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.
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April	13, 1979			Introduced and referred to Committee on Taxation.
April	17, 1979			Committee recommend bill be concurred 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.
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IN THE HOUSE

April 19, 1979

Returned from second house.
Concurred in. Sent to
enrolling.

Reported correctly enrolled.

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2	INTRODUCED BY UNITED Third Santage
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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
.0	COMMITTEE TO PRESENT ITS FINDINGS TO THE 47TH LEGISLATURE.
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WHEREAS, steady inflation distorts the proper determination of capital gains realized through the sale of property, interest income and expenses on investments, and depreciation of business property; and

WHEREAS, this distortion forces citizens to pay high
tax on capital gains caused primarily by inflated values, to
pay taxes on interest income that is less than the rate of
inflation and thus represents a net loss to the investor,
and to distort the value of deductions for depreciation and
expenses granted in connection with investment property; and
WHEREAS, these distortions discourage Montana citizens
from saving and investing funds; and

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

economy today; and

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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.

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

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

BE IT FURTHER RESOLVED, that the Revenue Oversight

Committee present its findings and recommendations to the

Legislature prior to the convening of the 1981 Legislature.

-End-

-2- HJR 66 INTRODUCED BILL Approved by Committee on Taxation

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15	depreciation of business property; and
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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
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REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE

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CAPITAL GAINS, INTEREST INCOME AND EXPENSES, AND

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DURING A PERIOD OF SUSTAINED INFLATION; REQUESTING THE

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

COMMITTEE TO PRESENT ITS FINDINGS TO THE 47TH LEGISLATURE.

WHEREAS, this distortion forces citizens to pay high tax on capital gains caused primarily by inflated values, to pay taxes on interest income that is less than the rate of inflation and thus represents a net loss to the investor, and to distort the value of deductions for depreciation and expenses granted in connection with investment property; and WHEREAS, these distortions discourage Montana citizens from saying and investing funds; and

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OF REPRESENTATIVES OF THE STATE OF MONTANA:

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

-End-

HJR 66

HJR 0066/02 46th Legislature

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WHEREAS, savings and investments in Montana are vitally necessary to increase the real income of Montana by 3 increasing its productivity and providing new jobs. NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA: 7 That the Revenue Oversight Committee is requested to investigate the effect of the current income tax treatment 10 of capital gains, interest income and expense, 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.

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HJR 0066/02