

HOUSE JOINT RESOLUTION NO. 7

INTRODUCED BY NORDTVEDT, GOODOVER, FABREGA, DOVER, COZZENS,
SIVERTSEN, IVERSON, FEDA, KEEDY, LEE, MATSKO

IN THE HOUSE

January 12, 1981	Introduced and referred to Committee on Taxation.
January 20, 1981	Committee recommend bill do pass. Report adopted.
January 21, 1981	Bill printed and placed on members' desks.
January 23, 1981	Second reading, do pass.
January 24, 1981	Considered correctly engrossed.
	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 26, 1981	Introduced and referred to Committee on Taxation.
February 9, 1981	Committee recommend bill be concurred in. Report adopted.
February 11, 1981	Second reading, concurred in.
February 13, 1981	Third reading concurred in. Yeas, 49; Nays, 1.

IN THE HOUSE

February 16, 1981	Returned from Senate. Concurred in. Sent to enrolling.
	Reported correctly enrolled.

HOUSE JOINT RESOLUTION NO. 7

INTRODUCED BY *Handwritten signatures: Kenneth Doolittle, ...*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE CONGRESS AND PRESIDENT OF THE UNITED STATES TO ENACT LEGISLATION THAT ANNUALLY ADJUSTS PERSONAL INCOME TAX LIABILITY FOR INFLATION AND TO ENACT ANY CHANGES IN FEDERAL TAX RATES IN A GENERALLY OPEN AND DIRECT MANNER THAT DOES NOT EXPLOIT THE HIDDEN TAXING MECHANISM OF INCREASING TAX BY INCORPORATING INFLATED INCOME.

WHEREAS, the combination of graduated income tax brackets and inflation tends to increase effective income tax rates on taxpayers whose real incomes are not necessarily increasing; and

WHEREAS, these income tax rate increases occur without legislation that explicitly intends to increase tax rates and therefore constitute hidden changes in the tax rates; and

WHEREAS, Montanans expressed their overwhelming support for state income tax indexing through approval by citizen initiative on November 4, 1980; and

WHEREAS, the impact of federal income taxes on Montanans is several times greater than the state income tax

burden; and

WHEREAS, present growth in tax revenue to the federal government caused by inflation may lessen the federal government's incentive to accomplish what is necessary to slow the inflation rate; and

WHEREAS, it is crucial to our nation's economic health that Congress do what is necessary to slow the growth of federal spending and slow the nation's inflation rate.

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

That the Montana Legislature urges the Congress and President of the United States to enact legislation to annually and automatically adjust the exemptions, deductions, and tax brackets of the federal personal income tax to compensate for changes in the purchasing power of the nation's money unit.

BE IT FURTHER RESOLVED, that the Montana Legislature urges the United States Congress to enact any changes in federal tax rates in an open and direct manner that does not exploit the hidden taxing mechanism that incorporates the effects of inflation.

BE IT FURTHER RESOLVED, that the Secretary of State send a copy of this resolution to each member of the Montana Congressional Delegation and to the President of the United

-2- INTRODUCED BILL
HJR 7

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1 States.

-End-

Approved by Committee
on Taxation

HOUSE JOINT RESOLUTION NO. 7

INTRODUCED BY *Franklin D. Soudon*
Gregory J. Hunter *Theresa A. Kelly* *Ge*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE CONGRESS AND PRESIDENT OF THE UNITED STATES TO ENACT LEGISLATION THAT ANNUALLY ADJUSTS PERSONAL INCOME TAX LIABILITY FOR INFLATION AND TO ENACT ANY CHANGES IN FEDERAL TAX RATES IN A GENERALLY OPEN AND DIRECT MANNER THAT DOES NOT EXPLOIT THE HIDDEN TAXING MECHANISM OF INCREASING TAX BY INCORPORATING INFLATED INCOME.

WHEREAS, the combination of graduated income tax brackets and inflation tends to increase effective income tax rates on taxpayers whose real incomes are not necessarily increasing; and

WHEREAS, these income tax rate increases occur without legislation that explicitly intends to increase tax rates and therefore constitute hidden changes in the tax rates; and

WHEREAS, Montanans expressed their overwhelming support for state income tax indexing through approval by citizen initiative on November 4, 1980; and

WHEREAS, the impact of federal income taxes on Montanans is several times greater than the state income tax

burden; and

WHEREAS, present growth in tax revenue to the federal government caused by inflation may lessen the federal government's incentive to accomplish what is necessary to slow the inflation rate; and

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LC 0813/01

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-End-

1 HOUSE JOINT RESOLUTION NO. 7
 2 INTRODUCED BY *Huntbrecht Gordon To [unclear]*
 3 *Coyne Livingston [unclear] Kelly [unclear]*

4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE CONGRESS
 6 AND PRESIDENT OF THE UNITED STATES TO ENACT LEGISLATION THAT
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 8 AND TO ENACT ANY CHANGES IN FEDERAL TAX RATES IN A GENERALLY
 9 OPEN AND DIRECT MANNER THAT DOES NOT EXPLOIT THE HIDDEN
 10 TAXING MECHANISM OF INCREASING TAX BY INCORPORATING INFLATED
 11 INCOME.

12
 13 WHEREAS, the combination of graduated income tax
 14 brackets and inflation tends to increase effective income
 15 tax rates on taxpayers whose real incomes are not
 16 necessarily increasing; and

17 WHEREAS, these income tax rate increases occur without
 18 legislation that explicitly intends to increase tax rates
 19 and therefore constitute hidden changes in the tax rates;
 20 and

21 WHEREAS, Montanans expressed their overwhelming support
 22 for state income tax indexing through approval by citizen
 23 initiative on November 4, 1980; and

24 WHEREAS, the impact of federal income taxes on
 25 Montanans is several times greater than the state income tax

1 burden; and

2 WHEREAS, present growth in tax revenue to the federal
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6 WHEREAS, it is crucial to our nation's economic health
 7 that Congress do what is necessary to slow the growth of
 8 federal spending and slow the nation's inflation rate.

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

12 That the Montana Legislature urges the Congress and
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LC 0813/01

1 States.

-End-

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COZZENS, SIVERTSEN, IVERSON, FEDA, KEEDY, LEE, MATSKO

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REPRESENTATIVES OF THE STATE OF MONTANA URGING THE CONGRESS
AND PRESIDENT OF THE UNITED STATES TO ENACT LEGISLATION THAT
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AND TO ENACT ANY CHANGES IN FEDERAL TAX RATES IN A GENERALLY
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TAXING MECHANISM OF INCREASING TAX BY INCORPORATING INFLATED
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NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
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That the Montana Legislature urges the Congress and
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HJP 0007/02

1 Congressional Delegation and to the President of the United
2 States.

-End-