

House JOINT RESOLUTION NO. 16

INTRODUCED BY Cobh

4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA DIRECTING THE DEPARTMENT OF REVENUE AND THE OFFICE OF BUDGET AND PROGRAM
6 PLANNING TO MONITOR CHANGES IN FEDERAL INCOME TAX LAW THAT MAY RESULT IN HIGHER
7 STATE INCOME TAX LIABILITY; DIRECTING THE DEPARTMENT OF REVENUE TO REPORT TO THE
8 REVENUE OVERSIGHT COMMITTEE AND THE 55TH LEGISLATURE REGARDING INCREASED TAX
9 REVENUE RELATED TO FEDERAL TAX REFORM; DIRECTING THE OFFICE OF BUDGET AND PROGRAM
10 PLANNING TO REPORT TO THE LEGISLATIVE FINANCE COMMITTEE AND THE 55TH LEGISLATURE
11 REGARDING THE IMPACT OF FEDERAL TAX REFORM ON ENDING FUND BALANCES; AND DIRECTING
12 THE OFFICE OF BUDGET AND PROGRAM PLANNING TO PRESENT OPTIONS TO THE 55TH LEGISLATURE
13 REGARDING THE RETURN OF ANY INCREASE IN INCOME TAX REVENUE TO MONTANA TAXPAYERS
14 RESULTING FROM FEDERAL TAX REFORM.

16 WHEREAS, the 54th Montana Legislature strongly supports the enactment of House Bill No. 171,
17 the bill that would authorize the refund of income taxes collected in the current biennium in excess of state
18 expenditure levels and ending fund balance requirements; and

19 WHEREAS, changes in federal income tax law enacted by the 104th United States Congress may
20 adversely affect Montana taxpayers' state income tax liability and may result in additional, unanticipated
21 revenue to the state; and

22 WHEREAS, the federal Tax Reform Act of 1986 resulted in a significant revenue "windfall" to the
23 state of Montana; and

24 WHEREAS, the 54th Legislature firmly believes that any state tax revenue increase should be a
25 matter determined by the Montana Legislature and not by the federal government; and

26 WHEREAS, the 54th Legislature also believes that any revenue windfall to the state as the result
27 of federal income tax reform should be returned to the taxpayers.

28

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

That the Department of Revenue and the Office of Budget and Program Planning be directed to closely monitor changes in federal income tax law that may result in higher state income tax liability for Montana residents.

4 BE IT FURTHER RESOLVED, that the Department of Revenue:

5 (1) report to the Revenue Oversight Committee, at the Committee's request, any changes in federal
6 income tax law that may result in higher state income tax liabilities for Montana residents; and

7 (2) provide to the Revenue Oversight Committee at the time the Committee meets to adopt the
8 revenue estimating resolution for the biennium beginning July 1, 1997, and to the 55th Legislature an
9 estimate of:

10 (a) the amount of increased income tax revenue, if any, for tax year 1995 attributable to changes
11 in federal income tax law; and

12 (b) the amount of anticipated increased income tax revenue, if any, for tax year 1996 attributable
13 to changes in federal income tax law.

14 BE IT FURTHER RESOLVED, that the Office of Budget and Program Planning:

15 (1) report to the Legislative Finance Committee the impact of any changes to federal income tax
16 law that may increase the anticipated combined ending fund balance of the state general fund and the
17 school equalization aid account; and

18 (2) present options to the 55th Legislature:

19 (a) to exclude from the budget base for the biennium beginning July 1, 1997, increased income
20 tax revenue from federal tax reform; and

21 (b) to return excess revenue collections that may result from federal income tax reform to Montana
22 taxpayers. These options may include but are not limited to income tax refunds, reductions in income tax
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24 -END-



SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 15, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration HJR 16 (third reading copy -- blue), respectfully report that HJR 16 be amended as follows and as so amended be concurred in.

Signed: 
Senator Gerry Devlin, Chair

That such amendments read:

1. Title, line 5.

Strike: the first "AND"

Insert: ","

2. Title, line 6.

Following: "PLANNING"

Insert: ", AND THE OFFICE OF LEGISLATIVE FISCAL ANALYST"

3. Title, line 7.

Following: "REVENUE"

Insert: "AND THE OFFICE OF LEGISLATIVE FISCAL ANALYST"

4. Title, line 10.

Following: "PLANNING"

Insert: "AND THE OFFICE OF LEGISLATIVE FISCAL ANALYST"

5. Page 2, line 1.

Strike: the first "and"

Insert: ","

Following: "Planning"

Insert: ", and the Office of Legislative Fiscal Analyst"

6. Page 2, line 4.

Following: "Revenue"

Insert: "and the Office of Legislative Fiscal Analyst"

7. Page 2, line 15.

Following: "report"

Insert: ", in conjunction with the Office of Legislative Fiscal Analyst,"

Following: "Committee"

Insert: "and to the 55th Legislature"

-END-


Amd. Coord.
Sec. of Senate


Senator Carrying Bill

HJR 16
SENATE
601108SC.SRF

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