

HOUSE JOINT RESOLUTION NO. 8

INTRODUCED BY D. BROWN, QUILICI, HARRINGTON, PAVLOVICH,
WALKER, WESTLAKE, IVERSON, DEMARS, PATTERSON, KASTEN,
ELLISON, PHILLIPS, DRISCOLL, DAILY, STRIZICH, KOEHNKE,
NISBET, JACOBSON, BRADLEY, LYNCH, STIMATZ

IN THE HOUSE

JANUARY 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 18, 1989	FIRST READING.
FEBRUARY 1, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 2, 1989	PRINTING REPORT.
FEBRUARY 3, 1989	SECOND READING, DO PASS.
FEBRUARY 4, 1989	ENGROSSING REPORT.
FEBRUARY 6, 1989	THIRD READING, PASSED. AYES, 89; NOES, 8.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 15, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 1, 1989	SECOND READING, CONCURRED IN.
MARCH 3, 1989	THIRD READING, CONCURRED IN. AYES, 42; NOES, 6.
	RETURNED TO HOUSE.

MARCH 4, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* JOINT RESOLUTION NO. *8*
 2 INTRODUCED BY *Donna* *Barbara* *Hammer* *Parish*
 3 *Edison* *Phillips* *Drum* *Wally* *DeMaw* *Parsons* *Feister*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING *Bradley*
 6 OPPOSITION TO FEDERAL EXCISE TAX RATE INCREASES ON BEER *Lynch*
 7 WINE, CIGARETTES, GASOLINE, AND DISTILLED SPIRITS. *Stoney*

8
 9 WHEREAS, the United States Congressional Joint
 10 Committee on Taxation has developed a set of policy options
 11 in response to the Congressional budget resolution calling
 12 for federal tax rate increases over the next 3 years; and

13 WHEREAS, these policy options have identified the
 14 following excise tax rate increases as one potential source
 15 of federal tax increases:

- 16 (1) beer, 49 cents per six-pack;
 17 (2) wine, 52 cents per bottle;
 18 (3) cigarettes, 16 cents per pack;
 19 (4) gasoline, 5 cents per gallon; and
 20 (5) distilled spirits, \$2.50 per proof gallon; and

21 WHEREAS, federal excise taxation is regressive
 22 taxation; and

23 WHEREAS, Montana ranks 47th in the nation in personal
 24 income, with an average personal income of \$15,568 per
 25 person in 1987; and

1 WHEREAS, increases in regressive federal excise tax
 2 rates will therefore place a greater burden on individuals
 3 in the state of Montana in comparison to individuals in the
 4 majority of other states; and

5 WHEREAS, beer, wine, cigarettes, gasoline, and
 6 distilled spirits are relatively price-inelastic, and
 7 increasing federal excise tax rates on these products can be
 8 expected to result in a decline in product sales; and

9 WHEREAS, the Montana Revenue Estimating Advisory
 10 Council estimates product sales declines over the next 2
 11 years in cigarettes (6 million packs, or 9%), liquor (down
 12 14%), and wine (down 400,000 liters) that do not include
 13 losses due to federal excise tax rate increases; and

14 WHEREAS, a decline in these product sales will
 15 adversely affect the state of Montana's excise tax revenues,
 16 resulting in a potential loss of \$3.68 million in revenue
 17 that the Senate and House of Representatives will have to
 18 raise elsewhere; and

19 WHEREAS, a \$2.385 million loss in state revenue from
 20 gasoline excise taxes would translate into a 2.83% reduction
 21 in revenue available to the highway fund, and a \$1.037
 22 million loss in state revenue from cigarette excise taxes
 23 would reduce debt service revenue by 9.09%; and

24 WHEREAS, the Montana Revenue Estimating Advisory
 25 Council projects a decline in state revenues, and Montana

LC 0606/01

1 cannot afford further loss of existing revenue.

2

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

5 That the Senate and the House of Representatives of the
6 State of Montana express their opposition to the United
7 States Congressional Joint Committee on Taxation's option of
8 increasing federal excise tax rates on beer, wine,
9 cigarettes, gasoline, and distilled spirits.

10 BE IT FURTHER RESOLVED, that a copy of this resolution
11 be sent by the Secretary of State to each member of the
12 Montana Congressional Delegation and to the Chairman of the
13 United States Congressional Joint Committee on Taxation.

-End-

APPROVED BY COMMITTEE
ON TAXATION

1 *Edison* *Phillips* *Drum* *Haley* *DoMa* *Parson* *Heater*
 2 INTRODUCED BY *Edison* *Phillips* *Drum* *Haley* *DoMa* *Parson* *Heater*
 3 *Edison* *Phillips* *Drum* *Haley* *DoMa* *Parson* *Heater*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING *Bradley*
 6 OPPOSITION TO FEDERAL EXCISE TAX RATE INCREASES ON BEER *Snyder*
 7 WINE, CIGARETTES, GASOLINE, AND DISTILLED SPIRITS.

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 20 gasoline excise taxes would translate into a 2.83% reduction
 21 in revenue available to the highway fund, and a \$1.037
 22 million loss in state revenue from cigarette excise taxes
 23 would reduce debt service revenue by 9.09%; and

24 WHEREAS, the Montana Revenue Estimating Advisory
 25 Council projects a decline in state revenues, and Montana

LC 0606/01

1 cannot afford further loss of existing revenue.

2

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

5 That the Senate and the House of Representatives of the
6 State of Montana express their opposition to the United
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8 increasing federal excise tax rates on beer, wine,
9 cigarettes, gasoline, and distilled spirits.

10 BE IT FURTHER RESOLVED, that a copy of this resolution
11 be sent by the Secretary of State to each member of the
12 Montana Congressional Delegation and to the Chairman of the
13 United States Congressional Joint Committee on Taxation.

-End-

1 *House* JOINT RESOLUTION NO. *8*
 2 INTRODUCED BY *Don Brann* *Franklin* *Hammer* *Paul*
 3 *Elliott* *Phillips* *Emitt* *Wiley* *DeMare* *Lawson* *Wester*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 5 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING *Bradley*
 6 OPPOSITION TO FEDERAL EXCISE TAX RATE INCREASES ON BEER *Synch*
 7 WINE, CIGARETTES, GASOLINE, AND DISTILLED SPIRITS. *Strom*

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HJR 0008/02

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