

HOUSE JOINT RESOLUTION NO. 66

INTRODUCED BY NORDTVEDT, HIRSCH, LIEN, FABREGA

IN THE HOUSE

April 4, 1979                    Introduced and referred to  
Committee on Taxation.

April 7, 1979                    Committee recommend bill  
do pass. Report adopted.

April 9, 1979                    Printed and placed on members'  
desks.

April 10, 1979                   Second reading, do pass.

April 11, 1979                   Considered correctly engrossed.

April 12, 1979                   Third reading, passed.  
Transmitted to second house.

IN THE SENATE

April 13, 1979                   Introduced and referred to  
Committee on Taxation.

April 17, 1979                   Committee recommend bill be  
concurrent in. Report adopted.

April 18, 1979                   Second reading, concurred in.  
  
On motion rules suspended.  
Bill placed on Calendar for  
third reading this day.  
  
Third reading, concurred in.

IN THE HOUSE

April 19, 1979                   Returned from second house.  
Concurrent in. Sent to  
enrolling.  
  
Reported correctly enrolled.

1 *House* JOINT RESOLUTION NO. *66*  
 2 INTRODUCED BY *hundred third San Lorenzo*

3  
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
 5 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE  
 6 REVENUE OVERSIGHT COMMITTEE TO INVESTIGATE THE TREATMENT OF  
 7 CAPITAL GAINS, INTEREST INCOME AND EXPENSES, AND  
 8 DEPRECIATION DEDUCTIONS UNDER THE INCOME TAX STRUCTURE  
 9 DURING A PERIOD OF SUSTAINED INFLATION; REQUESTING THE  
 10 COMMITTEE TO PRESENT ITS FINDINGS TO THE 47TH LEGISLATURE.

11  
 12 WHEREAS, steady inflation distorts the proper  
 13 determination of capital gains realized through the sale of  
 14 property, interest income and expenses on investments, and  
 15 depreciation of business property; and

16 WHEREAS, this distortion forces citizens to pay high  
 17 tax on capital gains caused primarily by inflated values, to  
 18 pay taxes on interest income that is less than the rate of  
 19 inflation and thus represents a net loss to the investor,  
 20 and to distort the value of deductions for depreciation and  
 21 expenses granted in connection with investment property; and

22 WHEREAS, these distortions discourage Montana citizens  
 23 from saving and investing funds; and

24 WHEREAS, many economists argue that lack of savings and  
 25 capital investments are the most serious problems in our

1 economy today; and

2 WHEREAS, savings and investments in Montana are vitally  
 3 necessary to increase the real income of Montana by  
 4 increasing its productivity and providing new jobs.

5  
 6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE  
 7 OF REPRESENTATIVES OF THE STATE OF MONTANA:

8 That the Revenue Oversight Committee is requested to  
 9 investigate the effect of the current income tax treatment  
 10 of capital gains, interest income and expense, and  
 11 depreciation of business property during a period of  
 12 sustained rapid inflation and propose possible alternative  
 13 methods of treatment of such items that would neutralize the  
 14 effects of inflation.

15 BE IT FURTHER RESOLVED, that the Revenue Oversight  
 16 Committee present its findings and recommendations to the  
 17 Legislature prior to the convening of the 1981 Legislature.

-End-

-2- *HJR 66*  
 INTRODUCED BILL

Approved by Committee  
on Taxation

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2 INTRODUCED BY Handwritten Name

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HJR 66  
SECOND READING

1 *House* JOINT RESOLUTION NO. *66*  
 2 INTRODUCED BY *Wendell Clark, Dan Feltgen*

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