

SENATE JOINT RESOLUTION NO. 24

INTRODUCED BY STEPHENS, HIMSL, KOLSTAD, MCCALLUM, CRIPPEN

IN THE SENATE

February 19, 1985	Introduced and referred to Committee on Taxation.
February 25, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 26, 1985	Second reading, do pass. Considered correctly engrossed.
February 27, 1985	Third reading, passed. Ayes, 43; Noes, 7. Transmitted to House.

IN THE HOUSE

March 7, 1985	Introduced and referred to Committee on Taxation.
March 18, 1985	Committee recommend bill be concurrent in. Report adopted.
March 20, 1985	Second reading, concurrent in.
March 22, 1985	Third reading, concurrent in. Returned to Senate.

IN THE SENATE

March 22, 1985

Received from House.

March 23, 1985

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* JOINT RESOLUTION NO. *24*
 2 INTRODUCED BY *STEPHENS Shamel Kestad Mabeallum*
 3 *Cuppin*

4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA PLEDGING THE
 6 CONTINUED SUPPORT OF THE LEGISLATURE FOR INCOME TAX
 7 INDEXING.

8
 9 WHEREAS, on January 22, 1979, House Bill No. 303 was
 10 introduced in the Montana House of Representatives and
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12 WHEREAS, on March 26, 1979, the House Committee on
 13 Taxation reported House Bill No. 303 to the floor of the
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8 WHEREAS, on April 16, 1979, the Senate, acting as a
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 18 the House of Representatives, and subsequently delivered
 19 forthwith to the Honorable Thomas L. Judge, Governor; and

20 WHEREAS, on May 14, 1979, the Honorable Thomas L.
 21 Judge, Governor, vetoed House Bill No. 303 for various and
 22 sundry reasons; and

23 WHEREAS, on November 4, 1980, Initiative No. 86,
 24 described as an initiative to "CHANGE THE MONTANA INCOME TAX
 25 STRUCTURE TO REQUIRE THAT TAX BRACKETS, EXEMPTIONS, STANDARD



-2- INTRODUCED BILL
 SJR 24

1 DEDUCTIONS, AND MINIMUM FILING REQUIREMENTS BE ADJUSTED EACH
 2 YEAR TO PREVENT TAX INCREASES DUE SOLELY TO INFLATION", was
 3 submitted to a vote of the people of the State of Montana;
 4 and

5 WHEREAS, on November 4, 1980, the people of the State
 6 of Montana approved Initiative No. 86 by a margin of 233,497
 7 in favor of the initiative and 102,635 against the
 8 initiative; and

9 WHEREAS, the effect of the passage of Initiative No. 86
 10 has resulted in the standard deduction available to payers
 11 of Montana personal income taxes increasing from the lesser
 12 of 15% of adjusted gross income or \$1,000 for single returns
 13 or \$2,000 for joint returns in 1980, to the lesser of 20% of
 14 adjusted gross income or \$1,880 for single returns or \$3,760
 15 for joint returns in 1983; and

16 WHEREAS, the tax brackets from which personal income
 17 taxes are calculated have changed from the figures presented
 18 in Table 1 as they were in 1980, to the figures presented in
 19 Table 2 as they were in 1984; and

TABLE 1
Tax Brackets for 1980

Over	But Not Over	Tax Is:
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\$10,000	\$14,500	\$ 490 plus 8% of excess over \$10,000
\$14,500	\$20,000	\$ 810 plus 9% of excess over \$14,500
\$20,000	\$35,000	\$1,350 plus 10% of excess over \$20,000
\$35,000	\$95,000	\$2,850 plus 11% of excess over \$35,000

TABLE 2
Tax Brackets for 1984

Over	But Not Over	Tax Is:
\$0	\$1,500	2% of taxable income but not less than \$1.00
\$1,500	\$2,500	\$ 30 plus 3% of excess over \$ 1,500
\$2,500	\$5,000	\$ 62 plus 4% of excess over \$ 2,500
\$5,000	\$7,500	\$ 162 plus 5% of excess over \$ 5,000
\$7,500	\$12,000	\$ 287 plus 6% of excess over \$ 7,500
\$12,000	\$17,500	\$ 437 plus 7% of excess over \$10,000
\$17,500	\$25,000	\$ 612 plus 8% of excess over \$12,500
\$25,000	\$43,900	\$1,020 plus 9% of excess over \$17,000
\$43,900	\$85,900	\$1,865 plus 10% of excess over \$25,100
\$85,900	\$143,900	\$3,675 plus 11% of excess over \$43,500

1 WHEREAS, the Montana Legislative Fiscal Analyst has
2 determined that individual total tax liability, depending on
3 the taxpayer, has been reduced between 12% and 19% as a
4 direct result of tax indexing; and

5 WHEREAS, the Legislative Fiscal Analyst has further
6 determined that the average individual reduction in Montana
7 tax liability due to tax indexing is 15.5%; and

8 WHEREAS, the average tax liability in Montana for tax
9 year 1983 was \$412.55, indicating an average tax savings to
10 each of Montana's personal income taxpayers of \$63.95.

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

14 That tax indexing, in the form adopted by the voters in
15 1980, hereby receives the continued support of the Montana
16 Legislature.

17 BE IT FURTHER RESOLVED, that the Secretary of State
18 send a copy of this resolution to United Press
19 International, Associated Press, Montana Press Association,
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-End-

APPROVED BY COMMITTEE ON TAXATION

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2 INTRODUCED BY STEPHENS Shamel Kolstad Muballum
3 Cuppin

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