

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.

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

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 non-tanans is several times greater than the state income tax.

1 burden; and

2 WHEREAS, present growth in tax revenue to the federal

3 government caused by inflation may lessen the federal

4 government's incentive to accomplish what is necessary to

5 slow the inflation rate; and

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.

9

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

13 President of the United States to enact legislation to

14 annually and automatically adjust the exemptions,

15 deductions, and tax brackets of the federal personal income

16 tax to compensate for changes in the purchasing power of the

17 nation's money unit.

18 BE IT FURTHER RESOLVED, that the Montana Legislature

19 urges the United States Congress to enact any changes in

20 federal tax rates in an open and direct manner that does not

21 exploit the hidden taxing mechanism that incorporates the

22 effects of inflation.

23 BE IT FURTHER RESOLVED, that the Secretary of State

24 send a copy of this resolution to each member of the Montana

25 Congressional Delegation and to the President of the United

**LC 0813/01**

**1 States.**

**-End-**

Approved by Committee  
on Taxation

HOUSE JOINT RESOLUTION NO. 7

INTRODUCED BY *John B. Soden* *Tom G. Coyle*  
*Boyer* *Timothy L. Larson* *Mike 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

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.

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federal tax rates in an open and direct manner that does not  
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send a copy of this resolution to each member of the Montana  
Congressional Delegation and to the President of the United

-2- SECOND READING

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1 States.

-End-

1 HOUSE JOINT RESOLUTION NO. 7  
2 INTRODUCED BY *Barthélémy Goodwin* *John C. Lewis*  
3 *James Livingston* *John C. Kelly* *George*  
4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
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19 and therefore constitute hidden changes in the tax rates;  
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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 Montanaans is several times greater than the state income tax.

1 burden; and

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4 government's incentive to accomplish what is necessary to

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6 WHEREAS, it is crucial to our nation's economic health

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13 President of the United States to enact legislation to

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-End-