

TESTIMONY OF JIM BROWN IN FAVOR OF SB 503  
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DILLON, MT 59725

SENATE TAXATION  
EXHIBIT NO. 13  
DATE 3.20.09  
BILL NO. SB 503

- Good morning – Mr. Chairman, members of the Committee.
- My name is Jim Brown – B.R.O.W.N.
- I am from Dillon, Montana.
- I rise in support of House Bill 503
- This is a pro-business, pro-growth, pro-jobs bill
- I commend Senator Essmann for his effort in trying to bring good, quality jobs to Montana
- This is the right bill at the right time.
- Any economist worth his salt will tell you that true economic growth comes from the private sector, not the government
- At a time, when Montana, like every other state, is struggling to retain and to encourage private businesses, this body would be taking a step in the right direction by passing HB503
- This bill contains 3 pro-economic growth provisions. These are:
- Section 3 of the bill provides a tax credit against the net capital gain on the sale of a business that started up or that relocated to Montana during the period between November 1, 2009 and 2012.
- Section 4 of the bill provides a deduction from taxes for property fabricated or assembled in Montana during a two year time frame from January 2009 to December 31, 2011 if the property is sold after 2014
- And, Section 6 of the bill provides for an increase in the capital gains tax credit from 2% to 5% over a 15-year period for assets of Montana businesses, farms, or ranches held for 5 to 20 years.
- This last provision is particularly important for me as someone whose family has ranched in Beaverhead County since the 1880s.
- As we have all experienced, too many of Montana's youth are leaving this state because they cannot find good paying jobs. This bill encourages businesses to relocate to this state to provide those types of high-paying jobs we need in this down economy.
- What is more, anybody who lives in more rural counties, like Beaverhead County, have seen small communities, such as Lima, drying up for a lack of industry and industry jobs.
- The only thing keeping these communities open and viable is agriculture.
- As an attorney, many of my clients are farmers and ranchers. And, like every other type of business owners, these folks need help. Unlike other industrires, they aren't looking for a handout. They are looking for the government to get out of the way and to let them do business.
- Section 6 of this bill – the provision increasing the capital gains tax credit for sold Montana property or stock held long term if that property was an asset of a Montana business, is particularly critical to help existing Montana farms and ranches remain a viable part of our economy and our community.
- We have all heard about how much the federal stimulus money is needed; but, as I noted earlier, true stimulus comes from reducing taxes on those who create wealth.
- That is what this bill does for Montana's businessmen and women. This is a good bill, which is timely, and I recommend this Committee give it a do-pass.