

BUSINESS REPORT

MONTANA SENATE TAXATION COMMITTEE 62nd LEGISLATURE ~ REGULAR SESSION

Date: Friday, March 11, 2011

Place: Capitol

Time: 9:00 A.M.

Room: 405

BILLS and RESOLUTIONS HEARD:

None

EXECUTIVE ACTION TAKEN:

DO PASS:

SB 333

SB 376

DO PASS AS AMENDED:

SB 253

SB 288

SB 295

BE CONCURRED IN:

SB 293 HB 219

HB 348

BE CONCURRED IN

AS AMENDED:

HB 103

TABLED:

SB 22 SB 252

SB 265 SB 273

SB 318 SB 353

SB 360 SB 377

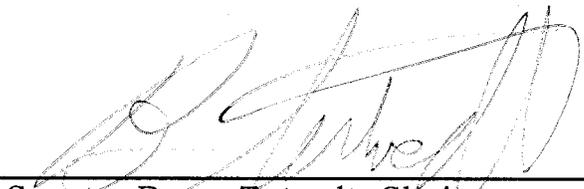
SB 378

PARTIAL ACTION:

SB 372

SB 358

HB 111



Senator Bruce Tutvedt, Chairman

MONTANA STATE SENATE
ROLL CALL
 TAXATION
 COMMITTEE

DATE: March 11, 2011

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Tutvedt	✓	
Vice Chair Lake	✓	
Senator Arthun	✓	
Senator Branae	✓	
Senator Erickson	✓	
Senator Essmann		✓
Senator Gillan	✓	
Senator Kaufmann	✓	
Senator Peterson		✓
Senator Van Dyk	✓	
Senator Vincent		✓
Senator Wittich	✓	

12 Committee Members

BILL TABLED NOTICE

SENATE TAXATION COMMITTEE

The **SENATE TAXATION COMMITTEE** TABLED

SB 22 - Allow public disclosure of certain information in commercial realty transfer

SB 252 - Temporarily reduce specific individual income tax credits

SB 265 - Reduce property taxes on new construction for use of gray water systems

SB 273 - Extend statute of limitations for corporate tax assessments and refunds

SB 318 - Revise assessment review process –extend appeal deadline

SB 353 - Revise payments in lieu of tax for DFWP lands

SB 360 - Provide a state earned income tax credit

SB 377 - Generally revise tax laws to require adop. of revenue est. for taxes & other rev

SB 378 - Notice required for recording instrument affecting title to real property

, by motion, on Friday, March 11, 2011.


(For the Committee)


(For the Secretary of the Senate)

8:15 / 3-12-11
(Time) (Date)

March 11, 2011

Debra Polhemus, Secretary

Phone: 1619



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 333** (first reading copy -- white) **do pass.**

Signed: _____

A handwritten signature in cursive script, appearing to read "Bruce Tutvedt".

Senator Bruce Tutvedt, Chair

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required

SB0333001SC.sdr

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



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 376** (first reading copy -- white) **do pass.**

Signed:

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

Senator Bruce Tutvedt, Chair

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required

SB0376001SC.sdr

DR



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 253** (first reading copy -- white) **do pass as amended.**

Signed

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

Senator Bruce Tutvedt, Chair

And, that such amendments read:

1. Title, page 1, line 8.

Following: "CONVERSION,"

Insert: "THE QUALIFIED ENDOWMENTS CREDIT,"

2. Title, line 16 through line 17.

Strike: "REPEALING" on line 16 through "LICENSE TAXES;" on line 17

3. Title, page 1, line 22.

Following: "7-21-3715,"

Insert: "15-1-230,"

Following: "15-30-2320,"

Insert: "15-30-2327, 15-30-2328, 15-30-2329,"

4. Title, page 1, line 23.

Following: "15-31-151,"

Insert: "15-31-161, 15-31-162,"

5. Title, line 27.

Strike: "15-50-207,"

6. Page 30.

Following: line 1

15-1-230. Report on income tax credit to committee.

Committee Vote:

Yes 7, No 5

Fiscal Note Required

SB0253001SC.sdr

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

7. Page 30.

Following: line 3

- 15-30-2327. Qualified endowments credit -- definitions -- rules.
- 15-30-2328. Credit for contributions to qualified endowment -- recapture of credit -- deduction included as income.
- 15-30-2329. Beneficiaries of estates -- credit for contribution to qualified endowment.

8. Page 30.

Following: line 9

- 15-31-161. Credit for contribution by corporations to qualified endowment -- recapture of credit -- deduction included as income.
- 15-31-162. Small business corporation, partnership, and limited liability company credit for contribution to qualified endowment -- recapture of credit -- deduction included as income.

9. Page 31, line 17.

Strike: line 17 in its entirety

- END -



SENATE STANDING COMMITTEE REPORT

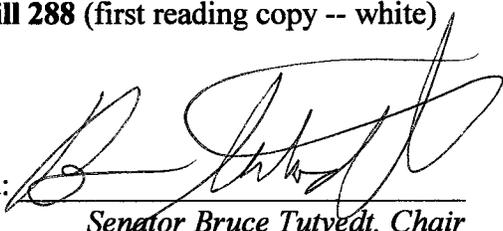
March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 288** (first reading copy -- white) **do pass as amended.**

Signed:


Senator Bruce Tutvedt, Chair

And, that such amendments read:

1. Page 1, line 12.

Strike: "unlawful"

Insert: "erroneous"

2. Page 1, line 16.

Strike: "unlawful"

Insert: "erroneous"

3. Page 1, line 19.

Following: "(b)"

Insert: "(i)"

4. Page 1.

Following: line 21

Insert: "(ii) If an appeal is filed before the administrative board and the board does not find in favor of the taxpayer and if a payment was made under protest or the taxpayer makes a payment under protest before the assessment becomes delinquent, the taxpayer may initiate an action in court as provided in subsection (2)."

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required

SB0288001SC.sdr

DR



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 4

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 295** (first reading copy -- white) **do pass as amended.**

Signed:

A handwritten signature in black ink, appearing to read "Bruce Tutvedt".

Senator Bruce Tutvedt, Chair

And, that such amendments read:

1. Title, page 1, line 9.

Following: "DESCRIPTION;"

Insert: "PROVIDING THAT THE CONSIDERATION PAID ON A MORTGAGE FORECLOSURE MUST BE DISCLOSED IN A REALTY TRANSFER CERTIFICATE;"

2. Title, page 1, line 10.

Following: "PRACTICE;"

Insert: "REQUIRING THAT ERRONEOUS CALCULATION ERRORS MUST BE CORRECTED FOR ALL AFFECTED PROPERTIES;"

Strike: "AND"

3. Title, page 1, line 11.

Following: "15-7-102"

Insert: ", 15-7-307,"

Strike: "AND"

Following: "15-8-111,"

Insert: "AND 15-8-601,"

Following: "MCA"

Insert: "; AND PROVIDING A DELAYED EFFECTIVE DATE"

4. Page 2, line 25.

Strike: "annually"

Insert: "at any time but only once each valuation cycle"

Committee Vote:

Yes 12, No 0

Fiscal Note Required

SB0295001SC.sdr

DL

5. Page 2, line 26.

Following: "price"

Insert: "or the capitalization of net income method"

6. Page 2, line 28.

Strike: "2"

Insert: "4"

7. Page 2, line 29.

Following: "residential"

Insert: "and commercial"

Following: "objector"

Insert: "by posted mail or e-mail, unless the objector waives receiving the information,"

8. Page 3.

Following: line 3

Insert: "(c) For properties valued using the capitalization of net income method as one approximation of market value, notice must be provided that the taxpayer will be given a form to acknowledge confidentiality requirements for the receipt of all information that the department used in the valuation model for the property."

Renumber: subsequent subsections

9. Page 4, line 3.

Insert: "**Section 2.** Section 15-7-307, MCA, is amended to read:

"15-7-307. Certificate -- exceptions. The certificate required by this part applies to all transfers. However, the certificate filed for the following transfers need not disclose the consideration paid or to be paid for the real estate transferred:

- (1) an instrument recorded prior to July 1, 1975;
- (2) the sale of agricultural land when the land is used for agricultural purposes;
- (3) the sale of timberland when the land is used for producing timber;
- (4) a transfer by the United States, this state, or any instrumentality, agency, or subdivision of the United States or this state;
- (5) an instrument that (without added consideration) confirms, corrects, modifies, or supplements a previously recorded instrument;
- (6) a transfer pursuant to a court decree;
- (7) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships, or other business entities;
- (8) a transfer by a subsidiary corporation to its parent

corporation without actual consideration or in sole consideration of the cancellation or surrender of subsidiary stock;

(9) a transfer of decedents' estates;

(10) a transfer of a gift;

(11) a transfer between husband and wife or parent and child with only nominal actual consideration for the transfer;

(12) an instrument the effect of which is to transfer the property to the same party or parties;

(13) a sale for delinquent taxes or assessments, a sheriff's sale, or a sale pursuant to a bankruptcy action court order, or mortgage foreclosure;

(14) a transfer made in contemplation of death.""

Renumber: subsequent section

10. Page 4, line 21.

Following: "following the"

Insert: "appropriate"

Following: "practice"

Insert: "for mass appraisal"

11. Page 6.

Following: line 15

Insert: "**Section 4.** Section 15-8-601, MCA, is amended to read:

"15-8-601. Assessment revision -- conference for review.

(1) (a) Except as provided in subsection (1)(b), whenever the department discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the property provided that the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All revised assessments must be made within 10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(c) If an erroneous assessment is due to a calculation error by the department, the department shall revise the assessment of like properties that were also erroneously assessed using the same calculation.

(2) When the department proposes to revise the statement reported by the taxpayer under 15-8-301, the action of the department is subject to the notice and conference provisions of

this section. Revised assessments of centrally assessed property are subject to review pursuant to 15-1-211.

(3) (a) Notice of revised assessment pursuant to this section must be made by the department by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. If the property is locally assessed, the notice must include the opportunity for a conference on the matter, at the request of the person interested, within 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative Procedure Act. The department shall keep minutes in writing of each assessment revision review conference, and the minutes are public records.

(c) Following an assessment revision review conference or expiration of the opportunity for a conference, the department shall order an assessment that it considers proper. Any party to the conference aggrieved by the action of the department or a taxpayer who does not request a conference may appeal to the county tax appeal board within 30 days of receipt of the revised assessment or the department's assessment made pursuant to the conference.

(4) The department shall enter in the property tax record all changes and corrections made by it."

Insert: "NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2012."

- END -



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 293** (third reading copy -- blue) be **concurrred in**.

Signed: _____

Senator Bruce Tutvedt, Chair

To be carried by Senator Bob Lake

- END -

Committee Vote:

Yes 8, No 4

Fiscal Note Required

HB0293001SC02604.sdr



SENATE STANDING COMMITTEE REPORT

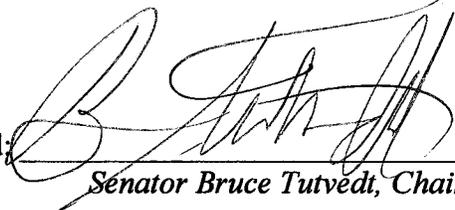
March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 348** (third reading copy -- blue) be **concurring in**.

Signed:


Senator Bruce Tutvedt, Chair

To be carried by Senator Christine Kaufmann

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required

HB0348001SC01445.sdr



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 103** (third reading copy -- blue) be **concurrred in as amended**.

Signed: _____

Senator Bruce Tutvedt, Chair

To be carried by Senator Art Wittich

And, that such amendments read:

1. Title, line 7.

Following: "AS THE"

Insert: "DEPARTMENT'S"

2. Title, line 8.

Following: "DISPOSE OF"

Insert: "ITS"

3. Page 3, line 18.

Following: "dispose of"

Insert: "its"

4. Page 3, line 21.

Following: "place of the"

Insert: "department's"

5. Page 3, line 22.

Following: "the"

Insert: "department's"

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required

HB0103001SC08060.sdr



SENATE STANDING COMMITTEE REPORT

March 11, 2011

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 219** (third reading copy -- blue) be **concurrred in**.

Signed: _____

A handwritten signature in black ink, appearing to read "Bruce Tutvedt".

Senator Bruce Tutvedt, Chair

To be carried by Senator Jeff Essmann

- END -

Committee Vote:

Yes 8, No 4

Fiscal Note Required

HB0219001SC04371.sdr

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

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB295 MOTION: be amended

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

5-7
Vote: fails

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB253 MOTION: be amended

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

7-5

Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB253 MOTION: do pass as amend.

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

7-5

Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB252 MOTION: do pass

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

5-7 fails

Lake
New
Nooby
Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB372 MOTION: amend

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

7-5

Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: HB219 MOTION: do concur

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan	✓		
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

Vote:

8-4

Sen. Ess

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: HB293 MOTION: docorem

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae	✓		
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan	✓		
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt		✓	

12 Committee Members

Vote:

8-4 passes
Sen. Lake

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB265 MOTION: To Table

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt	✓		

12 Committee Members

7-5

Vote: ~~Kaufmann to call~~

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB273 MOTION: depass as amend

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

Table

Vote: _____

5-7 met. fails

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB 358 MOTION: Table

NAME	AYE	NAY	PROXY
Vice Chair Lake	✓		
Senator Arthun	✓		
Senator Branae		✓	
Senator Erickson		✓	
Senator Essmann	✓		✓
Senator Gillan		✓	
Senator Kaufmann		✓	
Senator Peterson	✓		✓
Senator Van Dyk		✓	
Senator Vincent	✓		✓
Senator Wittich	✓		
Chairman Tutvedt		✓	

12 Committee Members

6-6 tie

Vote: _____

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: March 11, 2011

BILL NO: SB360 MOTION: do pass as amend.

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

Vote: 5-7 fails

Table

MONTANA STATE SENATE ROLL CALL VOTE

TAXATION COMMITTEE

DATE: SB March 11, 2011

BILL NO: SB 377 MOTION: depass

NAME	AYE	NAY	PROXY
Vice Chair Lake		✓	
Senator Arthun		✓	
Senator Branae	✓		
Senator Erickson	✓		
Senator Essmann		✓	✓
Senator Gillan	✓		
Senator Kaufmann	✓		
Senator Peterson		✓	✓
Senator Van Dyk	✓		
Senator Vincent		✓	✓
Senator Wittich		✓	
Chairman Tutvedt		✓	

12 Committee Members

5-7 fails

Vote: _____

AUTHORIZED SENATE COMMITTEE PROXY

I, Senator Jim Peterson, request to be excused from the

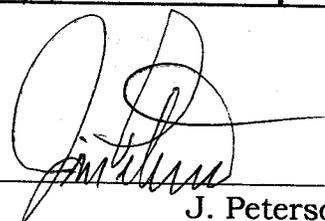
TAXATION COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
SB 295 Amended 04		X			
SB 295 Amended	+				
SB 253 A 25303	+				
SB 253 Amended	+				
SB 252		X			
SB 372 Amended	+				
SB 372 Amended					
NB 219	+				
NB 293	+				
SB 265 Table	+				
SB 273		X			
SB 358 Table	+				
SB 360 A		X			
SR 377		X			

Sen.  _____
J. Peterson

Date 3/11/11

AUTHORIZED SENATE COMMITTEE PROXY

I, Senator Chas Vincent, request to be excused from the

TAXATION COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
SB 295 Amended 04		X			
SB 295 Amended	X				
SB 253A 25303	X				
SB 253 Amended	X				
SB 252		X			
SB 372 A	X				
SB 372 Amended					
HB 219	X				
HB 293	X				
SB 265 Table	X				
SB 273		X			
SB 358 Table	X				
SB 360 A		X			
SB 377		X			

Sen. C. Vincent
C. Vincent

Date 3/11/11

AUTHORIZED SENATE COMMITTEE PROXY

I, Senator Jeff Essmann, request to be excused from the

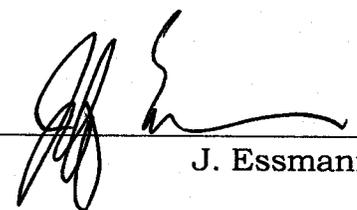
TAXATION COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chairman Bob Lake

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
SB 295 Amended 04		X			
SB 295 Amended	X				
SB 253 A- 253 03	X				
SB 253 Amended	X				
SB 252		X			
SB 372 A	X				
SB 372 Amended	1				
HB 219	X				
HB 293	X				
SB 265 Table	X				
SB 273		X			
SB 358 Table	X				
SB 360 A		X			
SB 377		X			

Sen.  _____
J. Essmann

Date 3/11/11