

MINUTES

**MONTANA SENATE
61st LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: Chairman Jeff Essmann, on March 20, 2009 at
8:00 A.M., in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Jeff Essmann, Chairman (R)
Sen. Taylor Brown, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kelly Gebhardt (R)
Sen. Bradley Hamlett (D)
Sen. Christine Kaufmann (D)

Members Excused: Sen. Kim Gillan (D)
Sen. Bob Story Jr. (R)
Sen. Bruce Tutvedt (R)

Members Absent: None

Staff Present: Lee Heiman, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 459, 2/12/2009; SB 503,
3/10/2009

Executive Action: HB 588 ~ DO CONCUR AS AMENDED
SB 37 ~ DO PASS AS AMENDED
SB 342 ~ BE AMENDED
SB 491 ~ DO PASS AS AMENDED
SB 499 ~ DO PASS AS AMENDED
SB 501 ~ TABLED
SB 504 ~ TABLED

EXECUTIVE ACTION ON HB 588

00:01:11 **Motion:** Sen. Brown moved that **HB 588 BE CONCURRED IN.**

00:01:27 **Motion:** Sen. Gebhardt moved that **HB 588 BE AMENDED.**
EXHIBIT (tas62a01)

Discussion:

00:02:31 Lee Heiman, Legislature Services Division (LSD)

00:03:00 Chairman Essmann

00:03:19 **Vote:** Motion carried unanimously by voice vote by those present and voting.

00:03:38 **Motion/Vote:** Sen. Gebhardt moved that **HB 588 BE CONCURRED IN AS AMENDED.** Motion carried unanimously by voice vote of those present and voting.

EXECUTIVE ACTION ON SB 37

00:04:27 **Motion:** Sen. Kaufmann moved that **SB 37 DO PASS.**

00:05:19 **Motion:** Sen. Kaufmann moved that **SB 37 BE AMENDED.**
EXHIBIT (tas62a02)

Discussion:

00:05:28 Sen. Kaufmann

00:06:46 Sen. Tutvedt arrived at committee meeting.

00:06:54 **Vote:** Motion carried unanimously by voice vote of those present and voting.

00:07:08 **Motion:** Sen. Kaufmann moved that **SB 37 DO PASS AS AMENDED.**

00:07:22 **Motion/Vote:** Sen. Kaufmann moved that **SB 37 BE AMENDED.** Motion carried unanimously by voice vote of those present and voting.

EXHIBIT (tas62a03)

00:08:51 **Motion:** Sen. Kaufmann moved that **SB 37 DO PASS AS AMENDED.**

Discussion:

00:09:16 Sen. Tutvedt
00:09:52 Sen. Kaufmann
00:10:56 Sen. Brown
00:12:00 Sen. Kaufmann
00:12:19 Brian Olsen, Income Tax Specialist, Department of
Revenue (DOR)
00:12:56 Sen. Tutvedt
00:13:04 Sen. Kaufmann

00:13:42 **Vote:** Motion carried unanimously by voice vote of
those present and voting.

HEARING ON SB 459**Opening Statement by Sponsor:**

00:14:33 Sen. Ron Erickson (D), SD 47, opened the hearing on
SB 459, Repeal capital gains tax credit.

[EXHIBIT \(tas62a04\)](#)

[EXHIBIT \(tas62a05\)](#)

[EXHIBIT \(tas62a06\)](#)

[EXHIBIT \(tas62a07\)](#)

Proponents' Testimony:

00:29:07 Sarah Wilhelm, representing Montana Budget and Policy
Center (MBPC)

[EXHIBIT \(tas62a08\)](#)

[EXHIBIT \(tas62a09\)](#)

[EXHIBIT \(tas62a10\)](#)

00:32:54 Erik Burke, representing MEA/MFT

Opponents' Testimony:

00:35:33 Joe Shevlin, CPA, Junkermier, Clark, Campanella,
Stevens, P.C. (JCCS) representing Montana Society of
CPAs

00:43:42 Don Hoffman, representing Montana Taxpayers Association
(MTA)

[EXHIBIT \(tas62a11\)](#)

00:49:42 Jon Bennion, representing Montana Chamber of Commerce

00:52:46 Former U.S. Representative Rick Hill, representing
Montana Building Industry Association (MBIA)

00:55:44 Brad Griffin, representing Montana Retail Association
(MRA)

00:56:57 Barry Stang, Executive Vice President, Montana Motor
Carriers Association (MMCA)

00:57:02 Sen. Gillan arrived at committee meeting.

00:58:38 Riley Johnson, representing National Federation of Independent Businesses (NFIB)

01:00:01 Bruce Spencer, representing Montana Automobile Dealers Association (MADA)

01:00:52 Jim Brown, representing Montana Stockgrowers Association (MSA)

01:02:13 Cary Hegreberg, Montana Contractors Association (MCA)

01:03:31 Ronda Wiggers, representing Great Falls and Helena Chambers of Commerce

01:04:17 Nancy Schlepp, representing Montana Farm Bureau Federation (MFBF)

Informational Testimony:

01:05:10 Brian Olsen, Income Tax Specialist, DOR

Questions from Committee Members and Responses:

01:05:29 Sen. Kaufmann

01:06:20 Sen. Erickson (Sponsor)

01:08:09 Sen. Tutvedt

01:08:58 Nancy Schlepp, MFBF

01:09:43 Sen. Tutvedt

01:10:23 Rick Hill, MBIA

01:13:17 Sen. Kaufmann

01:13:52 Sarah Wilhelm, MBPC

01:17:39 Chairman Essmann

01:19:00 Don Hoffman, MTA

Closing by Sponsor:

01:19:36 Sen. Erickson

01:22:47 Recess

01:32:01 Reconvene ~ Vice Chair Taylor Brown serving as Chairman

HEARING ON SB 503

Opening Statement by Sponsor:

01:32:51 Sen. Jeff Essmann (R), SD 28, opened the hearing on SB 503, Montana Economic Stimulus Act.

EXHIBIT (tas62a12)

Proponents' Testimony:

01:49:39 Rick Hill, MBIA
01:53:03 Jon Bennion, Montana Chamber of Commerce, also speaking
for Montana Retail Association and Montana Restaurant
Association
01:55:42 Cary Hegreberg, MCA
01:56:41 Neil Peterson, representing Gaming Industry Association
of Montana
01:57:47 Riley Johnson, NFIB
01:59:28 Jim Brown, MSA

EXHIBIT (tas62a13)

02:00:36 Joe Roberts, representing Montana Association of
Realtors (MAR)
02:01:29 Stuart Doggett, representing Montana Innkeepers
Association
02:02:13 Ronda Wiggers, representing Great Falls and Helena
Chambers of Commerce
02:04:22 Nancy Schlepp, MFBF
02:04:59 Bruce Spencer, MADA
02:05:26 Don Hoffman, MTA

EXHIBIT (tas62a14)

02:06:28 Chris Gallus, representing Montana Tavern Association
(MTA)

Opponents' Testimony:

02:08:02 Erik Burke, MEA/MFT

Informational Testimony:

02:09:31 Sarah Wilhelm, MBPC

Questions from Committee Members and Responses:

02:10:47 Sen. Tutvedt
02:11:19 Sen. Essmann (Sponsor)
02:13:01 Sen. Kauffman
02:13:41 Jon Bennion
02:14:12 Sen. Erickson
02:14:38 Sen. Essmann
02:15:28 Sen. Kaufmann
02:15:53 Sen. Essmann
02:16:28 Vice Chair Brown
02:16:54 Sen. Essmann
02:17:46 Vice Chair Brown
02:18:22 Sarah Wilhelm

Closing by Sponsor:

02:23:00 Sen. Essmann

Committee Business:

02:28:29 Chairman Essmann assumed the Chairman duties.

EXECUTIVE ACTION ON SB 342

02:30:20 **Motion:** Sen. Essmann moved that **SB 342 DO PASS.**

02:30:50 Lee Heiman, LSD

[EXHIBIT \(tas62a15\)](#)

Discussion:

02:31:04 Chairman Essmann

02:34:54 Vice Chair Brown assumed the Chairman duties.

02:35:07 **Motion:** Sen. Essmann moved that **SB 342 BE AMENDED.**
(See Exhibit 15)

Discussion:

02:35:31 Sen. Kaufmann

02:35:56 Sen. Essmann

02:36:15 Sen. Tutvedt

02:36:41 Sen. Essmann

02:37:33 **Vote:** Motion carried 7-3 by voice vote of those present and voting with Sens. Branae, Erickson, and Kaufmann voting no.

02:38:10 Sen. Essmann withdrew motion that **SB 342 DO PASS.**

02:38:57 Sen. Gebhardt left the hearing.

EXECUTIVE ACTION ON SB 491

02:39:21 **Motion:** Sen. Black moved that **SB 491 DO PASS.**

Discussion:

02:39:39 Lee Heiman

02:42:22 **Motion/Vote:** Sen. Black moved that **SB 491 BE AMENDED**. Motion carried unanimously by voice vote of those present and voting.

EXHIBIT (tas62a16)

02:42:59 **Motion/Vote:** Sen. Black moved that **SB 491 DO PASS AS AMENDED**. Motion carried unanimously by voice vote of those present and voting.

02:44:41 Sen. Taylor Brown assumed the Chair duties.

EXECUTIVE ACTION ON SB 499

02:45:00 **Motion:** Sen. Essmann moved that **SB 499 DO PASS**.

02:45:15 **Motion:** Sen. Essmann moved that **SB 499 BE AMENDED**.
EXHIBIT (tas62a17)

Discussion:

02:45:51 Sen. Essmann

02:45:57 Sen. Tutvedt

02:46:21 Sen. Essmann

02:47:32 **Vote:** Motion carried unanimously by voice vote of those present and voting.

02:47:53 **Motion:** Sen. Essmann moved that **SB 499 DO PASS AS AMENDED**.

Discussion:

02:48:06 Sen. Essmann

02:49:14 Sen. Erickson

02:51:29 Sen. Essmann

02:53:46 Sen. Black

02:56:39 Vice Chair Brown

02:57:54 Sen. Kaufmann

03:00:50 Sen. Erickson

03:01:51 Sen. Gillan

03:04:32 Sen. Hamlett

03:05:32 Sen. Black

03:06:03 Sen. Erickson

03:07:30 **Vote:** Motion carried 8-3 by roll call vote with Sens. Branae, Erickson, and Kaufmann voting no and Sens. Gebhardt and Story voting by proxy.

EXECUTIVE ACTION ON SB 501

03:08:30 **Motion:** Sen. Kaufmann moved that **SB 501 DO PASS.**

Discussion:

03:08:37 Sen. Kaufmann

03:09:03 **Motion:** Sen. Erickson moved that **SB 501 BE AMENDED.**
EXHIBIT (tas62a18)

Discussion:

03:09:07 Sen. Erickson

03:09:39 Sen. Kaufmann

03:10:23 **Vote:** Motion carried unanimously by voice vote of those present and voting.

03:10:45 **Motion:** Sen. Kaufmann moved that **SB 501 DO PASS AS AMENDED.**

Discussion:

03:10:52 Sen. Kaufmann

03:12:34 Sen. Erickson

03:13:17 **Vote:** Motion failed 4-7 by roll call vote with Sens. Branae, Erickson, Gillan, and Kaufmann voting aye and Sens. Gebhardt and Story voting by proxy. Without objection from the Committee, Chairman Essmann requested that the bill be tabled and the vote reversed.

EXECUTIVE ACTION ON SB 504

03:14:34 **Motion:** Sen. Tutvedt moved that **SB 504 DO PASS.**

Discussion:

03:14:40 Sen. Tutvedt

03:15:21 Sen. Erickson

03:15:40 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **SB 504 BE TABLED.** Substitute motion carried 7-1 by voice vote of those present and voting with Sen. Black voting no.

Committee Business:

03:16:26 Sen. Kaufmann

EXHIBIT (tas62a19)

03:17:24 Chairman Essmann

03:18:36 Debra Polhemus

EXHIBIT (tas62a20)

Materials submitted to the committee by Dan Freeman,
Broken "O" Ranch, Augusta, pertaining to SB 465 heard
in committee on March 11, 2009.

ADJOURNMENT

Adjournment: 11:25 A.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT ([tas62aad.pdf](#))