



IN THE HOUSE

APRIL 7, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 8, 1987

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

1 House BILL NO. 327  
2 INTRODUCED BY Keenan Edh

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
5 DEPARTMENT OF REVENUE TO INCLUDE ADDITIONAL INFORMATION IN  
6 ITS BIENNIAL REPORT AND TO HOLD A PUBLIC HEARING ON THE  
7 PROPOSED CONTENTS OF THE BIENNIAL REPORT; AND AMENDING  
8 SECTION 15-1-205, MCA."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 15-1-205, MCA, is amended to read:

12 "15-1-205. Biennial report -- contents -- public  
13 hearing. (1) The department shall transmit to the governor  
14 and upon request to each member of the legislature 20 days  
15 before the meeting of the legislature a report of the  
16 department showing all the taxable property of the state,  
17 counties, and cities and its value, in tabulated form, with  
18 recommendations for improvements in the system of taxation,  
19 together with alternative measures as provided in subsection  
20 (8) as may be formulated for the consideration of the  
21 legislature.

22 (2) The report or supplements to the report may also  
23 include:

24 (a) the gross dollar amount of revenue loss  
25 attributable to:

1 (i) personal income and corporation license tax  
2 exemptions;

3 (ii) property tax exemptions for which application to  
4 the department or its agent is necessary;

5 (iii) deferral of income;

6 (iv) credits allowed against Montana personal income  
7 tax or Montana corporation license tax, reported separately;

8 (v) deductions from income; and

9 (vi) any other identifiable preferential treatment of  
10 income or property;

11 (b) any change in tax revenue of the state or any unit  
12 of local government attributable to a change in federal tax  
13 law; and

14 (c) any change in the revenue of any unit of local  
15 government attributable to a change in state tax law.

16 (3) The data described in subsection (2), if reported,  
17 must be related to the income and age of the taxpayer  
18 whenever such information is available.

19 (4) (a) When reporting the data described in  
20 subsection (2)(a), the department shall identify any known  
21 purpose of the preferential treatment.

22 (b) Based upon the purpose of the preferential  
23 treatment, the department shall outline the available data  
24 necessary to determine the effectiveness of the preferential  
25 treatment.



1       (5) In reporting the data described in subsection (2),  
 2       the department shall report any comparable data, if  
 3       available, from Wyoming, Idaho, North Dakota, and South  
 4       Dakota and from any other state the department may choose.

5       (6) The department must identify in a separate section  
 6       of the report any changes that have been made or that are  
 7       contemplated in property appraisal or assessment.

8       (7) The department may include a report showing the  
 9       selling price of gasoline at the wholesale level in prime  
 10       market centers of Montana and in surrounding states during  
 11       the biennium, with indexes tabulated at sufficient intervals  
 12       to show the comparative state price structures.

13       (8) Within 6 months after the beginning of each  
 14       biennium, the department shall, following public notice,  
 15       hold a public hearing on a plan developed by the department  
 16       containing the types of data proposed to be included in the  
 17       biennial report or supplements to the report. In developing  
 18       the plan, the department shall consider recommendations made  
 19       by the revenue oversight committee, the legislative finance  
 20       committee, the legislative fiscal analyst, and the  
 21       governor's office of budget and program planning. The  
 22       biennial report or supplements to the report must include  
 23       the types of data described in the plan finally adopted by  
 24       the department following the hearing."

25       NEW SECTION. Section 2. Extension of authority. Any

1       existing authority of the department of revenue to make  
 2       rules on the subject of the provisions of this act is  
 3       extended to the provisions of this act.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB387, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to require the Department of Revenue to include additional information in its Biennial Report and to hold a public hearing on the proposed contents of the Biennial Report.

ASSUMPTIONS:

N/A

FISCAL IMPACT:

The Department will be able to fulfill the requirements of the proposal with minimal effect on expenditures.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

David L. Hunter DATE 1/23/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

Keenan DATE 1-24-87  
NANCY KEENAN, PRIMARY SPONSOR

Fiscal Note for HB387, as introduced.

**HB 387**

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 387

INTRODUCED BY KEENAN, ECK

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF REVENUE TO INCLUDE ADDITIONAL INFORMATION IN ITS BIENNIAL REPORT AND TO HOLD A PUBLIC HEARING ON THE PROPOSED CONTENTS OF THE BIENNIAL REPORT; AND AMENDING SECTION 15-1-205, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-1-205, MCA, is amended to read:

"15-1-205. Biennial report -- contents -- public hearing. (1) The department shall transmit to the governor and upon request to each member of the legislature 20 days before the meeting of the legislature a report of the department showing all the taxable property of the state, counties, and cities and its value, in tabulated form, with recommendations for improvements in the system of taxation, together with alternative measures as provided in subsection (8) as may be formulated for the consideration of the legislature.

(2) The report or supplements to the report may also include:

(a) the gross dollar amount of revenue loss attributable to:

(i) personal income and corporation license tax exemptions;

(ii) property tax exemptions for which application to the department or its agent is necessary;

(iii) deferral of income;

(iv) credits allowed against Montana personal income tax or Montana corporation license tax, reported separately;

(v) deductions from income; and

(vi) any other identifiable preferential treatment of income or property;

(b) any change in tax revenue of the state or any unit of local government attributable to a change in federal tax law; and

(c) any change in the revenue of any unit of local government attributable to a change in state tax law.

(3) The data described in subsection (2), if reported, must be related to the income and age of the taxpayer whenever such information is available.

(4) (a) When reporting the data described in subsection (2)(a), the department shall identify any known purpose of the preferential treatment.

(b) Based upon the purpose of the preferential treatment, the department shall outline the available data necessary to determine the effectiveness of the preferential treatment.



1       (5) In reporting the data described in subsection (2),  
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 3       available, from Wyoming, Idaho, North Dakota, and South  
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 6       of the report any changes that have been made or that are  
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8       (7) The department may include a report showing the  
 9       selling price of gasoline at the wholesale level in prime  
 10       market centers of Montana and in surrounding states during  
 11       the biennium, with indexes tabulated at sufficient intervals  
 12       to show the comparative state price structures.

13       ~~(8) Within 6 months after the beginning of each~~  
 14       ~~biennium, the department shall, following public notice,~~  
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# STANDING COMMITTEE REPORT

## SENATE

March 27 ..... 19 87

MR. PRESIDENT

We, your committee on ..... SENATE TAXATION .....

having had under consideration..... HOUSE BILL ..... No. 387

third reading copy ( blue )  
color

KEENAN (ECK)

REQUIRING ADDITIONAL INFORMATION IN DEPT. OF  
REVENUE'S BIENNIAL REPORT

Respectfully report as follows: That..... HOUSE BILL ..... No. 387

be amended as follows:

1. Page 1, lines 12 and 13.  
Following: "contents" on line 12  
Strike: "-- public hearing"

2. Page 1, lines 19 and 20.  
Following: "measures" on line 19  
Strike: "as provided in subsection (8)"

AND AS AMENDED

BE CONCURRED IN

*EEK*

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

*3-27-87  
4:25  
JCY*

*George McCallum*  
SENATOR McCALLUM, Chairman.