

# Montana State Legislature

## **2013 Session**

### **ADDITIONAL DOCUMENTS MAY INCLUDE THE FOLLOWING:**

- **Business Report**
- **Roll Call - Attendance**
- **Standing Committee Reports**
- **Tabled Bills**
- **Fiscal Reports etc.**
- **Roll Call Votes**
- **Informational Items**
- **Witness Statements**
- **Any Documents; such as;**
  - \* **Petitions if any.**
  - \* **Any and all material handed end after the meeting ends.**

**The original is on file at the  
Montana Historical Society  
and may be viewed there.**

**Montana Historical Society  
Archives  
225 N. Roberts  
Helena MT 59620-1201  
2013 Legislative Scanner Susie Hamilton**

**BUSINESS REPORT**  
**MONTANA SENATE**  
**63rd LEGISLATURE - REGULAR SESSION**  
**SENATE FREE CONFERENCE COMMITTEE**

**Date:** Tuesday, April 23, 2013  
**Place:** Capitol

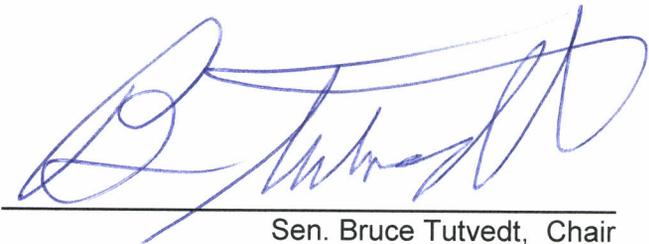
**Time:** 10:30 A.M.  
**Room:** 405

**BILLS and RESOLUTIONS HEARD:**

**EXECUTIVE ACTION TAKEN:**

SB 96 - Lower the business and equipment tax - Sen. Bruce Tutvedt

**Comments:**



Sen. Bruce Tutvedt, Chair

# MONTANA STATE SENATE

## ROLL CALL

# FREE CONFERENCE COMMITTEE

Date: 4-23-13 HB/SB No. 96

NAME	PRESENT	ABSENT/ EXCUSED
Sen. Chair Tutvedt	✓	
Sen. Thomas	✓	
Sen. Phillips	✓	
Rep. J. Bennett	✓	
Rep. Lavin	✓	
Rep. McClafferty	✓	

Staff: Megan Moore

Secretary: Charlene Devine

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CONFERENCE COMMITTEE  
on House amendments to Senate Bill 96  
Report No. 001, April 23, 2013

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered House amendments to **Senate Bill 96** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

For the Senate:

Sen. Bruce Tutvedt Chair

Sen. Fred Thomas

Sen. Mike Phillips

Amendment Coordinator

For the House:

Rep. Gerald (Jerry) Bennett Vice Chair

Rep. Steve Lavin

Rep. Edith (Edie) McClafferty

And, recommend that **Senate Bill 96** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 15.

**Following:** "REVENUE;"

**Insert:** "PROVIDING CONTINGENT INCREASES AND DECREASES TO APPROPRIATIONS;"

2. Page 8, line 7.

**Strike:** "\$10"

**Insert:** "\$6"

3. Page 8, line 10.

ADOPT  
REJECT

Amendment # SB 96001

**Strike:** "\$10"

**Insert:** "\$6"

4. Page 8, line 23.

**Strike:** "\$250,000"

**Insert:** "\$100,000"

5. Page 11.

**Following:** line 3

**Insert:** "COORDINATION SECTION. **Section 7. Coordination instruction.** If both House Bill No. 2 and [this act] are passed and approved, then:

(1) the general fund appropriation for BASE Aid in House Bill No. 2 of \$580,680,837 is decreased by \$3,053,710 in fiscal year 2015; and

(2) the general fund appropriation for Reimbursement Block Grants in House Bill No. 2 of \$66,334,425 is increased by \$7,931,716 in fiscal year 2015."

**ReNUMBER:** subsequent sections

- END -

# MONTANA STATE SENATE

## ROLL CALL VOTE

### FREE CONFERENCE

### COMMITTEE

*Amendment #10*

Date: 4-23-13 HB/SB No. 96

NAME	AYE	NO
Sen. Chair Tutvedt	✓	
Sen. Thomas	✓	
Sen. Phillips		✓
Rep. J. Bennett	✓	
Rep. Lavin	✓	
Rep. Mc Clafferty		✓

Vote by chamber:

Senate: Aye 2 No 1

House: Aye 2 No 1





**SB96 Estimated Cost of Providing a \$40k, \$50k, or \$100k Exemption and a \$6M Ceiling on the 1.5% Rate**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
A \$40k exemption and a \$6M ceiling on the 1.5% rate	\$4,226,998	\$6,920,958	\$6,920,958	\$6,920,958
A \$50k exemption and a \$6M ceiling on the 1.5% rate	\$4,752,905	\$7,716,809	\$7,716,809	\$7,716,809
A \$100k exemption and a \$6M ceiling on the 1.5% rate	\$6,644,754	\$10,634,577	\$10,634,577	\$10,634,577

\* Includes estimates of reimbursements, reduction to the general fund for 95.82 mills, and GTB general fund savings.

**ADDITIONAL  
DOCUMENTS**

## Class 8 Business Equipment Analysis

Estimated general fund impact of retaining the \$3M threshold at 1.5% for different exemption levels

Note: This is not fiscal note math (negative means general fund reduction)

Exemption Levels	Cumulative Taxpayers	% of Total Taxpayers	FY 2014	FY 2015	FY 2016	FY 2017
\$20k	-	0%	-\$1,850,952	-\$2,767,306	-\$2,767,306	-\$2,767,306
\$30k	2,331	13%	-\$2,717,759	-\$4,068,412	-\$4,068,412	-\$4,068,412
\$40k	4,423	25%	-\$3,446,035	-\$5,173,204	-\$5,173,204	-\$5,173,204
\$50k	5,937	34%	-\$4,074,990	-\$6,136,963	-\$6,136,963	-\$6,136,963
\$60k	7,149	41%	-\$4,629,094	-\$6,993,576	-\$6,993,576	-\$6,993,576
\$70k	8,123	47%	-\$5,122,830	-\$7,762,603	-\$7,762,603	-\$7,762,603
\$80k	8,970	52%	-\$5,567,850	-\$8,459,136	-\$8,459,136	-\$8,459,136
\$90k	9,735	56%	-\$5,971,080	-\$9,093,840	-\$9,093,840	-\$9,093,840
\$100k	10,341	59%	-\$6,338,817	-\$9,673,289	-\$9,673,289	-\$9,673,289

Assumptions:

Increasing the exemption or threshold will cause GF spending to go up in FY2014 and FY2015

Increasing the exemption or threshold will cause GTB spending to go down in FY2014 and FY2016

Analysis provided by Department of Revenue Tax Policy and Research on 4/19/2013

ADDITIONAL  
DOCUMENTS

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SB95 with a 50K Exemption			
<b>Strict Only</b>			
	<u>10M - 3M</u>	<u>50K Exe</u>	<u>Both</u>
TV Loss	\$4,989,758	\$6,969,351	\$11,959,109
<b>95.82</b>	<b>\$478,119</b>	<b>\$667,803</b>	<b>\$1,145,922</b>
Reimbursements			
Local Gov.	\$1,144,187	\$1,640,320	\$2,784,507
TIF	\$181,510	\$272,284	\$453,794
6 Mill	\$29,939	\$41,816	\$71,755
School	\$901,959	\$1,567,963	\$2,469,922
<b>Total</b>	<b>\$2,257,595</b>	<b>\$3,522,383</b>	<b>\$5,779,978</b>
<b>Total Year</b>			
	<u>10M - 3M</u>	<u>50k Exe</u>	<u>Both</u>
TV Loss	\$10,671,921	\$11,142,609	\$21,814,530
<b>95.82</b>	<b>\$1,022,583</b>	<b>\$1,067,685</b>	<b>\$2,090,268</b>
Reimbursements			
Local Gov.	\$2,399,349	\$2,466,850	\$4,866,199
TIF	\$430,189	\$312,580	\$742,769
6 Mill	\$64,032	\$66,856	\$130,888
School	\$2,076,355	\$2,407,169	\$4,483,524
<b>Total</b>	<b>\$4,969,925</b>	<b>\$5,253,455</b>	<b>\$10,223,380</b>

**Analysis of SB 96 at Different Levels**

	10M- 3M	8M-3M	6M-3M	4M - 3M
Annual	\$4,969,925	\$4,793,749	\$3,294,052	\$1,302,498
One Time	\$2,257,595	\$2,298,184	\$1,682,025	\$715,561

ADDITIONAL  
DOCUMENTS