## HOUSE BILL NO. 387

## INTRODUCED BY KEENAN, ECK

#### IN THE HOUSE

- JANUARY 21, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
- FEBRUARY 9, 1987 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
- FEBRUARY 10, 1987 PRINTING REPORT.
- FEBRUARY 11, 1987 SECOND READING, DO PASS.
- FEBRUARY 12, 1987 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 94; NOES, 5.

TRANSMITTED TO SENATE.

- IN THE SENATE
- FEBRUARY 13, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
- MARCH 27, 1987 COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.

MARCH 30, 1987 SECOND READING, CONCURRED IN.

ON MOTION, RULES SUSPENDED AND BILL PLACED ON THIRD READING THIS DAY.

THIRD READING, CONCURRED IN. AYES, 42; NOES, 8.

RETURNED TO HOUSE WITH AMENDMENTS.

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.

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LC 0653/01 ·

Nontana Legislative Council

House BILL NO. 387 INTRODUCED BY Keenan Cak 1 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE 4 DEPARTMENT OF REVENUE TO INCLUDE ADDITIONAL INFORMATION IN 5 6 ITS BIENNIAL REPORT AND TO HOLD A PUBLIC HEARING ON THE PROPOSED CONTENTS OF THE BIENNIAL REPORT; AND AMENDING 7 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: (a) the gross dollar amount of revenue loss 24 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.			

# -2- INTRODUCED BILL HB-387

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

DATE

DAVID L. HUNTER, WUDGET DIRECTOR Office of Budget and Program Planning

DATE

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NANCY KEENAN, PRIMARY SPONSOR

Fiscal Note for \_\_\_\_\_HB387. as introduced

#### 50th Legislature

# HB 0387/02

APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 387
2	INTRODUCED BY KEENAN, ECK
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-HOLDAPUBLICHEARINGONTHE
7	PROPOSEDCONTENTSOFTHEBIENNIALREPORT; 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:

HB 0387/02

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	qovernment 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.

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HB 387 SECOND READING

#### HB 0387/02

HB 387

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 Dakota and from any other state the department may choose. 4 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 biennium7-the-department--shall7--following--public--notice7 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-plan7-the-department-shall-consider-recommendations-made 19 by-the-revenue-oversight-committee7-the-legislative--finance 20 committee7---the---legislative---fiscal---analysty--and--the 21 governor's-office-of--budget--and--program--planning----Phe 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

-3-

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-

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HB 387

HB 0387/02

1	HOUSE BILL NO. 387	1	(i) personal income and corporation license tax
2	INTRODUCED BY KEENAN, ECK	2	exemptions;
3		3	(ii) property tax exemptions for which application to
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE	4	the department or its agent is necessary;
5	DEPARTMENT OF REVENUE TO INCLUDE ADDITIONAL INFORMATION IN	5	(iii) deferral of income;
6	ITS BIENNIAL REPORT AND-TO-HOLDAPUBLICHEARINGONTHE	6	(iv) credits allowed against Montana personal income
7	PROPOSEDCONTENTSOPTHEBIENNIALREPORT; AND AMENDING	7	tax or Montana corporation license tax, reported separately;
8	SECTION 15-1-205, MCA."	8	(v) deductions from income; and
9		9	(vi) any other identifiable preferential treatment of
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	10	income or property;
11	Section 1. Section 15-1-205, MCA, is amended to read:	11	(b) any change in tax revenue of the state or any unit
12	"15-1-205. Biennial report contents public	12	of local government attributable to a change in federal tax
13	hearing. (1) The department shall transmit to the governor	13	law; and
14	and upon request to each member of the legislature 20 days	14	(c) any change in the revenue of any unit of local
15	before the meeting of the legislature a report of the	15	government attributable to a change in state tax law.
16	department showing all the taxable property of the state,	16	(3) The data described in subsection (2), if reported,
17	counties, and cities and its value, in tabulated form, with	17	must be related to the income and age of the taxpayer
18	recommendations for improvements in the system of taxation,	18	whenever such information is available.
19	together with alternative measures as provided in subsection	19	(4) (a) When reporting the data described in
20	(8) as may be formulated for the consideration of the	20	subsection (2)(a), the department shall identify any known
21	legislature.	21	purpose of the preferential treatment.
22	(2) The report or supplements to the report may also	22	(b) Based upon the purpose of the preferential
23	include:	23	treatment, the department shall outline the available data
24	(a) the gross dollar amount of revenue loss	24	necessary to determine the effectiveness of the preferential
25	attributable to:	25	treatment.
-			

#### HB 0387/02

(ii) property tax exemptions for which application to
the department or its agent is necessary;
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-2- HB 387



THIRD READING

HB 387

1 (5) In reporting the data described in subsection (2), 2 the department shall report any comparable data, if available, from Wyoming, Idaho, North Dakota, and South 3 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 biennium7-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-plany-the-department-shall-consider-recommendations-made 19 by-the-revenue-oversight-committeey-the-legislative--finance 20 committee;---the---legislative---fiscal---analyst;--and--the 21 governor's-office-of--budget--and--program--planning-----Phe 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

-3-

- 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-

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HB 387

1	HOUSE BILL NO. 387	1	<u>(i) personal</u>
2	INTRODUCED BY KEENAN, ECK	2	exemptions;
3		3	(ii) property
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE	4	the department or
5	DEPARTMENT OF REVENUE TO INCLUDE ADDITIONAL INFORMATION IN	5	<u>(iii) deferra</u>
6	ITS BIENNIAL REPORT AND-TO-HOLDAPUBLICHEARINGONTHE	6	(iv) credits
7	PROPOSEDCONTENTSOFTHEBIENNIADREPORT; AND AMENDING	7	tax or Montana cor
8	SECTION 15-1-205, MCA."	8	(v) deductio
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10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	10	income or property
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16	department showing all the taxable property of the state,	16	(3) The data
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19	together with alternative measures as-provided-in-subsection	19	(4) (a) Wher
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24	(a) the gross dollar amount of revenue loss	24	<u>necessary to deter</u>

25 attributable to:

Montana Legislative Council

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2	exemptions;
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4	the department or its agent is necessary;
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REFERENCE BILL

#### HB 0387/03

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 biennium7-the-department--shall7--following--public--notice7 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-plan7-the-department-shall-consider-recommendations-made 19 by-the-revenue-oversight-committee;-the-legislative--finance 20 committee\_---the---legislative---fiscal---analyst,---and--the governor's-office-of--budget--and--program--planning-----The 21 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

-3-

HB 0387/03

- 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-

HB 387

# **STANDING COMMITTEE REPORT**

SENATE

March 27 19.87

MR. PRESIDENT

color

third reading copy ( blue )

KEENAN (ECK)

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

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

XXXXXX

**XXXXXXX** 

SENATOR McCALLUM,

Chairman.