



# Revenue and Transportation Interim Committee

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## 59th Montana Legislature

### SENATE MEMBERS

JIM ELLIOTT--Chair  
GREGORY BARKUS  
JERRY BLACK  
KIM GILLAN  
SAM KITZENBERG  
KEN TOOLE

### HOUSE MEMBERS

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JILL COHENOUR  
CYNTHIA HINER  
BOB LAKE  
DAVE MCALPIN  
PENNY MORGAN

### COMMITTEE STAFF

JEFF MARTIN, Lead Staff  
LEE HEIMAN, Staff Attorney  
DAWN FIELD, Secretary

## TENTATIVE AGENDA--REVENUE AND TRANSPORTATION COMMITTEE February 16 and 17, 2006 Room 137, State Capitol, Helena, Montana

**THURSDAY, FEBRUARY 16, 2006, 9:00 A.M.**

Agenda times are approximate. Some items may take more or less time than is indicated.  
Public comment follows each agenda item.

- 9:00 1. Call to order -- roll call -- approval of December 2, December 13, and December 16 committee minutes -- **Sen. Jim Elliott, Chair**
- 9:05 2. Highway safety updates -- **Jim Lynch, Director, Montana Department of Transportation**
- 9:45 3. General fund revenue report -- **Terry Johnson, Legislative Fiscal Division**
- 10:30 4. Access to tax and revenue information
- a. Progress report on developing procedures for access to information -- **Clayton Schenck, Legislative Fiscal Division, and Dan Bucks, Department of Revenue**
  - b. Committee discussion of drafting legislation to revise and clarify access to tax information
- 11:30 5. Update on Department of Revenue activities -- **Dan Bucks, Director, Department of Revenue**
- LUNCH--**
- 1:30 6. Business income taxes
- a. Discussion of passthrough entities and domestic corporations -- **Joe Shevlin**
  - b. Discussion of multistate corporations -- **Mike Green**
  - c. Discussion of five problem areas of business income taxation -- **Dan Bucks**
- 3:30 7. Public comment on issues before the committee or within the committee's purview
- OVER--**
- 3:45 8. Montana source income rule

- a. Economic impact statement on Department of Revenue rule to clarify definition of Montana source income
    - i. Report on the economic impact statement -- **Department of Revenue**
    - ii. Comment on the sufficiency of the economic impact statement - -**Lee Heiman, staff attorney**
  - b. Comment on proposed rules to calculate Montana source income for nonresident 1031 exchanges and to waive penalties and 1/2 interest under a voluntary disclosure of gains from 1031 exchanges occurring in prior tax years -- **Lee Heiman, staff attorney**
9. Other business, member issues, recess until Friday morning

**FRIDAY, FEBRUARY 17, 2006, 8:00 A.M.**

- 8:00 1. Call to order -- roll call -- **Sen. Jim Elliott, Chair**
- 8:05 2. House Joint Resolution 44 study of property taxation of oil and natural property
  - a. Operations of oil and natural gas production companies
    - i. Encore Acquisition -- **Mark Carter Land Manager**
    - ii. Small oil and gas producers -- **Patrick Montalban, Owner, operator**
    - iii. Klabzuba -- (invited)
  - b. Interstate comparisons on assessment procedures for oil and natural gas property -- **Jeff Martin, Committee staff**
  - c. Update on Judge Sherlock's order on motions for summary judgement related to Omimex v. Department of Revenue -- **Lee Heiman, staff attorney**
  - d. Report on meeting of interested parties to discuss proposals to deal with taxation of oil and gas property -- **Jeff Martin**
- 11:30 3. Public comment on issues before the committee or within the committee's purview
4. Other business -- member issues -- schedule next meeting -- instructions to staff
5. Adjourn

**For more information about the Revenue and Transportation Committee, contact Jeff Martin at (406) 444-3595 or [jmartin@mt.gov](mailto:jmartin@mt.gov), or visit the committee's webpage at <http://www.leg.mt.gov> and follow the interim committee links.**

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