





## SENATE STANDING COMMITTEE REPORT

March 31, 2005

Page 1 of 3

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 510** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jim Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

**And, that such amendments read:**

1. Title, line 14.

**Strike:** the first "AND"

**Following:** "15-7-307,"

**Insert:** "AND 15-7-308"

2. Page 2, line 2..

**Strike:** "3"

**Insert:** "4"

**Following:** "]"

**Insert:** "or for personal or intangible property"

3. Page 2, line 7.

**Following:** "land;"

**Insert:** "and"

4. Page 2, line 8.

**Strike:** subsection (b) in its entirety

**Renumber:** subsequent subsection

5. Page 3, line 10.

**Following:** "imposed"

**Insert:** ", including any value of nontaxable property"

**Committee Vote:**

Yes 7, No 3.

681226SC.ssc

Handwritten initials in black ink, possibly "JE", located in the bottom right corner of the page.

6. Page 3, line 11.

**Following:** "appraiser"

**Insert:** ". The value may be established by an appraisal conducted for the purposes of the sale, or if none is available, it may be done by an appraiser"

7. Page 5, line 2.

**Following:** "tax"

**Insert:** "if not paid within 10 days of the payment date set by the court"

8. Page 5, line 5 through line 9.

**Strike:** subsection (4) in its entirety

**Renumber:** subsequent subsections

9. Page 5, line 15.

**Insert:** "(5) (a) It is unlawful for a county treasurer or employee of the county treasurer or any other public official or public employee to divulge or otherwise make known taxpayer information that is disclosed under [sections 1 through 7] or information that concerns the affairs of the person and that is acquired from the person's records, officers, or employees in an examination or audit.

(b) This subsection (5) does not prohibit the county treasurer from publishing statistics if they are classified in a way that does not disclose the identity and content of any particular person. "

10. Page 6, line 4.

**Following:** "account."

**Insert:** "To protect the privacy of taxpayers, the running balance of the account and deposits to the account may not be disclosed. The year-end balance of the account must be disclosed."

11. Page 8, line 1.

**Insert:** "Section 12. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted -- water right transfer certificate exception. (1) Except as provided in subsection (2), the certificate required by this part and the information contained in the certificate is not a public record and must be held confidential by the county clerk and recorder, the county treasurer, and the department. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The confidentiality provisions

do not apply to compilations from the certificates or to summaries, analyses, and evaluations based upon the compilations.

(2) The confidentiality provisions of this section do not apply to the information in the clerk and recorder's abbreviated copy of the realty transfer certificate or to the information contained in the water right transfer certificate prepared and filed with the department of natural resources and conservation pursuant to 85-2-424 for purposes of maintaining a system of centralized water right records as mandated by Article IX, section 3(4), of the Montana constitution. A person may access water right transfer information through the department of natural resources and conservation pursuant to the department's implementation of the requirements of 85-2-112(3)."

**Renumber:** subsequent sections

- END -



## SENATE STANDING COMMITTEE REPORT

March 30, 2005

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 514** (first reading copy -- white) do pass as amended.

Signed:

A handwritten signature in black ink, appearing to read "Jim Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

**And, that such amendments read:**

1. Page 18, line 7.  
**Following:** "Sections"  
**Insert:** "1,"  
**Following:** "2"  
**Insert:** ", "

2. Page 18, line 8.  
**Strike:** "2004"  
**Insert:** "2003"

- END -

**Committee Vote:**  
Yes 7, No 0.

670955SC.sjo

Handwritten initials, possibly "KJ", in the bottom right corner of the page.

7. Page 1, line 27 through page 2, line 14.

**Strike:** subsections 2 through (4) in their entirety

8. Page 2, line 16 through line 18.

**Strike:** section 3 in its entirety

- END -



## SENATE STANDING COMMITTEE REPORT

March 31, 2005

Page 1 of 5

Mr. President:

We, your committee on Taxation recommend that Senate Bill 517 (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jim Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

And, that such amendments read:

1. Title, line 23 through line 24.

Strike: "17-3-213" on line 23 through "20-9-308," on line 24

Strike: "20-9-347, 20-9-361," on line 24

2. Page 15, line 1.

Strike: "\$5,000"

Insert: "\$500,000"

3. Page 28, line 9.

Following: "a"

Insert: "refundable"

4. Page 64, line 3.

Strike: "one-half"

Insert: "one-third"

5. Page 64, line 4.

Strike: "all"

Insert: "one-half of the"

Following: "fund"

Insert: "and the balance in an account in the state special revenue fund to be used by the legislature to review individual income tax provisions for simplification and tax relief"

Committee Vote:

Yes 6, No 5.

681227SC.ssc

Handwritten initials in black ink, possibly "KA", located in the bottom right corner of the page.

6. Page 67, line 22 through page 79, line 19.

**Strike:** section 73 through section 81 in their entirety

**Renumber:** subsequent sections

7. Page 79, line 20.

**Strike:** "Sales" through "revenue"

**Insert:** "Revenue"

8. Page 79, line 21.

**Following:** "(1)"

**Insert:** "(a)"

9. Page 79, line 24 through line 26.

**Strike:** "There" on line 24 through "for" on line 26

**Insert:** "For"

**Strike:** "." on line 26

**Insert:** ", "

10. Page 79, line 27.

**Strike:** "The" through "funds"

**Insert:** "the revenue under this section"

11. Page 80, line 7.

**Following:** line 6

**Insert:** "(b) If other revenue prescribed by this section produces more revenue than is required to repay a state advance, if any, for county equalization, the county treasurer shall remit the surplus funds to the department of revenue, as provided in 15-1-504, for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the state advance was received."

12. Page 80, line 20.

**Following:** "17-3-213;"

**Insert:** "and"

13. Page 80, line 21 through line 22.

**Strike:** subsections (f) and (g) in their entirety

**Insert:** "(f) any money appropriated by the legislature that is

designated as county elementary equalization aid."

14. Page 80, line 25.

**Strike:** "Sales" through "revenue"

**Insert:** "Revenue"

15. Page 80, line 26.

**Following:** "(1)"

**Insert:** "(a)"

16. Page 80, line 29 through page 81, line 1.

**Strike:** "There" on page 80, line 29 through "for" on page 81,  
line 1

**Insert:** "For"

**Strike:** "." on page 81, line 1

**Insert:** ", "

17. Page 81, line 2.

**Strike:** "The" through "funds"

**Insert:** "the revenue collected under this section"

18. Page 81, line 12.

**Following:** line 11

**Insert:** "(b) If revenue prescribed by this section produces more revenue than is required to repay a state advance, if any, for county equalization, the county treasurer shall remit the surplus funds to the department of revenue, as provided in 15-1-504, for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the state advance was made."

19. Page 81, line 19.

**Following:** "17-3-213;"

**Insert:** "and"

20. Page 81, line 20 through line 21.

**Strike:** subsections (c) and (d) in their entirety

**Insert:** "(c) any money appropriated by the legislature that is designated as county high school equalization aid."

21. Page 81, line 23 through page 82 line 19.

**Strike:** section 84 through section 85 in their entirety

**Renumber:** subsequent sections

22. Page 86, line 1.

**Insert:** "NEW SECTION. **Section 83. Reimbursement -- tax increment -- personal property.** (1) The reduction in the tax increment for each urban renewal area, industrial district, or aerospace transportation and technology district that would be attributable to the elimination of the statewide equalization and university system levies under 15-10-107, 20-9-331, 20-9-333, 20-9-360, and 20-25-423 as those sections read on December 31, 2004, must be transferred from the state general fund to the special fund referred to in 7-15-4286 in equal installments each November 30 and May 31.

(2) The department shall determine the amount of property tax lost by each local government as a result of the amendments to 15-6-138 by [this act] for the purposes of providing local government reimbursement of the lost revenue.

(a) For the increase of the base exemption amount in 15-6-138, effective January 1, 2006, the department shall for calendar year 2006 and calendar year 2007 estimate for each local government the difference between property tax collections under 15-6-138 as amended by [this act] and the property tax revenue that would have been collected if 15-6-138 had not been amended by [this act]. The total amount of loss determined by the department must be added to each local government's base entitlement share amount under 15-1-121. The 2006 amount must be added to the base entitlement share amount for the fiscal year ending June 30, 2007, and the difference between the 2006 amount and the 2007 amount must be added to the base entitlement amount for the fiscal year ending June 30, 2008.

(b) If the salary and growth targets in 15-6-138(5) are met, the department shall determine the incremental reductions in property tax revenue to each local government for the first calendar year of each reduction and apply that amount to the next fiscal year base entitlement share amount and the difference between the first and second calendar year reductions must be added to the next fiscal year's base entitlement share amount.

(c) For the purposes of this subsection (2), "local government" has the meaning provided for in 15-1-121(4) "

**Renumber:** subsequent sections

23. Page 85, line 29.

**Following:** "Repealer."

**Insert:** "(1) "

24. Page 85.

**Following:** line 30

**Insert:** "(2) If Senate Bill No. \_\_\_ [LC2301] is not approved by the qualified electors at the general election held in November 2006, then [sections 18 through 48 and 55 through 62 of this act] are repealed."

25. Page 86, line 2 through line 3.

**Strike:** section 94 in its entirety

**Renumber:** subsequent sections

26. Page 86, line 10.

**Following:** "72"

**Insert:** "and 83"

27. Page 86, line 11.

**Following:** "72"

**Insert:** "83"

28. Page 86, line 15.

**Following:** "7"

**Insert:** ", "

**Strike:** "and"

**Following:** "42"

**Insert:** ", and 82(2)"

- END -



# SENATE STANDING COMMITTEE REPORT

March 31, 2005  
Page 1 of 1

Mr. President:

We, your committee on Taxation recommend that Senate Bill 520 (first reading copy -- white) do pass as amended.

Signed:

A handwritten signature in black ink, appearing to read "Jim Elliott".

Senator Jim Elliott, Chair

And, that such amendments read:

1. Title, line 11.  
Following: "DATE"  
Insert: ", "  
Strike: "AND"

2. Title, line 12.  
Following: "DATE"  
Insert: ", AND A CONTINGENT TERMINATION DATE"

3. Page 5, line 12.  
Insert: "NEW SECTION. Section 10. Contingent termination.  
[Section 3] terminates on January 1 of the first year following the immediately preceding 2 tax years in which the voluntary checkoff raises less than \$10,000 in each of those 2 tax years."

- END -

Committee Vote:  
Yes 7, No 4.

681237SC.ssc

Handwritten initials, possibly "KF", in the bottom right corner.



## SENATE STANDING COMMITTEE REPORT

March 31, 2005

Page 1 of 3

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 521** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "J. Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

**And, that such amendments read:**

1. Title, line 5.

**Strike:** "PROFIT"

**Insert:** "INCOME"

**Following:** "15-31-101"

**Insert:** ", "

**Strike:** "AND"

**Following:** "15-31-121,"

**Insert:** "AND 15-31-322,"

2. Page 1, line 12.

**Strike:** "profit"

**Insert:** "income"

3. Page 1, line 14.

**Strike:** "profit"

**Insert:** "income"

4. Page 1.

**Following:** line 14

**Insert:** "(2) The alternative minimum fee provided for in subsection (1) applies to a corporation with at least \$20 million in annual total sales or \$4 million in annual total payroll regardless of whether the corporation has made a water's-edge election."

**Renumber:** subsequent subsections

**Committee Vote:**

Yes 7, No 4.

681229SC.ssc

Handwritten initials in black ink, possibly "JE", located in the bottom right corner of the page.

5. Page 1, line 15.

Strike: ""book profit""

Insert: ""book income""

Following: "amount of"

Strike: "profit"

Insert: "income"

6. Page 1, line 20.

Strike: "profit"

Insert: "income"

7. Page 1, line 21 through line 22.

Following: "year."

Strike: remainder of line 21 through "profit." on line 22

Insert: "For the purposes of this section, "annual" means the period as reported on securities and exchange commission form 10-K or amended 10-K."

8. Page 2, line 24.

Strike: "For"

Insert: "Except as provided in [section 1], for"

9. Page 3, line 3.

Insert: "Section 4. Section 15-31-322, MCA, is amended to read:

"15-31-322. Water's-edge election -- inclusion of tax havens. (1) Notwithstanding any other provisions of law, except for [section 1], a taxpayer subject to the taxes imposed under this chapter may apportion its income under this section. A return under a water's-edge election must include the income and apportionment factors of the following affiliated corporations only:

(a) a corporation incorporated in the United States in a unitary relationship with the taxpayer and eligible to be included in a federal consolidated return as described in 26 U.S.C. 1501 through 1505 that has more than 20% of its payroll and property assignable to locations inside the United States. For purposes of determining eligibility for inclusion in a federal consolidated return under this subsection (1)(a), the 80% stock ownership requirements of 26 U.S.C. 1504 must be reduced to ownership of over 50% of the voting stock directly or indirectly owned or controlled by an includable corporation.

(b) domestic international sales corporations, as described in 26 U.S.C. 991 through 994, and foreign sales corporations, as

described in 26 U.S.C. 921 through 927;

(c) export trade corporations, as described in 26 U.S.C. 970 and 971;

(d) foreign corporations deriving gain or loss from disposition of a United States real property interest to the extent recognized under 26 U.S.C. 897;

(e) a corporation incorporated outside the United States if over 50% of its voting stock is owned directly or indirectly by the taxpayer and if more than 20% of the average of its payroll and property is assignable to a location inside the United States; or

(f) a corporation that is in a unitary relationship with the taxpayer and that is incorporated in a tax haven, including Andorra, Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Bahrain, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Turks and Caicos Islands, Dominica, Gibraltar, Grenada, Guernsey-Sark-Alderney, Isle of Man, Jersey, Liberia, Liechtenstein, Luxembourg, Maldives, Marshall Islands, Monaco, Montserrat, Nauru, Netherlands Antilles, Niue, Panama, Samoa, Seychelles, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Tonga, U.S. Virgin Islands, and Vanuatu.

(2) The department shall report biennially to the revenue and transportation interim committee with an update of countries that may be considered a tax haven under subsection (1)(f)."

**Renumber:** subsequent sections

- END -

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**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE TAXATION COMMITTEE** TABLED **SB 522**, by motion, on **Thursday, March 31, 2005**.

K. Ely  
(For the Committee)

[Signature]  
(Secretary of Senate)

9:30 14-1  
(Time) (Date)

April 1, 2005

Kathleen C. Ely, Secretary

Phone: 444-4814

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**MONTANA STATE SENATE  
2005 LEGISLATURE**

**ROLL CALL VOTE**

**TAXATION COMMITTEE**

DATE 3-31-05 BILL NO. SB 510 NUMBER 1

MOTION: TOOLE: Do Pass As Amended

NAME	AYE	NO
SEN. JIM ELLIOTT (D), CHAIRMAN	✓	
SEN. KEN TOOLE (D), VICE CHAIRMAN	✓	
SEN. JERRY BLACK (R)	✓	
SEN. JON ELLINGSON (D)	⓪	
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)		✓
SEN. DAN HARRINGTON (D)	✓	
SEN. SAM KITZENBERG (R)	✓	
SEN. TRUDI SCHMIDT (D)	<del>—</del>	<del>—</del>
SEN. ROBERT STORY (R)	⓪	
LEE HEIMAN, LSD	x	
KATHLEEN ELY, COMMITTEE SECRETARY	x	
	7	3

**MONTANA STATE SENATE  
2005 LEGISLATURE**

**ROLL CALL VOTE**

**TAXATION COMMITTEE**

DATE 3-31-05 BILL NO. SB 517 NUMBER \_\_\_\_\_

MOTION: ESSMANN: Do Pass As Amended

NAME	AYE	NO
SEN. JIM ELLIOTT (D), CHAIRMAN		✓
SEN. KEN TOOLE (D), VICE CHAIRMAN		✓
SEN. JERRY BLACK (R)	✓	
SEN. JON ELLINGSON (D)		⊙
SEN. JEFF ESSMANN (R)	✓	
SEN. KELLY GEBHARDT (R)	✓	
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)		✓
SEN. SAM KITZENBERG (R)	✓	
SEN. TRUDI SCHMIDT (D)		⊙
SEN. ROBERT STORY (R)	⊙	
LEE HEIMAN, LSD	λ	
KATHLEEN ELY, COMMITTEE SECRETARY	x	
TOTAL	6	5

**MONTANA STATE SENATE  
2005 LEGISLATURE**

**ROLL CALL VOTE**

**TAXATION COMMITTEE**

DATE 3-31-05 BILL NO. SB 520 NUMBER 1

MOTION: ELLIOTT: DO PASS AS AMENDED

NAME	AYE	NO
SEN. JIM ELLIOTT (D), CHAIRMAN	✓	
SEN. KEN TOOLE (D), VICE CHAIRMAN	✓	
SEN. JERRY BLACK (R)		✓
SEN. JON ELLINGSON (D)	ⓧ	
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)	[ ✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. SAM KITZENBERG (R)	✓	
SEN. TRUDI SCHMIDT (D)	[ ⓧ	
SEN. ROBERT STORY (R)		ⓧ
LEE HEIMAN, LSD		
KATHLEEN ELY, COMMITTEE SECRETARY		
TOTAL	7	4

**MONTANA STATE SENATE  
2005 LEGISLATURE**

**ROLL CALL VOTE**

**TAXATION COMMITTEE**

DATE 3-31-05 BILL NO. SB 521 NUMBER 1

MOTION: ELLIOTT: DO PASS AS AMENDED

NAME	AYE	NO
SEN. JIM ELLIOTT (D), CHAIRMAN	✓	
SEN. KEN TOOLE (D), VICE CHAIRMAN	✓	
SEN. JERRY BLACK (R)		✓
SEN. JON ELLINGSON (D)	ⓧ	
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. SAM KITZENBERG (R)	✓	
SEN. TRUDI SCHMIDT (D)	ⓧ	
SEN. ROBERT STORY (R)		ⓧ
LEE HEIMAN, LSD	X	
KATHLEEN ELY, COMMITTEE SECRETARY	X	
	7	4

**MONTANA STATE SENATE  
2005 LEGISLATURE**

**ROLL CALL VOTE**

**TAXATION COMMITTEE**

DATE 3-31-05 BILL NO. SB 522 NUMBER 1

MOTION: BLACK

NAME	AYE	NO
SEN. JIM ELLIOTT (D), CHAIRMAN		✓
SEN. KEN TOOLE (D), VICE CHAIRMAN		✓
SEN. JERRY BLACK (R)	✓	
SEN. JON ELLINGSON (D)		ⓧ
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)	✓	
SEN. KIM GILLAN (D)		✓
SEN. DAN HARRINGTON (D)	✓	
SEN. SAM KITZENBERG (R)	✓	
SEN. TRUDI SCHMIDT (D)		ⓧ
SEN. ROBERT STORY (R)	ⓧ	
LEE HEIMAN, LSD	X	
KATHLEEN ELY, COMMITTEE SECRETARY	X	
TOTAL	5	6

PROXY VOTE

I, the undersigned, hereby authorize Senator Geoff Hoff to

vote my proxy on any issue before the Senate Tawakoni

Committee held on March 31, 2005.

Robert Steyer

SENATOR  
STATE OF MONTANA