

SENATE JOINT RESOLUTION NO. 40

4/09 Introduced  
4/11 Referred to Taxation  
4/17 Hearing  
4/23 Adverse Committee Report  
4/23 Resolution Killed

1 Senate JOINT RESOLUTION NO. 40  
 2 INTRODUCED BY Herick

3  
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
 5 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN  
 6 INTERIM STUDY OF THE CONCEPT OF A RETAIL SALES TAX IN  
 7 MONTANA; AND REQUIRING A REPORT OF THE FINDINGS AND  
 8 CONCLUSIONS OF THE STUDY TO THE 50TH LEGISLATURE.

9  
 10 WHEREAS, it has been suggested that the level of  
 11 property taxation in Montana inhibits economic growth; and

12 WHEREAS, most Montanans would welcome a reduction in  
 13 property taxes, provided the reduction did not result in an  
 14 attendant reduction in public services; and

15 WHEREAS, in order to maintain services and reduce  
 16 property taxes, it would be necessary to identify and  
 17 utilize alternative sources of revenue; and

18 WHEREAS, any such alternative source of revenue should  
 19 not result in merely shifting the tax burden without  
 20 providing any real tax relief to Montanans; and

21 WHEREAS, Montana has a travel industry identified by  
 22 the University of Montana's Bureau of Business and Economic  
 23 Research as a basic industry; and

24 WHEREAS, the economic benefit of Montana's travel  
 25 industry was about \$814,000,000 in 1983, of which

1 approximately \$423,000,000 resulted from nonresident travel;  
 2 and

3 WHEREAS, a sales tax is utilized as a source of revenue  
 4 in 46 other states; and

5 WHEREAS, a sales tax would provide an alternative  
 6 source of revenue which could reduce property taxes; and

7 WHEREAS, a sales tax of only 1% would generate  
 8 approximately \$4,230,000 annually from nonresident tourism  
 9 alone; and

10 WHEREAS, a well-designed list of exemptions from such a  
 11 sales tax accompanied by a well-designed distribution of the  
 12 tax proceeds could assure an equitable distribution of the  
 13 tax and generate support for such a tax from people from all  
 14 economic, social, and political walks of life.

15  
 16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE  
 17 OF REPRESENTATIVES OF THE STATE OF MONTANA:

18 (1) That the Revenue Oversight Committee is requested  
 19 to study the concept of establishing a statewide sales tax,  
 20 with a special emphasis on an equitable and nonregressive  
 21 distribution of the tax incidence and an accompanying  
 22 emphasis on potential distributions of the tax proceeds that  
 23 would result in property tax relief.

24 (2) That the Revenue Oversight Committee report the  
 25 findings of the study to the 50th Legislature and, if

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1 necessary, draft legislation to implement its  
2 recommendation.

-End-