

HOUSE BILL 184

Introduced by T. Nelson

1/14	Introduced
1/14	Referred to Taxation
1/14	First Reading
1/14	Fiscal Note Requested
1/19	Hearing
1/19	Fiscal Note Received
1/19	Fiscal Note Printed
1/21	Committee Report--Bill Passed as Amended
1/23	2nd Reading Do Pass Motion Failed

1 *House* BILL NO. *184*
2 INTRODUCED BY *Sam Nelson*

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
6 DIRECTOR OF REVENUE TO ESTABLISH A COMMITTEE TO STUDY THE
7 TAXATION OF THE TELECOMMUNICATIONS INDUSTRY AND TO RECOMMEND
8 CHANGES IN THE TAXATION OF THE TELECOMMUNICATIONS INDUSTRY;
9 AND APPROPRIATING \$1,500 TO FUND THE COMMITTEE."

10
11 WHEREAS, it is apparent the telecommunications industry
12 has developed into a major industry in the United States and
13 in Montana; and

14 WHEREAS, it is apparent that the telecommunications
15 industry has significant economic activity in the United
16 States and in Montana; and

17 WHEREAS, the current Montana tax system was designed
18 prior to the recent revolutionary developments of the
19 telecommunications industry in the United States and in
20 Montana; and

21 WHEREAS, it is not known if the telecommunications
22 industry is paying more or less than its fair share of taxes
23 in Montana; and

24 WHEREAS, it is not known if Montana's current tax system
25 fairly taxes all segments of the telecommunications industry

1 so that competing segments of that industry are equally
2 taxed; and

3 WHEREAS, in order to ensure that the telecommunications
4 industry pays its fair share of Montana taxes and that all
5 segments of the telecommunications industry are equally
6 taxed by Montana, a thorough study of all the current
7 systems of taxing the telecommunications industry and
8 alternative methods of taxing that industry is necessary to
9 enable the Legislature to accomplish this goal.

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

12 NEW SECTION. **Section 1.** Director of revenue to appoint
13 telecommunications study committee -- duties. (1) The
14 director of revenue shall appoint a committee to study:

15 (a) Montana's current taxation of the
16 telecommunications industry;

17 (b) methods for taxing the telecommunications industry
18 used in other states;

19 (c) whether Montana currently taxes competing forms of
20 telecommunications and competing members of the
21 telecommunications industry in a comparable manner; and

22 (d) whether Montana's current taxation of the
23 telecommunications industry can be changed to a system that
24 is simpler to administer and that more fairly and equally
25 taxes all segments of the telecommunications industry.

1 (2) The committee shall present the findings of the
2 study to the 54th legislature and present options on changes
3 in Montana taxation of the telecommunications industry for
4 legislative consideration together with proposed legislation
5 if the committee determines that changes are necessary.

6 NEW SECTION. **Section 2. Composition of committee --**
7 **reimbursement of expenses.** (1) The committee must be
8 composed of at least five persons. At least one-third of the
9 members of the committee must be representatives of the
10 telecommunications industry in Montana.

11 (2) Unless otherwise provided by law, members of the
12 committee who are not employees of the state of Montana or
13 local governments are entitled to receive travel expenses,
14 as provided for in 2-18-501 through 2-18-503, for each day
15 spent on official committee business.

16 NEW SECTION. **Section 3. Appropriation.** There is
17 appropriated \$750 from the general fund to the department of
18 revenue for each of the fiscal years ending June 30, 1994,
19 and June 30, 1995, for the operation of the
20 telecommunications study committee. ----

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0184, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing the Director of Revenue to establish a committee to study the taxation of the telecommunications industry and to recommend changes in the taxation of the telecommunications industry; and appropriating \$1,500 to fund the committee.

FISCAL IMPACT:Expenditures:Director's Office (PGM 01)

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE	34.50	34.50	0	34.50	34.50	0
Personal Services	\$ 1,304,670	\$ 1,304,670	\$ 0	\$ 1,315,569	\$ 1,315,569	\$ 0
Operating Expenses	340,116	340,866	750	228,567	229,317	750
Equipment	24,907	24,907	0	12,463	12,463	0
Local Assistance	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total	\$ 1,684,693	\$ 1,685,443	\$ 750	\$ 1,571,599	\$ 1,572,349	\$ 750
General Fund	\$ 1,084,522	\$1,085,272	\$ 750	\$ 1,010,285	\$ 1,011,035	\$ 750
State Special	4,548	4,548	0	0	0	0
Federal	118,016	118,016	0	112,427	112,427	0
Proprietary	<u>477,607</u>	<u>477,607</u>	<u>0</u>	<u>448,887</u>	<u>448,887</u>	<u>0</u>
Total	\$ 1,684,693	\$1,685,443	\$ 750	\$ 1,571,599	\$ 1,572,349	\$ 750

General Fund Impact:

\$750

\$750

Revenues:

There is no impact on department revenues.

David Lewis 1-19-93
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Tom Nelson
 TOM NELSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0184, as introduced

LR 184

APPROVED BY COMMITTEE
ON TAXATION

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INTRODUCED BY T. NELSON

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is simpler to administer and that more fairly and equally
taxes all segments of the telecommunications industry.

(2) The committee shall present the findings of the study to the REVENUE OVERSIGHT COMMITTEE 6 MONTHS PRIOR TO THE CONVENING OF THE 54th legislature and present options on changes in Montana taxation of the telecommunications industry for legislative consideration together with proposed legislation if the committee determines that changes are necessary.

NEW SECTION. Section 2. Composition of committee --
 reimbursement of expenses. (1) The committee must be composed of at least five persons REPRESENTING THE INDUSTRY AND CONSUMERS. ~~At least one third of the members of the committee must be representatives of the telecommunications industry in Montana.~~

(2) Unless otherwise provided by law, members of the committee who are not employees of the state of Montana or local governments are entitled to receive travel expenses, as provided for in 2-18-501 through 2-18-503, for each day spent on official committee business.

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-End-