

MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN GERRY DEVLIN, on January 15, 1997, at
3:00 a.m., in Room 415.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Jeff Martin, Legislative Services Division
Renée Podell, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: 01/09/97 SB 151
Executive Action: None

HEARING ON SB 151

Sponsor: KEN MILLER, SD 11, LAUREL

Proponents: Mike Hansheu, Administrator, Senior and Long Term
Care Division of the Department of Public
Health and Human Services (DPHHS)
Tanya Ask, Blue Cross Blue Shield of Montana
(BCBS)
Susan Good, Heal Montana, Montana Association
of Life Underwriters

Opponents: None

Opening Statement by Sponsor:

SEN. KEN MILLER, SD 11, LAUREL, says SB 11 allows 100% deductibility for health insurance and long term care. He feels this bill is important because it is a fairness issue and it makes health insurance more affordable. He points out that the fiscal note does not have the long term benefits to the state calculated into it.

Proponents' Testimony:

Mike Hansheu, (DPHHS), states the department is very supportive of expanding the tax deduction for long term care insurance. He says the bill promotes individual responsibility in that it gives people an alternative for controlling their assets.

{Tape: 1; Side: A; Approx. Time Count 8:11; Comments: None.}

Susan Good, HEAL Montana, Montana Association of Life Underwriters, strongly supports this legislation. She states long term care is one of the biggest issues in the State of Montana. Anything that can be done to encourage people to take care of themselves is a step in the right direction.

Tanya Ask, Blue Cross Blue Shield of Montana (BCBS), presents written testimony (EXHIBIT #1).

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. MACK COLE asks SEN. MILLER if \$3.17 million in taxes will be lost because of this proposed bill. SEN. MILLER responds it is the decrease in revenue to the state's General Fund. SEN. COLE questions SEN. MILLER as to how many people in the state will get a tax deduction. SEN. MILLER responds that 3,946 tax returns were filed last year that took the 50% deduction so he presumes that a similar amount will take the 100% deduction.

SEN. MIKE SPRAGUE wonders if this deduction can cross over state lines. SEN. MILLER states the bill presently reads if a Montana taxpayers parent is living in Idaho, long term insurance could be purchased and deducted from Montana taxes. SEN. MILLER reports an amendment could be written in restricting it from crossing state lines.

SEN. DOROTHY ECK asks SEN. MILLER if data can be obtained on the income break down of those people who are now taking advantage of the 1/2 deduction. SEN. MILLER comments he will see if that data is available.

Closing by the Sponsor:

SEN. MILLER asks for a favorable do pass on SB 151.

ADJOURNMENT

Adjournment: 8:30 a.m.



SEN. GERRY DEVLIN, Chairman



RENEE PODELL, Secretary

GD/rp