

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

CONFERENCE COMMITTEE ON SENATE BILL 272

Call to Order: By SENATOR GARY C. AKLESTAD, Chairman, on April 17, 1997, at 2:30 p.m., in Room 325.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad (R)
Sen. Wm. E. (Bill) Glaser (R)
Sen. Fred R. Van Valkenburg (D)
Rep. John "Sam" Rose (R)
Rep. John C. Bohlinger (R)
Rep. Linda McCulloch (D)

Members Excused: None.

Members Absent: None.

Staff Present: None.

CONFERENCE COMMITTEE HEARING ON SB 272

Opening Statement by Sponsor:

SENATOR GARY C. AKLESTAD, sponsor, said it was his attempt in SB 272 that stepchildren 18 years and older would not be treated differently than a stepchild under the age of 18 with regard to inheritance taxes. He noted that the House Taxation Committee added a new Section 2 dealing with retroactive applicability. By striking the retroactive provision, new Section 2, page 1 of SB 272, it negates the situation that brought this bill before the legislature. Two people that prompted the introduction of this bill are now placed in a situation where they are stepchildren. They were both past the age of 18 when their parents were married and now that inheritance taxes are due, they are not treated as siblings with regard to the taxes. These people have been in the family for 45 years and have taken care of their parents. He remarked that the Department of Revenue expressed their opposition to SB 272 because they could lose potential revenue. They did state that this is the first case of this type, which is why the retroactive provision is contained in the bill.

SENATOR AKLESTAD explained that the people he is presenting the bill for are acquaintances of his that are in his district. He concluded his remarks by stating that the present law was

unreasonable and should be taken care of. He added that he would like the retroactive clause put back in.

REPRESENTATIVE ROSE, expressing support of the remarks made by **SENATOR AKLESTAD**, said it will affect people in the future.

REPRESENTATIVE BOHLINGER, stated his support of the proposed legislation.

SENATOR AKLESTAD said he would propose a motion to put the retroactive application back into SB 272. It was his understanding with that amendment, there would not be the 18 years of age provision and also that they would be treated as a sibling. He noted that the termination date of 1999 was put on in the event there was a huge amount of these cases. He proclaimed that it was right for our society to have these people treated as siblings.

REPRESENTATIVE BOHLINGER favored removing the 1999 termination date of SB 272.

SENATOR AKLESTAD said because the conferees to SB 272 are a conference committee and not a free conference committee, they could deal only with House amendments and not the Senate amendments. Although he would like to have the 1999 date removed, he didn't want to pursue that situation as it might create more problems.

When questioned by **REPRESENTATIVE MCCULLOCH** if the Department of Revenue would track the fiscal impact of this situation between now and 1999, **SENATOR AKLESTAD** expressed his opinion that they would and it would not be a big problem for them to do that.

REPRESENTATIVE ROSE indicated that the Department of Revenue was receptive to the idea of looking at this for a couple of years.

Motion/Vote:

REPRESENTATIVE BOHLINGER moved that the House Taxation Committee amendment to eliminate the retroactive clause be removed from SB 272. Motion **CARRIED UNANIMOUSLY**.

ADJOURNMENT

Adjournment: 2:50 p.m.


SEN. GARY C. AKLESTAD, Chairman


LYNN STALEY, Secretary

GCA/LS