

MINUTES

MONTANA SENATE 63rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on January 30, 2013 at 8:00 AM, in Room 405
Capitol

ROLL CALL

Members Present:

Sen. Bruce Tutvedt, Chair (R)
Sen. Fred Thomas, Vice Chair (R)
Sen. Ron Arthun (R)
Sen. Dick Barrett (D)
Sen. Greg Jergeson (D)
Sen. Christine Kaufmann (D)
Sen. Sue Malek (D)
Sen. Jim Peterson (R)
Sen. Mike Phillips (D)
Sen. Janna Taylor (R)
Sen. Art Wittich (R)

Members Excused: Sen. Jeff Essmann (R)

Members Absent: None

Staff Present: Jaret Coles, Legislative Branch
Charlene Rich, 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 170, 1/24/2013; SB 179, 1/24/2013

Executive Action: HB 35, Be Concurred in.
SB 138, Do Pass
SB 89, Table
SB 100, Table
SB 130, Table
SB 57, Table

HEARING ON SB 170**Opening Statement by Sponsor:**

00:19:23 Sen. Art Wittich (R), SD 35, opened the hearing on SB 170, Revise income tax rates and the capital gains credit.

Proponents' Testimony: None

Opponents' Testimony:

00:28:27 Nancy Schlepp, Montana Taxpayers Association (MTA)

[EXHIBIT\(tas20a01\)](#)

[EXHIBIT\(tas20a02\)](#)

00:30:02 Tara Veazy, Montana Budget and Policy Center (MBPC)

Informational Testimony:

00:34:56 Gene Walborn, Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:35:39 Sen. Kaufmann
00:35:59 Gene Walborn, DOR
00:36:29 Sen. Kaufmann
00:36:37 Gene Walborn
00:38:25 Sen. Peterson
00:38:50 Gene Walborn
00:39:36 Sen. Phillips
00:40:22 Gene Walborn
00:40:29 Sen. Thomas
00:41:48 Gene Walborn
00:42:26 Sen. Phillips
00:43:41 Sen. Wittick
00:46:19 Sen. Maleck
00:47:51 Chairman Tutvedt
00:48:35 Sen. Barrett
00:51:55 Sen. Jergeson
00:52:49 Sen. Wittick
00:53:50 Sen. Jergeson
00:54:07 Chairman Tutvedt
00:55:08 Sen. Taylor
00:55:13 Tara Veazy, MBPC
00:55:39 Sen. Peterson
00:58:37 Tara Veazy
00:59:34 Sen. Barrett
01:00:24 Tara Veazy
01:01:24 Sen. Kaufmann
01:02:06 Gene Walborn

01:02:40 Chairman Tutvedt
01:03:18 Nancy Schlepp, MTA
01:03:43 Sen. Thomas
01:05:22 Gene Walborn
01:06:47 Sen. Thomas

Closing by Sponsor:

01:07:37 Sen. Wittick

HEARING ON SB 179

Opening Statement by Sponsor:

01:11:16 Sen. Christine Kaufmann (D), SD 41, opened the hearing on SB 179, Revise pass-through entity tax administration laws.

Proponents' Testimony:

01:17:50 Gene Walborn, Montana Department of Revenue (DOR)
[EXHIBIT\(tas20a03\)](#)
[EXHIBIT\(tas20a04\)](#)

Opponents' Testimony:

01:38:49 George Olsen, Montana Society of Certified Public Accountants (MSCPA)
01:47:00 Mike Green, representing Montana Tax Payers Association (MTA)

Informational Testimony: None

Questions from Committee Members and Responses:

01:52:02 Sen. Barrett
01:52:14 Gene Walborn, DOR
01:54:46 Sen. Jergeson
01:54:51 Gene Walborn

Closing by Sponsor:

01:55:19 Sen. Kaufmann

01:59:54 Recess
02:14:18 Reconvene

EXECUTIVE ACTION ON HB 35

02:14:20 **Motion/Vote:** Sen. Thomas moved that **HB 35 DO PASS**. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON SB 89

02:20:56 **Motion:** Sen. Jergeson moved that **SB 89 DO PASS**.

02:22:45 **Motion/Vote:** Sen. Jergeson moved that **SB 89 BE AMENDED**. Motion failed 6-6 by roll call vote with Sen. Barrett, Sen. Jergeson, Sen. Kaufmann, Sen. Malek, Sen. Phillips and Sen. Tutvedt voting aye. Sen. Essmann and Sen. Wittich voted by proxy.

EXHIBIT(tas20a05)

02:28:11 **Substitute Motion/Vote:** Sen. Thomas made a substitute motion that **SB 89 BE TABLED**. Substitute Motion carried 7-5 by roll call vote with Sen. Barrett, Sen. Jergeson, Sen. Kaufmann, Sen. Malek and Sen. Phillips voting no. Sen. Essmann and Sen. Wittich voted by proxy.

Discussion:

02:32:11 Sen. Thomas
02:32:54 Sen. Jergeson
02:36:44 Sen. Arthun

EXECUTIVE ACTION ON SB 100

02:37:29 **Motion:** Sen. Thomas moved that **SB 100 DO PASS**.

Discussion:

02:38:24 Sen. Barrett
02:38:31 Sen. Taylor
02:39:01 Sen. Kaufmann

02:39:13 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **SB 100 BE TABLED**. Substitute Motion carried unanimously by voice vote of those present and voting.

EXECUTIVE ACTION ON SB 130

02:39:44 **Motion:** Sen. Thomas moved that **SB 130 DO PASS**.

Discussion:

02:40:49 Sen. Jergeson
02:42:16 Sen. Peterson

02:43:19 Sen. Barrett
02:44:25 Sen. Taylor

02:45:16 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **SB 130 BE TABLED**. Substitute Motion carried 10-2 by roll call vote with Sen. Essmann and Sen. Wittich voting no. Sen. Essmann and Sen. Wittich voted by proxy.

EXECUTIVE ACTION ON SB 138

02:46:48 **Motion:** Sen. Thomas moved that **SB 138 DO PASS**.

Discussion:

02:49:34 Sen. Thomas
02:49:43 Sen. Phillips

EXHIBIT(tas20a06)

02:51:39 Sen. Kaufmann
02:53:40 Sen. Arthun
02:53:56 Sen. Malek
02:54:30 Chairman Tutvedt
02:55:42 Sen. Malek
02:55:47 Sen. Thomas
02:57:40 Sen. Taylor
02:59:21 Sen. Barrett
03:00:21 Sen. Kaufmann
03:01:16 Sen. Jergeson
03:02:31 Chairman Tutvedt
03:03:07 Gene Walborn, Department of Revenue (DOR)
03:05:14 Jaret Coles, Legislative Service Division (LSD)
03:06:31 Sen. Malek

03:07:30 **Vote:** Motion carried 7-5 by roll call vote with Sen. Barrett, Sen. Jergeson, Sen. Kaufmann, Sen. Malek and Sen. Phillips voting no. Sen. Essmann and Sen. Wittich voted by proxy.

EXECUTIVE ACTION ON SB 157

03:08:31 **Motion:** Sen. Di. Barrett moved that **SB 157 DO PASS**.

Discussion:

03:11:45 Sen. Kaufmann
03:12:37 Chairman Tutvedt

03:13:22 **Vote:** Motion failed 5-7 by roll call vote with Sen. Barrett, Sen. Jergeson, Sen. Kaufmann, Sen. Malek and Sen. Phillips voting aye. Sen. Essmann and Sen. Wittich voted by proxy.

03:14:12 **Motion/Vote:** Sen. Thomas moved that **SB 157 BE TABLED AND THE VOTE REVERSED**. Motion carried unanimously by those present and voting.

Discussion on SB 4:

03:17:18 Alan Peura, Montana Department of Revenue (DOR)

[EXHIBIT\(tas20a07\)](#)

[EXHIBIT\(tas20a08\)](#)

[EXHIBIT\(tas20a09\)](#)

[EXHIBIT\(tas20a10\)](#)

03:26:37 Sen. Arthun

03:26:43 Alan Peura, DOR

03:27:23 Sen. Taylor

03:28:55 Alan Peura

03:29:12 Sen. Taylor

03:29:54 Alan Peura

03:30:02 Sen. Kaufmann

03:31:33 Sen. Peterson

03:32:59 Alan Peura

[EXHIBIT\(tas20a11\)](#)

[EXHIBIT\(tas20a12\)](#)

03:41:42 Sen. Arthun

03:44:33 Mike Kadas, Montana Department of Revenue (DOR)

03:47:12 Chairman Tutvedt left the hearing and turned over Chair responsibilities to Vice Chair Thomas.

03:47:30 Sen. Malek left the hearing.

03:47:36 Sen. Peterson

03:47:57 Joe Roberts, Montana Association of Realtors (MAR)

[EXHIBIT\(tas20a13\)](#)

03:55:20 Sen. Barrett

03:57:48 Sen. Phillips left the hearing.

03:59:12 Sen. Kaufmann

03:59:42 Alan Peura

04:01:44 Sen. Kaufmann

04:02:32 Sen. Jergeson

04:03:51 Vice Chairman Thomas

04:04:40 Alan Peura

04:10:08 Mike Kadas, DOR

04:11:21 Sen. Barrett

04:12:28 Nancy Schlepp

[EXHIBIT\(tas20a14\)](#)

ADJOURNMENT

Adjournment: 11:55 AM

Charlene Rich, Secretary

cr

Additional Documents:

EXHIBIT([tas20aad.pdf](#))