

MINUTES

MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on February 1, 2011 at 9:00 A.M., in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Bruce Tutvedt, Chair (R)
Sen. Bob Lake, Vice Chair (R)
Sen. Ron Arthun (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Jeff Essmann (R)
Sen. Kim Gillan (D)
Sen. Christine Kaufmann (D)
Sen. Jim Peterson (R)
Sen. Art Wittich (R)

Members Excused:

Sen. Kendall Van Dyk (D)
Sen. Chas Vincent (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:

SB 70 ~ Tabled SB 77 ~ Tabled SB 122 ~ Tabled
SB 171 ~ Tabled SB 214 ~ Tabled
SB 172 ~ Do Pass As Amended
Discussion: SB 94 and SB 110

Committee Business:

00:01:12 Alan Peura, Deputy Director, Department of Revenue (DOR)

EXHIBIT(tas25a01)

00:08:32 Chairman Tutvedt
00:08:48 Alan Peura, DOR
00:09:06 Chairman Tutvedt
00:09:32 Sen. Erickson
00:09:52 Chairman Tutvedt
00:10:34 Sen. Gillan
00:11:12 Chairman Tutvedt
00:11:32 Sen. Erickson
00:11:53 Sen. Lake
00:12:01 Sen. Erickson
00:12:17 Chairman Tutvedt
00:12:38 Sen. Gillan
00:13:05 Chairman Tutvedt
00:13:23 Sen. Gillan
00:13:41 Chairman Tutvedt
00:14:14 Sen. Lake
00:14:23 Chairman Tutvedt

EXECUTIVE ACTION ON SB 70

00:15:23 **Motion:** Sen. Lake moved that **SB 70 DO PASS.**

Discussion:

00:15:42 Sen. Erickson
00:17:32 Sen. Lake
00:18:18 Sen. Gillan
00:19:20 Chairman Tutvedt
00:19:53 Sen. Branae
00:20:22 Sen. Kaufmann
00:20:35 Sen. Lake
00:21:40 Sen. Essmann
00:23:22 Chairman Tutvedt
00:23:46 Sen. Wittich

00:25:22 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

00:26:19 Without objection from the committee, Sen. Lake requests **SB 70 BE TABLED AND THE VOTE REVERSED.**

EXECUTIVE ACTION ON SB 77

00:26:40 **Motion:** Sen. Branae moved that **SB 77 DO PASS.**

Discussion:

00:27:00 Sen. Branae

00:28:31 Heather Gurnsey, DOR, without objection from the committee
EXHIBIT(tas25a02)

00:30:01 Sen. Gillan

00:30:20 Heather Gurnsey

00:31:30 Sen. Erickson

00:32:26 Lee Heiman, Legislative Services Division (LSD)

00:32:43 Sen. Erickson

00:32:58 Sen. Branae

00:33:33 Sen. Wittich

00:35:22 Chairman Tutvedt

00:36:19 Sen. Gillan

00:36:42 Sen. Essmann

00:36:53 Sen. Gillan

00:37:03 Chairman Tutvedt

00:37:25 Sen. Branae

00:37:40 Sen. Lake

00:38:20 Sen. Branae

00:38:54 Sen. Essmann

00:39:59 Sen. Kauffman

00:40:21 Sen. Branae

00:40:36 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

00:41:24 Without objection from the committee, Sen. Lake requests **SB 77 BE TABLED AND THE VOTE REVERSED.**

EXECUTIVE ACTION ON SB 94

00:42:01 **Motion:** Sen. Erickson moved that **SB 94 DO PASS.**

Discussion:

00:42:19 Sen. Erickson

00:46:30 Chairman Tutvedt

00:46:39 Sen. Erickson

00:46:59 Sen. Lake

00:48:25 Chairman Tutvedt

00:48:42 Sen. Erickson

00:49:12 Sen. Wittich

00:51:02 Sen. Gillan

00:51:17 Gene Walborn, DOR, without objection from the committee

00:52:16 Sen. Wittich
00:52:38 Gene Walborn, DOR
00:53:36 Sen. Wittich
00:53:49 Gene Walborn
00:54:03 Sen. Essmann

00:54:37 Sen. Erickson withdrew motion **SB 94 DO PASS.**

Discussion:

00:55:01 Chairman Tutvedt
00:55:15 Lee Heiman, LSD
00:55:28 Chairman Tutvedt

EXECUTIVE ACTION ON SB 110

00:56:04 **Motion:** Sen. Lake moved that **SB 110 DO PASS.**

00:56:27 **Motion/Vote:** Sen. Tutvedt moved that **SB 110 BE AMENDED.** Motion carried 9-0 by voice vote of those present and voting.

EXHIBIT(tas25a03)

00:57:06 **Motion:** Sen. Lake moved that **SB 110 DO PASS AS AMENDED.**

Discussion:

00:57:14 Sen. Erickson
00:57:36 Sen. Kaufmann
00:58:39 Sen. Arthun
00:58:47 Chairman Tutvedt
00:58:59 Sen. Essmann
01:00:46 Lee Heiman
01:01:13 Sen. Essmann

01:01:25 Sen. Lake withdrew motion **SB 110 DO PASS AS AMENDED.**

Discussion:

01:01:34 Sen. Gillan
01:02:20 Sen. Wittich
01:02:54 Sen. Essmann
01:03:15 Chairman Tutvedt
01:03:29 Sen. Essmann
01:03:42 Sen. Gillan
01:03:53 Sen. Wittich

EXECUTIVE ACTION ON SB 122

01:04:37 **Motion:** Sen. Lake moved that **SB 122 DO PASS.**

Discussion:

01:04:54 Sen. Erickson
01:05:42 Sen. Lake
01:06:49 Sen. Gillan
01:07:44 Sen. Kaufmann
01:08:53 Chairman Tutvedt
01:09:31 Sen. Lake

01:09:52 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

01:10:43 Without objection from the committee, Sen. Lake requests **SB 122 BE TABLED AND THE VOTE REVERSED.**

EXECUTIVE ACTION ON SB 171

01:11:10 **Motion:** Sen. Lake moved that **SB 171 DO PASS.**

01:11:32 **Motion:** Sen. Lake moved that **SB 171 BE AMENDED.**
EXHIBIT(tas25a04)

Discussion:

01:11:49 Lee Heiman
01:12:27 Sen. Lake

01:12:40 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

01:12:52 **Motion:** Sen. Lake moved that **SB 171 DO PASS AS AMENDED.**

Discussion:

01:12:59 Sen. Lake

01:13:30 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

01:10:43 Without objection from the committee, Sen. Lake requests **SB 171 BE TABLED AND THE VOTE REVERSED.**

EXECUTIVE ACTION ON SB 172

01:14:41 **Motion:** Sen. Lake moved that **SB 172 DO PASS.**

01:15:10 **Motion:** Sen. Lake moved that **SB 172 BE AMENDED.**
EXHIBIT(tas25a05)

Discussion:

01:15:19 Sen. Lake
01:15:45 Chairman Tutvedt
01:15:58 Lee Heiman
01:16:37 Sen. Kaufmann
01:17:26 Lee Heiman

EXHIBIT(tas25a06)

01:18:43 Sen. Lake

01:19:04 **Vote:** Motion passed 8-1 by voice vote of those present and voting, with Sen. Wittich voting nay.

01:19:32 **Motion:** Sen. Lake moved that **SB 172 DO PASS AS AMENDED.**

01:20:20 **Motion:** Sen. Wittich moved that **SB 172 BE AMENDED.**
EXHIBIT(tas25a07)

Discussion:

01:22:10 Sen. Lake
01:23:28 Sen. Erickson

01:24:21 **Vote:** Motion failed 5-7 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Gillan, Sen. Kaufmann and Sen. Wittich voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

01:25:29 **Motion:** Sen. Wittich moved that **SB 172 BE AMENDED.**
EXHIBIT(tas25a08)

Discussion:

01:26:40 Sen. Wittich
EXHIBIT(tas25a09)

01:28:11 Sen. Lake

01:29:33 **Vote:** Motion failed 4-8 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Kaufmann and Sen. Wittich voting aye. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

Discussion:

01:30:36 Sen. Erickson
01:31:40 Sen. Arthun
01:32:20 Sen. Essmann
01:35:17 Chairman Tutvedt
01:36:32 Sen. Wittich
01:38:10 Sen. Lake

01:39:52 **Vote:** Motion carried 8-4 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Gillan and Sen. Wittich voting no. Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

Discussion:

01:41:06 Chairman Tutvedt
01:41:16 Sen. Erickson
01:41:47 Chairman Tutvedt

01:42:00 Sen. Essmann left committee meeting

EXECUTIVE ACTION ON SB 214

01:42:24 **Motion:** Sen. Gillan moved that **SB 214 DO PASS.**

Discussion:

01:42:30 Sen. Gillan
01:42:37 Jim Standaert, Senior Fiscal Analyst, Legislative Fiscal Division (LFD)

EXHIBIT(tas25a10)

01:48:30 Sen. Gillan
01:50:59 Sen. Arthun
01:51:45 Sen. Lake
01:52:14 Sen. Kaufmann
01:53:06 Sen. Branae
01:54:03 Sen. Arthun

01:54:43 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

01:55:31 Without objection from the committee, Sen. Lake requests **SB 214 BE TABLED AND THE VOTE REVERSED.**

Committee Business:

01:55:46 Sen. Kaufmann
01:56:19 Chairman Tutvedt

Additional Exhibit:

EXHIBIT(tas25a11)

Department of Revenue Office of Tax Policy and Research, Spring 2010 Study of Schedule D (Capital Gains) and Schedule E (Rents, Royalties, Partnership) Income Reported on Individual Income Tax Returns relating to SB 190 heard in committee on January 27, 2011.

ADJOURNMENT

Adjournment:

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT([tas25aad.pdf](#))