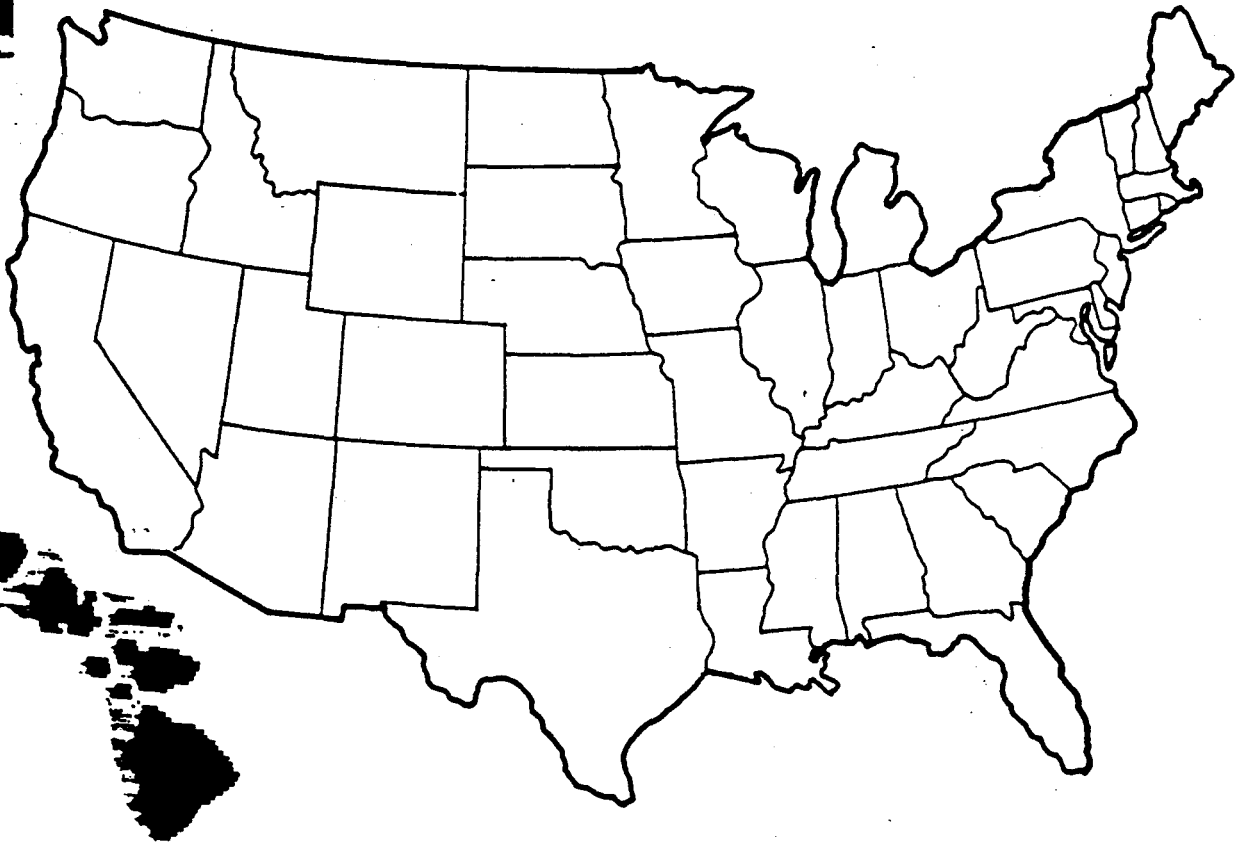
Rank	State	General Sales Tax	Selective Sales Taxes	Income Taxes	Inheritance Taxes	Motor Vehicle Taxes	1986 Residential Property Taxes	Total Taxes Per Capita
1	District of Columbia	768.63	342.40	1,050.92	38.71	30.88	402.07	2,633.62
2	Hawaii	1,061.99	277.46	627.34	14.66	18.06	223.35	2,222.87
3	New York	333.68	187.05	849.87	29.22	33.58	460.08	1,893.47
4	Connecticut	743.35	313.76	185.71	48.14	60.21	520.00	1,871.17
5	Massachusetts	325.21	148.83	816.11	45.95	53.11	464.11	1,853.32
6	New Jersey	425.79	278.48	381.89	26.23	47.02	596.08	1,755.49
7	Minnesota	427.32	250.57	657.52	5.77	77.48	308.47	1,727.13
8	Wisconsin	405.52	207.29	536.57	18.85	36.42	365.19	1,569.84
9	Rhode Island	396.24	246.34	425.31	22.98	39.83	421.72	1,552.43
10	Vermont	241.61	328.61	445.66	5.45	69.72	407.32	1,498.37
11	Maryland	328.77	238.48	599.12	17.06	32.47	282.09	1,497.99
12	California	457.89	122.41	565.33	12.98	38.91	288.37	1,485.88
13	Maine	414.48	215.24	472.77	7.25	44.68	313.83	1,468.25
14	Washington	918.62	224.63	0.00	6.10	39.21	278.46	1,467.02
15	Illinois	356.65	209.20	375.16	9.25	56.76	354.61	1,361.63
16	Nevada	667.23	461.43	0.00	11.51	59.75	161.27	1,361.19
17	Michigan	342.94	131.96	422.49	13.38	54.76	362.96	1,328.50
18	Iowa	339.78	190.10	457.94	23.45	79.59	184.47	1,275.32
19	Arizona	523.24	179.45	290.26	6.53	64.75	166.56	1,230.78
20	Oregon	0.00	138.50	642.73	4.93	81.39	360.22	1,227.77
21	Virginia	218.70	208.61	498.17	10.19	42.68	238.80	1,217.16
22	Idaho	380.43	174.90	400.26	1.84	59.53	184.87	1,201.82
23	Florida	633.13	184.42	0.00	19.44	42.13	318.75	1,197.87
24	Indiana	460.22	147.98	376.90	12.14	32.02	162.44	1,191.70
25	Pennsylvania	355.58	195.45	271.05	39.95	39.94	281.45	1,183.42
26	North Carolina	267.45	214.12	511.45	12.52	39.42	114.90	1,159.86
27	Ohio	330.88	199.40	380.32	5.25	37.93	202.72	1,156.49
28	Delaware	0.00	238.31	685.15	30.12	37.09	162.55	1,153.22
29	Georgia	407.33	125.83	442.72	4.26	15.58	152.58	1,148.30
30	New Mexico	551.81	198.02	238.26	6.54	69.10	76.25	1,139.98
31	South Carolina	415.21	197.52	395.81	10.14	25.53	95.18	1,139.38
32	Nebraska	321.96	202.35	314.05	2.33	37.63	244.04	1,122.35
33	Colorado	250.54	155.23	407.31	6.47	37.25	249.68	1,106.49
34	Utah	410.40	120.67	375.41	4.41	27.73	151.52	1,090.13
35	West Virginia	426.39	238.77	288.26	3.86	42.58	61.73	1,061.60
36	Kansas	352.14	165.07	345.75	17.42	41.68	132.18	1,054.23
37	Oklahoma	268.43	221.31	318.14	21.35	87.30	106.48	1,023.01
38	Kentucky	295.14	223.50	328.44	18.14	41.92	87.41	994.54
39	Missouri	371.08	119.16	349.93	8.20	41.61	97.74	987.73
40	Texas	448.90	248.45	0.00	7.72	45.26	230.11	980.43
41	North Dakota	361.46	234.00	165.39	3.49	64.43	118.00	946.76
42	Arkansas	0.00	514.76	314.42	2.89	34.06	80.50	946.63
43	New Hampshire	0.00	244.51	37.32	22.98	52.36	570.42	927.59
44	Mississippi	423.09	186.54	167.27	4.16	26.38	81.90	889.34
45	Alabama	256.82	238.79	277.52	3.93	33.87	55.60	866.52
46	Tennessee	480.60	189.57	21.11	7.23	35.31	104.21	838.05
47	South Dakota	358.75	219.77	0.00	20.94	30.43	168.98	798.87
48	Louisiana	299.26	183.08	174.68	12.13	18.99	97.04	785.17
49	Montana	0.00	228.50	349.99	11.33	48.55	119.54	757.91
50	Wyoming	357.42	120.26	0.00	4.85	94.06	88.85	665.44
51	Alaska	0.00	165.28	0.00	1.93	37.81	400.36	605.39

\* Residential property taxes are for 1986, this is the most recent year for nationwide data.

Sources: Property tax data is computed from the 1987 Census of Governments, Vol. 2. All other data is taken from State Government Tax Collections, U.S. Dept. of Commerce.

EXHIBIT 1  
DATE 1-6-95  
I                     

**TAX RATES AND TAX BURDENS  
IN THE DISTRICT OF COLUMBIA:  
A NATIONWIDE COMPARISON**



**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
SHARON PRATT KELLY, MAYOR  
JUNE 1994**

**D.C.** ★★★  
≡

Department of  
Finance and  
Revenue

TABLE 1  
ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1993  
\$25,000

RANK	CITY	STATE	TAXES				BURDEN	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1.	Bridgeport,	CT	11	2,574	449	568	3,602	14.4%
2.	Newark,	NJ	513	2,421	352	109	3,395	13.6%
3.	Philadelphia,	PA	1,940	868	304	88	3,201	12.8%
4.	Milwaukee,	WI	1,084	1,402	466	163	3,115	12.5%
5.	Portland,	ME	553	1,767	479	286	3,085	12.3%
6.	Detroit,	MI	1,514	1,114	243	117	2,988	12.0%
7.	Boston,	MA	1,512	764	364	291	2,931	11.7%
8.	Providence,	RI	513	1,512	421	355	2,800	11.2%
9.	Baltimore,	MD	1,145	1,062	380	161	2,748	11.0%
10.	Columbus,	OH	1,114	1,048	410	157	2,729	10.9%
11.	New York City,	NY	904	913	817	86	2,721	10.9%
12.	Chicago,	IL	566	1,280	694	176	2,717	10.9%
13.	Louisville,	KY	1,449	587	453	183	2,671	10.7%
14.	Atlanta,	GA	700	1,031	619	215	2,565	10.3%
15.	Omaha,	NE	645	947	594	359	2,546	10.2%
16.	Manchester,	NH	0	2,235	0	243	2,478	9.9%
17.	Phoenix,	AZ	684	848	510	301	2,343	9.4%
18.	Sioux Falls,	SD	0	1,144	726	421	2,291	9.2%
19.	Kansas City,	MO	1,064	517	423	273	2,277	9.1%
20.	Virginia Beach,	VA	710	659	480	421	2,270	9.1%
21.	Charlotte,	NC	720	605	600	242	2,168	8.7%
22.	Des Moines,	IA	998	558	406	201	2,164	8.7%
23.	Indianapolis,	IN	889	576	328	368	2,161	8.6%
24.	WASHINGTON,	DC	1,125	328	492	154	2,099	8.4%
25.	Denver,	CO	470	608	612	331	2,021	8.1%
26.	Portland,	OR	915	955	0	143	2,013	8.1%
27.	Columbia,	SC	359	711	566	375	2,011	8.0%
28.	Wilmington,	DE	956	914	0	127	1,997	8.0%
29.	Little Rock,	AR	735	579	448	232	1,995	8.0%
30.	Charleston,	WV	580	517	577	295	1,968	7.9%
31.	Salt Lake City,	UT	586	547	612	206	1,950	7.8%
32.	Honolulu,	HI	966	423	323	231	1,943	7.8%
33.	Wichita,	KS	420	528	664	329	1,941	7.8%
34.	Jackson,	MS	370	475	534	503	1,881	7.5%
35.	Seattle,	WA	0	888	637	328	1,853	7.4%
36.	Oklahoma City,	OK	635	350	638	213	1,836	7.3%
37.	Minneapolis,	MN	564	662	380	228	1,833	7.3%
38.	Burlington,	VT	396	981	314	122	1,813	7.3%
39.	Fargo,	ND	198	943	456	163	1,759	7.0%
40.	Boise City,	ID	411	565	544	173	1,693	6.8%
41.	Albuquerque,	NM	245	723	568	146	1,681	6.7%
42.	Los Angeles,	CA	55	758	551	275	1,640	6.6%
43.	Houston,	TX	0	936	509	166	1,610	6.4%
44.	Billings,	MT	568	747	0	291	1,606	6.4%
45.	Birmingham,	AL	369	246	772	204	1,591	6.4%
46.	Memphis,	TN	0	645	746	189	1,581	6.3%
47.	Las Vegas,	NV	0	590	490	312	1,393	5.6%
48.	Jacksonville,	FL	0	514	507	115	1,136	4.5%
49.	Cheyenne,	WY	0	395	521	206	1,122	4.5%
50.	New Orleans,	LA	0	100	687	274	1,061	4.2%
51.	Anchorage,	AK	0	746	0	73	819	3.3%
AVERAGE 1/			\$685	\$859	\$514	\$239	\$2,153	8.6%
MEDIAN 1/			\$645	\$723	\$509	213	\$2,013	8.1%

1/ Based on cities actually levying tax.



EXHIBIT 1DATE 1-6-95

TABLE 1  
ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1993  
\$50,000

RANK	CITY	STATE	TAXES				BURDEN	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1.	Bridgeport,	CT	1,071	4,904	740	942	7,657	15.3%
2.	New York City,	NY	3,622	1,740	1,252	117	6,731	13.5%
3.	Newark,	NJ	1,150	4,801	607	135	6,694	13.4%
4.	Milwaukee,	WI	2,874	2,805	759	221	6,659	13.3%
5.	Philadelphia,	PA	3,880	1,653	528	119	6,181	12.4%
6.	Portland,	ME	1,596	3,366	785	411	6,158	12.3%
7.	Detroit,	MI	3,414	2,122	436	160	6,133	12.3%
8.	Boston,	MA	2,774	1,877	608	379	5,638	11.3%
9.	Baltimore,	MD	2,654	2,023	624	220	5,522	11.0%
10.	Chicago,	IL	1,359	2,826	1,099	237	5,521	11.0%
11.	Providence,	RI	1,236	2,879	709	593	5,417	10.8%
12.	Louisville,	KY	3,225	1,117	776	299	5,417	10.8%
13.	Atlanta,	GA	1,741	1,974	954	377	5,046	10.1%
14.	Omaha,	NE	1,642	1,804	913	587	4,946	9.9%
15.	Columbia,	SC	1,936	1,354	845	652	4,787	9.6%
16.	WASHINGTON,	DC	2,780	886	837	234	4,737	9.5%
17.	Des Moines,	IA	2,414	1,254	683	322	4,673	9.3%
18.	Wilmington,	DE	2,745	1,742	0	178	4,664	9.3%
19.	Manchester,	NH	0	4,258	0	387	4,645	9.3%
20.	Columbus,	OH	1,722	1,997	692	211	4,622	9.2%
21.	Charlotte,	NC	2,175	1,153	890	383	4,601	9.2%
22.	Virginia Beach,	VA	1,859	1,254	715	701	4,530	9.1%
23.	Salt Lake City,	UT	2,156	1,042	962	330	4,491	9.0%
24.	Minneapolis,	MN	2,185	1,284	659	337	4,465	8.9%
25.	Kansas City,	MO	2,289	985	731	457	4,462	8.9%
26.	Honolulu,	HI	2,654	932	548	319	4,453	8.9%
27.	Little Rock,	AR	2,197	1,104	755	372	4,428	8.9%
28.	Birmingham,	AL	2,403	533	1,141	319	4,396	8.8%
29.	Denver,	CO	1,642	1,157	955	547	4,301	8.6%
30.	Boise City,	ID	2,217	769	830	226	4,042	8.1%
31.	Billings,	MT	2,108	1,423	0	493	4,024	8.0%
32.	Phoenix,	AZ	1,101	1,615	855	450	4,021	8.0%
33.	Charleston,	WV	1,635	984	892	490	4,001	8.0%
34.	Indianapolis,	IN	1,914	1,123	559	368	3,965	7.9%
35.	Burlington,	VT	1,329	1,868	579	160	3,937	7.9%
36.	Sioux Falls,	SD	0	2,179	1,043	712	3,934	7.9%
37.	Jackson,	MS	1,046	1,121	813	873	3,853	7.7%
38.	Wichita,	KS	1,304	1,006	1,000	494	3,804	7.6%
39.	Los Angeles,	CA	896	1,510	918	456	3,780	7.6%
40.	Albuquerque,	NM	1,304	1,425	835	194	3,758	7.5%
41.	Oklahoma City,	OK	1,715	750	921	314	3,700	7.4%
42.	Portland,	OR	1,468	1,819	0	204	3,491	7.0%
43.	Fargo,	ND	663	1,796	745	207	3,411	6.8%
44.	Seattle,	WA	0	1,691	998	538	3,227	6.5%
45.	New Orleans,	LA	689	703	1,280	414	3,086	6.2%
46.	Houston,	TX	0	1,810	889	217	2,916	5.8%
47.	Memphis,	TN	0	1,229	1,147	243	2,619	5.2%
48.	Jacksonville,	FL	0	1,469	828	141	2,438	4.9%
49.	Las Vegas,	NV	0	1,124	816	496	2,436	4.9%
50.	Cheyenne,	WY	0	752	816	299	1,867	3.7%
51.	Anchorage,	AK	0	1,421	0	93	1,514	3.0%
AVERAGE 1/			\$1,881	\$1,694	\$825	\$365	\$4,427	8.9%
MEDIAN 1/			\$1,741	\$1,423	\$828	330	\$4,453	8.9%

1/ Based on cities actually levying tax.

TABLE 1  
ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1993  
\$75,000

RANK	CITY	STATE	TAXES				BURDEN	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1.	Bridgeport,	CT	3,037	7,356	1,192	2,051	13,635	18.2%
2.	New York City,	NY	6,425	2,610	1,991	200	11,226	15.0%
3.	Portland,	ME	3,353	5,048	1,177	1,215	10,793	14.4%
4.	Newark,	NJ	2,100	7,306	995	238	10,639	14.2%
5.	Milwaukee,	WI	4,382	4,282	1,139	370	10,173	13.6%
6.	Detroit,	MI	5,314	3,183	712	347	9,556	12.7%
7.	Philadelphia,	PA	5,820	2,480	890	200	9,390	12.5%
8.	Providence,	RI	2,537	4,319	1,160	1,230	9,245	12.3%
9.	Columbus,	OH	4,754	2,995	1,119	355	9,222	12.3%
10.	Boston,	MA	4,323	3,049	911	885	9,168	12.2%
11.	Atlanta,	GA	3,344	2,967	1,516	849	8,675	11.6%
12.	Louisville,	KY	5,073	1,676	1,248	616	8,612	11.5%
13.	Baltimore,	MD	4,272	3,035	932	367	8,606	11.5%
14.	Chicago,	IL	1,907	4,453	1,632	399	8,391	11.2%
15.	Columbia,	SC	3,467	2,032	1,267	1,452	8,218	11.0%
16.	Omaha,	NE	2,888	2,706	1,335	1,240	8,169	10.9%
17.	Portland,	OR	4,910	2,728	0	333	7,971	10.6%
18.	WASHINGTON,	DC	4,782	1,473	1,340	344	7,939	10.6%
19.	Des Moines,	IA	4,018	1,986	1,096	631	7,731	10.3%
20.	Minneapolis,	MN	3,942	1,921	1,079	780	7,722	10.3%
21.	Virginia Beach,	VA	3,153	1,882	1,073	1,549	7,657	10.2%
22.	Charlotte,	NC	3,726	1,729	1,379	768	7,602	10.1%
23.	Wilmington,	DE	4,677	2,613	0	293	7,582	10.1%
24.	Honolulu,	HI	4,631	1,469	879	534	7,513	10.0%
25.	Salt Lake City,	UT	3,577	1,563	1,532	665	7,337	9.8%
26.	Little Rock,	AR	3,684	1,656	1,210	755	7,304	9.7%
27.	Los Angeles,	CA	2,538	2,302	1,490	974	7,304	9.7%
28.	Kansas City,	MO	3,574	1,478	1,187	962	7,201	9.6%
29.	Manchester,	NH	0	6,387	0	781	7,168	9.6%
30.	Jackson,	MS	2,136	1,801	1,263	1,963	7,163	9.6%
31.	Boise City,	ID	3,864	1,666	1,246	386	7,162	9.5%
32.	Charleston,	WV	3,165	1,477	1,409	1,040	7,090	9.5%
33.	Wichita,	KS	2,651	1,509	1,500	1,317	6,977	9.3%
34.	Birmingham,	AL	3,703	836	1,711	645	6,895	9.2%
35.	Phoenix,	AZ	2,008	2,423	1,376	1,026	6,833	9.1%
36.	Burlington,	VT	2,797	2,802	939	273	6,812	9.1%
37.	Denver,	CO	2,691	1,736	1,433	929	6,789	9.1%
38.	Billings,	MT	3,507	2,134	0	1,024	6,665	8.9%
39.	Indianapolis,	IN	2,939	1,699	899	1,112	6,650	8.9%
40.	Albuquerque,	NM	2,635	2,165	1,252	313	6,365	8.5%
41.	Oklahoma City,	OK	3,113	1,171	1,382	688	6,353	8.5%
42.	Sioux Falls,	SD	0	3,269	1,532	1,527	6,328	8.4%
43.	New Orleans,	LA	1,328	1,659	1,900	765	5,652	7.5%
44.	Fargo,	ND	1,350	2,694	1,195	319	5,558	7.4%
45.	Seattle,	WA	0	2,537	1,497	1,131	5,165	6.9%
46.	Houston,	TX	0	2,730	1,447	370	4,547	6.1%
47.	Memphis,	TN	0	1,844	1,834	419	4,097	5.5%
48.	Jacksonville,	FL	0	2,475	1,324	250	4,049	5.4%
49.	Las Vegas,	NV	0	1,686	1,224	981	3,891	5.2%
50.	Cheyenne,	WY	0	1,129	1,302	856	3,286	4.4%
51.	Anchorage,	AK	0	2,132	0	161	2,293	3.1%
AVERAGE 1/			\$3,366	\$2,593	\$1,286	\$762	\$7,419	9.9%
MEDIAN 1/			\$3,467	\$2,134	\$1,263	755	\$7,304	9.7%

1/ Based on cities actually levying tax.

TABLE 1  
ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1993  
\$100,000

RANK	CITY	STATE	TAXES				BURDEN	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1.	Bridgeport,	CT	4,500	9,317	1,596	2,418	17,831	17.8%
2.	New York City,	NY	9,286	3,306	2,655	199	15,446	15.4%
3.	Portland,	ME	5,109	6,395	1,570	1,397	14,471	14.5%
4.	Newark,	NJ	3,553	9,310	1,327	234	14,424	14.4%
5.	Milwaukee,	WI	5,923	5,463	1,519	362	13,267	13.3%
6.	Detroit,	MI	7,214	4,032	949	342	12,537	12.5%
7.	Providence,	RI	4,030	5,470	1,547	1,425	12,472	12.5%
8.	Columbus,	OH	6,732	3,793	1,492	347	12,364	12.4%
9.	Philadelphia,	PA	7,760	3,142	1,187	195	12,283	12.3%
10.	Boston,	MA	5,896	3,987	1,215	1,017	12,115	12.1%
11.	Louisville,	KY	6,919	2,123	1,664	707	11,413	11.4%
12.	Baltimore,	MD	5,862	3,844	1,243	358	11,307	11.3%
13.	Omaha,	NE	4,500	3,427	1,792	1,439	11,158	11.2%
14.	Atlanta,	GA	4,128	3,761	2,021	1,023	10,933	10.9%
15.	Chicago,	IL	2,592	5,754	2,183	390	10,919	10.9%
16.	WASHINGTON,	DC	6,845	1,943	1,788	337	10,913	10.9%
17.	Columbia,	SC	4,821	2,573	1,690	1,740	10,824	10.8%
18.	Los Angeles,	CA	4,656	2,935	1,987	1,139	10,717	10.7%
19.	Jackson,	MS	4,080	2,346	1,683	2,360	10,469	10.5%
20.	Minneapolis,	MN	5,662	2,431	1,438	885	10,415	10.4%
21.	Portland,	OR	6,599	3,455	0	324	10,379	10.4%
22.	Des Moines,	IA	5,595	2,572	1,461	713	10,341	10.3%
23.	Wilmington,	DE	6,605	3,309	0	285	10,200	10.2%
24.	Honolulu,	HI	6,586	1,898	1,173	524	10,181	10.2%
25.	Boise City,	ID	5,745	2,384	1,661	379	10,169	10.2%
26.	Charlotte,	NC	5,196	2,190	1,839	866	10,091	10.1%
27.	Virginia Beach,	VA	4,390	2,383	1,430	1,830	10,034	10.0%
28.	Charleston,	WV	4,855	1,870	1,878	1,210	9,814	9.8%
29.	Little Rock,	AR	5,182	2,097	1,614	863	9,756	9.8%
30.	Salt Lake City,	UT	4,897	1,980	2,043	753	9,673	9.7%
31.	Burlington,	VT	4,564	3,550	1,252	268	9,634	9.6%
32.	Phoenix,	AZ	3,337	3,069	1,835	1,219	9,460	9.5%
33.	Wichita,	KS	4,009	1,911	2,000	1,539	9,459	9.5%
34.	Kansas City,	MO	4,842	1,872	1,583	1,150	9,446	9.4%
35.	Billings,	MT	5,418	2,703	0	1,192	9,314	9.3%
36.	Manchester,	NH	30	8,090	0	890	9,010	9.0%
37.	Albuquerque,	NM	4,270	2,756	1,669	306	9,002	9.0%
38.	Denver,	CO	3,820	2,199	1,911	1,062	8,992	9.0%
39.	Birmingham,	AL	4,846	1,078	2,282	728	8,934	8.9%
40.	Oklahoma City,	OK	4,698	1,507	1,843	790	8,838	8.8%
41.	Indianapolis,	IN	3,964	2,160	1,203	1,221	8,548	8.5%
42.	Sioux Falls,	SD	0	4,141	2,054	1,809	8,004	8.0%
43.	New Orleans,	LA	1,940	2,424	2,541	1,061	7,966	8.0%
44.	Fargo,	ND	2,180	3,413	1,593	333	7,518	7.5%
45.	Seattle,	WA	0	3,214	1,996	1,311	6,520	6.5%
46.	Houston,	TX	0	3,466	1,930	363	5,759	5.8%
47.	Jacksonville,	FL	0	3,279	1,773	246	5,298	5.3%
48.	Memphis,	TN	0	2,335	2,445	412	5,192	5.2%
49.	Las Vegas,	NV	0	2,136	1,632	1,106	4,873	4.9%
50.	Cheyenne,	WY	0	1,429	1,735	1,006	4,171	4.2%
51.	Anchorage,	AK	0	2,700	0	158	2,858	2.9%
AVERAGE 1/			\$4,855	\$3,312	\$1,716	\$867	\$9,916	9.9%
MEDIAN 1/			\$4,846	\$2,756	\$1,669	863	\$10,091	10.1%

1/ Based on cities actually levying tax.

TABLE 2  
INDEX OF PROGRESSIVITY FOR THE TAX SYSTEM  
OF THE LARGEST CITY IN EACH STATE  
1993

CITY	ST	MAJOR STATE AND LOCAL TAXES AS A PERCENT OF INCOME FOR \$25,000 FAMILY	MAJOR STATE AND LOCAL TAXES AS A PERCENT OF INCOME FOR \$100,000 FAMILY	PROGRESSIVITY INDEX 3/	MAJOR STATE AND LOCAL TAX BURDEN RANK AT \$50,000 INCOME
New Orleans,	LA	4.2%	8.0%	0.533	45
Los Angeles,	CA	6.6%	10.7%	0.612	40
Boise City,	ID	6.8%	10.2%	0.666	36
Billings,	MT	6.4%	9.3%	0.690	42
Minneapolis,	MN	7.3%	10.4%	0.704	28
New York City,	NY	10.9%	15.4%	0.705	4
Birmingham,	AL	6.4%	8.9%	0.712	27
Jackson,	MS	7.5%	10.5%	0.719	37
Columbia,	SC	8.0%	10.8%	0.743	18
Albuquerque,	NM	6.7%	9.0%	0.747	38
Burlington,	VT	7.3%	9.6%	0.753	34
Honolulu,	HI	7.8%	10.2%	0.763	22
WASHINGTON,	DC	8.4%	10.9%	0.770	16
Portland,	OR	8.1%	10.4%	0.776	17
Wilmington,	DE	8.0%	10.2%	0.783	21
Charleston,	WV	7.9%	9.8%	0.802	32
Salt Lake City,	UT	7.8%	9.7%	0.807	25
Bridgeport,	CT	14.4%	17.8%	0.808	1
Little Rock,	AR	8.0%	9.8%	0.818	29
Wichita,	KS	7.8%	9.5%	0.821	39
Oklahoma City,	OK	7.3%	8.8%	0.831	41
Des Moines,	IA	8.7%	10.3%	0.837	20
Portland,	ME	12.3%	14.5%	0.853	7
Jacksonville,	FL	4.5%	5.3%	0.858	48
Charlotte,	NC	8.7%	10.1%	0.859	23
Columbus,	OH	10.9%	12.4%	0.883	8
Providence,	RI	11.2%	12.5%	0.898	11
Denver,	CO	8.1%	9.0%	0.899	30
Virginia Beach,	VA	9.1%	10.0%	0.905	24
Omaha,	NE	10.2%	11.2%	0.912	15
Fargo,	ND	7.0%	7.5%	0.936	43
Louisville,	KY	10.7%	11.4%	0.936	13
Atlanta,	GA	10.3%	10.9%	0.939	14
Milwaukee,	WI	12.5%	13.3%	0.939	3
Newark,	NJ	13.6%	14.4%	0.942	2
Detroit,	MI	12.0%	12.5%	0.953	6
Kansas City,	MO	9.1%	9.4%	0.964	26
Boston,	MA	11.7%	12.1%	0.968	9
Baltimore,	MD	11.0%	11.3%	0.972	12
Phoenix,	AZ	9.4%	9.5%	0.991	31
Chicago,	IL	10.9%	10.9%	0.995	10
Indianapolis,	IN	8.6%	8.5%	1.011	33
Philadelphia,	PA	12.8%	12.3%	1.042	5
Cheyenne,	WY	4.5%	4.2%	1.076	50
Manchester,	NH	9.9%	9.0%	1.100	19
Houston,	TX	6.4%	5.8%	1.119	46
Seattle,	WA	7.4%	6.5%	1.137	44
Las Vegas,	NV	5.6%	4.9%	1.143	49
Sioux Falls,	SD	9.2%	8.0%	1.145	35
Anchorage,	AK	3.3%	2.9%	1.146	51
Memphis,	TN	6.3%	5.2%	1.218	47
AVERAGE		8.6%	9.9%	0.869	
MEDIAN		8.1%	10.1%		

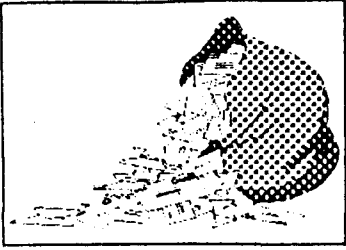


EXHIBIT 2

DATE 1/6/95

HB

## INFORMATION REQUEST

DIVISION: \_\_\_\_\_

REQUEST NO: \_\_\_\_\_

REQUEST TAKEN BY: \_\_\_\_\_

DATE: \_\_\_\_\_

REQUESTOR: \_\_\_\_\_

PERSON ASSIGNED TO ANSWER: \_\_\_\_\_

ANSWER DUE TO DIRECTOR'S OFFICE: \_\_\_\_\_

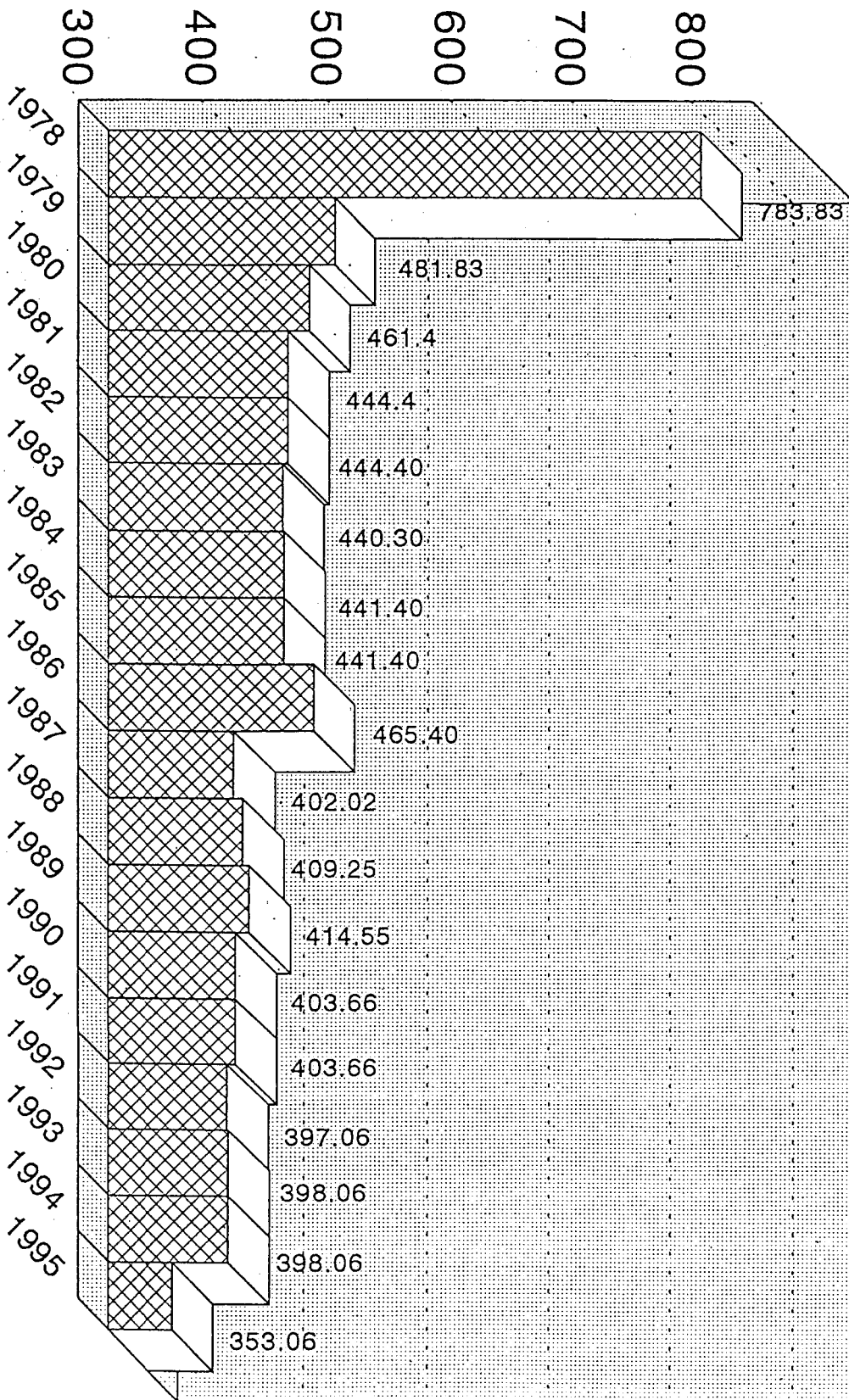
ANSWER DUE TO REQUESTOR: \_\_\_\_\_

\* \* \* \* \*

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EXHIBIT 3  
DATE 1/6/95  
HB 1

# Property Assessment Division HB2 FTE



## Efficiencies Implemented

The Work Efficiencies Committee identified perceived areas of inefficiencies in the Property Assessment Division through the use of a survey, committee discussions, prior studies, information from other states and general discussions with Property Assessment Division employees both in Helena and in the counties. The Committee directed its attention to inefficiencies that, if corrected, would have the effect of reducing costs or staff time in attempting to meet the Director's expectations of savings in the Property Assessment Division.

To ensure that all Property Assessment Division employees were given an opportunity to participate in the restructuring process, a survey was used to gather ideas. Out of 399 surveys mailed, 253 employees responded.

The following proposals of the committee were acted upon either through legislation or adoption by the Division.

1. All licensed vehicles should be valued by the Department of Justice. The valuation of mobile homes should be reviewed to determine whether there is a more efficient method to value and track these properties.  
An advisory committee appointed by the Governor to study this proposal was included as part of HB50. The committee made recommendations regarding the valuation of motor vehicles to the Director and will be introduced in the 1995 Legislature. The committee will continue to meet to propose recommendations on the valuation of mobile homes.
2. Consolidation of county offices.  
As a result of HB50, 50 of the 56 county offices consolidated the assessor position with another position within the county. This allowed the Division to work with county officials to actually physically combine some offices into one location to increase taxpayer assistance.
3. Introduce legislation to allow for reduction in mandatory office hours for county offices.  
This proposal was included in the HB50 legislation. The Division is currently in the process of proposing administrative rules to accomplish this proposal.
4. Legislation and/or policies should be implemented that would allow Property Assessment Division to charge for data bases and services that are provided to the public with the money earmarked for upgrading the computer systems in the Division.  
This proposal was included in the HB 50 legislation. Proposed legislation for this session would expand the statutory language to cover all computer systems in the Division. A team of Property Assessment employees is

currently developing a marketing plan for the sale of data.

5. **Increased taxpayer education.**

The Division, in conjunction with the Montana Woods Product Association and Montana Tree Farmers Association, mailed brochures explaining the new forest taxation process to all affected taxpayers. The brochures were well received by the taxpayers and is believed to have reduced the amount of follow up by division employees following the mailing of assessment notices.

We will be using public service announcements to educate taxpayers on changes in legislation and tax relief programs.

The division has established a team to develop additional methods for increasing taxpayer understanding of the property taxation system.

6. **All taxable property in the state should have the same lien date.**

The Division was able to move the assessment date for livestock from March 1 to February 1 as part of HB 50. This will allow division employees to complete personal property assessments in a more timely manner and will allow livestock owners to report all personal property information on one form.

7. **Cross train personnel to allow for more efficient use of staff.**

Technical employees within the division are being trained in both appraisal and assessment duties to allow distribution of work during peak times and among counties within a region.

8. **Install taxpayer inquiry terminals in every county.**

Taxpayer inquiry terminals have been installed in most regions. The Department is utilizing older computers that were going to be replaced for the inquiry terminals. A request for additional lines through the Department of Administration is part of the budget proposal by the division.



## PROPERTY ASSESSMENT DIVISION

Introduction of Property Assessment Division	Mary Whittinghill, Administrator
Overview of Property Taxation	Randy Wilke, Bureau Chief
Computer Assisted Mass Appraisal System	Russ Hyatt, Bureau Chief
Business Equipment Valuation System	Sharon Ferguson, Tax Appraisal Specialist
Master Ownership Development System	Mary Whittinghill, Administrator
Centrally Assessed Properties	Gene Walborn, Bureau Chief
Business Property Tax Incentives	Gary Peterson, Tax Appraisal Specialist
Property Tax Exemptions	Mike Noble, Tax Program Manager
Special Property Tax Applications	Mike Noble, Tax Program Manager
Timberland Valuation	Randy Pearson, Tax Appraisal Specialist
Agricultural Valuation	Les Saisbury, Tax Program Manager
Legal Considerations	Dave Woodgerd, Chief Legal Counsel
Pertinent Property Tax Data	Mary Whittinghill, Administrator

# Property Assessment Division

