



SENATE STANDING COMMITTEE REPORT

March 16, 2007

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 138** (first reading copy -- white) **do pass as amended.**

Signed: _____

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

Senator Jim Elliott, Chair

And, that such amendments read:

1. Title, line 9.

Strike: "APPLYING SPECIAL RULES TO CAPTIVE INSURANCE COMPANIES;"

2. Title, line 13.

Strike: "AMENDING SECTION 33-2-705, MCA;"

3. Page 2, line 2.

Strike: "80% of the amount of the qualified dividends"

Insert: "the total amount of qualified dividends allowed as a deduction for federal income tax purposes"

4. Page 3, line 18 through line 26.

Strike: subsection (11) in its entirety

Renumber: subsequent subsections

5. Page 4, line 22 through page 5, line 27.

Strike: section 3 in its entirety

Renumber: subsequent sections

6. Page 6, line 19 through line 21.

Strike: subsection (v) in its entirety

7. Page 6, line 25.

Strike: "5"

Insert: "4"

8. Page 9, line 3.

Strike: "4(2)"

Committee Vote:

Yes 8, No 3

Fiscal Note Required _____

Handwritten initials "KA" in black ink, written over a horizontal line.

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Insert: "3(2)"

9. Page 10, line 27 through line 28.

Strike: "or, if" on line 27 through "0.40" on line 28

10. Page 12, line 3.

Insert: "(7) The provisions of this section do not apply to an insurer involved in a proceeding under the Insurers Supervision, Rehabilitation, and Liquidation Act, Title 33, chapter 2, part 13, or any similar proceeding brought by any other state insurance commissioner."

"NEW SECTION. Section 6. Legitimate business purpose. (1)
If a taxpayer's ratio of the 5-year average net written premiums for all insurance companies in a commonly controlled group to the 5-year average total income for all insurance companies in the commonly controlled group for the tax year is greater than or equal to 60%, as determined under [section 2], then the provisions of [sections 1 through 7] do not apply.

(2) If a taxpayer's ratio of the 5-year average net written premiums for all insurance companies in a commonly controlled group to the 5-year average total income for all insurance companies in the commonly controlled group for the tax year is less than 60%, as determined under [section 2], and upon an adequate showing by a taxpayer that a transaction referred to in [sections 2 through 5] was entered into with a legitimate business purpose, the department may grant relief from the application of [sections 1 through 7]."

Renumber: subsequent sections

11. Page 12, line 4 through line 24.

Strike: "To implement" on line 4 through "7], the" on line 5

Insert: "The"

Following: "necessary"

Insert: "to implement and administer the provisions of [sections 1 through 6]."

Strike: ", including" on line 5 through "state." on line 24

12. Page 12, line 26 through page 14, line 6.

Strike: section 8 in its entirety

Renumber: subsequent sections

- END -



SENATE STANDING COMMITTEE REPORT

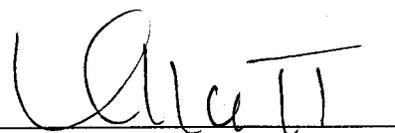
March 16, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 470** (first reading copy -- white) **do pass.**

Signed: _____


Senator Jim Elliott, Chair

- END -

Committee Vote:

Yes 8, No 3

Fiscal Note Required _____

KA

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COMMITTEE FILE COPY

TABLED BILL

The **SENATE TAXATION COMMITTEE** TABLED **SB 464**, by motion, on **Friday, March 16, 2007**.

Lois O'Connor
(For the Committee)

Kf
(Secretary of the Senate)

 / 3-16
(Time) (Date)

March 16, 2007

Lois A. O'Connor, Secretary

Phone: 444-4772

**MONTANA STATE SENATE
2007 LEGISLATURE**

TAXATION

ROLL CALL VOTE

DATE 3-16-07 BILL NO. SB-138 NUMBER _____

MOTION: Do Pass As Amended
Passes 8-3

NAME	AYE	NO
SEN. JERRY BLACK (R)	✓	
SEN. JEFF ESSMANN (R)	✓	
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. CHRISTINE KAUFMANN (D)	✓	
SEN. SAM KITZENBERG (D)	✓	
SEN. JIM PETERSON (R)		✓
SEN. TRUDI SCHMIDT (D)	✓	
SEN. ROBERT STORY (R)		✓
SEN. JIM ELLIOTT (D) CHAIRMAN	✓	
	8	3

**MONTANA STATE SENATE
2007 LEGISLATURE**

TAXATION

ROLL CALL VOTE

DATE 3-16-07 BILL NO. SB-470 NUMBER _____

MOTION: Do Pass

8-3 passed

NAME	AYE	NO
SEN. JERRY BLACK (R)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SEN. JEFF ESSMANN (R)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. KELLY GEBHARDT (R)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SEN. KIM GILLAN (D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. DAN HARRINGTON (D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. CHRISTINE KAUFMANN (D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. SAM KITZENBERG (D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. JIM PETERSON (R)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. TRUDI SCHMIDT (D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SEN. ROBERT STORY (R)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SEN. JIM ELLIOTT (D) CHAIRMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	8	3

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SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f), a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Gillan

to vote my proxy on any issue before the Senate Tax

_____ Committee

held on March 14, 2007, 2007.

SB 138 - YES
~~SB 174 - yes (withdrawn)~~
SB 470. - yes
~~SB 464~~
SB 464 AYC to table

Judi Schmidt
SENATOR
STATE OF MONTANA

