

MINUTES

MONTANA SENATE 63rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on February 22, 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. Mike Phillips (D)
Sen. Janna Taylor (R)

Members Excused:

Sen. Jeff Essmann (R)
Sen. Christine Kaufmann (D)
Sen. Sue Malek (D)
Sen. Jim Peterson (R)
Sen. Art Wittich (R)

Members Absent: None

Staff Present: Jaret Coles, Legislative Branch
Prudence Gildroy, 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 317, 2/20/2013; SB 361, 2/20/2013; SJ 18, 2/20/2013; SB 350, 2/20/2013;

Executive Action: SB 361 DO PASS; SB 317 BE TABLED; SJ18 DO PASS AS AMENDED; SB 307; SB 350 AMENDED AND POSTPONED; SB 177 BE TABLED; SB 228 BE TABLED; SB 131 BE TABLED

HEARING ON SB 317

Opening Statement by Sponsor:

00:12:55 Sen. Llew Jones (R), SD 14, opened the hearing on SB 317, Provide for Dept. of Revenue policy review commission.
00:14:11 Sen. Kaufmann entered the meeting.

Proponents' Testimony:

00:17:44 Walt Kero, Montana Society of CPA's (MSCPA)
[EXHIBIT\(tas40a01\)](#)
00:22:40 Duane Iverson, CPA, representing himself

Opponents' Testimony:

00:24:31 Director Mike Kadas, Department of Revenue (DOR)

Informational Testimony: None

Questions from Committee Members and Responses:

00:26:16 Sen. Barrett
00:27:10 Sen. Malek entered the meeting.
00:27:23 Sen. Jones
00:29:41 Sen. Barrett
00:30:00 Sen. Jones
00:30:31 Sen. Jergeson
00:31:12 Sen. Jones
00:32:05 Sen. Malek
00:32:34 Dan Whyte, Department of Revenue (DOR)
00:35:05 Sen. Thomas
00:35:23 Mr. Whyte, DOR
00:35:35 Sen. Thomas
00:35:46 Mr. Whyte
00:36:30 Sen. Thomas
00:37:06 Sen. Jones
00:38:14 Sen. Thomas
00:38:39 Mr. Kero, MSCPA
00:39:29 Sen. Phillips
00:40:05 Sen. Jones
00:45:33 Sen. Phillips
00:45:54 Sen. Jones
00:47:04 Sen. Taylor
00:47:13 Sen. Jergeson
00:47:57 Sen. Jones
00:49:24 Sen. Jergeson
00:49:34 Sen. Jones

00:49:53 Sen. Taylor
00:50:20 Mr. Whyte
00:50:39 Sen. Taylor
00:50:42 Mr. Whyte
00:51:53 Sen. Thomas
00:52:11 Sen. Jones
00:52:18 Sen. Thomas
00:52:29 Sen. Jones
00:53:18 Sen. Kaufmann
00:53:36 Sen. Jones

Closing by Sponsor:

00:54:12 Sen. Jones
00:57:46 Chairman Tutvedt turned over Chair responsibilities to Vice Chair Thomas.

HEARING ON SB 361

Opening Statement by Sponsor:

00:58:00 Sen. Bruce Tutvedt (R), SD 3, opened the hearing on SB 361, Revise names of the corporation license tax and the corporation income tax.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony:

01:00:32 Brian Staley, Department of Revenue (DOR)

Questions from Committee Members and Responses:

01:01:49 Sen. Jergeson
01:02:25 Sen. Tutvedt
01:02:52 Sen. Wittich entered the meeting.
01:03:05 Sen. Jergeson
01:03:12 Sen. Tutvedt
01:03:37 Sen. Peterson entered the meeting.
01:03:56 Sen. Malek
01:04:11 Mr. Staley, DOR

Closing by Sponsor:

01:05:03 Sen. Tutvedt
01:05:54 Sen. Tutvedt resumed the role as chair.

HEARING ON SJ 18**Opening Statement by Sponsor:**

01:06:03 Sen. Fred Thomas (R), SD 45, opened the hearing on SJ 18, Resolution for a balanced federal budget, less spending, and reducing debt.

[EXHIBIT\(tas40a02\)](#)

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

01:18:08 Sen. Jergeson
01:18:59 Sen. Thomas
01:19:50 Sen. Barrett
01:24:38 Sen. Thomas
01:24:52 Sen. Barrett
01:24:54 Sen. Thomas
01:25:16 Sen. Phillips
01:26:15 Sen. Thomas
01:27:50 Sen. Malek
01:28:48 Sen. Thomas
01:30:33 Sen. Malek
01:31:40 Sen. Thomas
01:32:16 Chairman Tutvedt
01:33:34 Sen. Barrett
01:34:05 Sen. Arthun
01:34:47 Sen. Thomas

Closing by Sponsor:

01:36:39 Sen. Thomas

01:36:54 Chairman Tutvedt turned over Chair responsibilities to Vice Chair Thomas.

HEARING ON SB 350**Opening Statement by Sponsor:**

01:37:05 Sen. Bruce Tutvedt (R), SD 3, opened the hearing on SB 350, Generally revise revenue estimate laws.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

01:41:03 Sen. Phillips
01:42:05 Sen. Tutvedt
01:42:13 Jaret Coles, Legislative Services Division (LSD)
01:42:38 Sen. Phillips
01:43:12 Sen. Tutvedt
01:43:47 Sen. Phillips
01:44:05 Mr. Coles, LSD
01:44:29 Sen. Tutvedt
01:44:50 Mr. Coles
01:45:08 Sen. Tutvedt
01:45:35 Vice Chair Thomas
01:45:54 Sen. Tutvedt
01:46:00 Sen. Barrett
01:50:26 Sen. Tutvedt
01:51:13 Sen. Barrett
01:51:48 Sen. Tutvedt
01:52:00 Mr. Coles
01:52:37 Vice Chair Thomas
01:52:50 Mr. Coles
01:53:41 Sen. Phillips
01:55:09 Sen. Tutvedt
01:55:52 Sen. Taylor
01:57:02 Vice Chair Thomas
01:57:20 Sen. Kaufmann
01:57:42 Sen. Tutvedt
01:58:47 Sen. Peterson
02:00:40 Sen. Tutvedt
02:01:43 Mr. Coles
02:02:12 Sen. Peterson
02:04:01 Sen. Tutvedt
02:04:17 Sen. Phillips
02:04:47 Vice Chair Thomas
02:05:33 Sen. Wittich
02:06:23 Mr. Coles
02:07:19 Sen. Wittich
02:08:09 Sen. Tutvedt
02:11:23 Sen. Wittich
02:12:39 Sen. Tutvedt
02:14:40 Vice Chair Thomas
02:15:11 Sen. Tutvedt

Closing by Sponsor:

02:15:55 Sen. Tutvedt
02:17:47 Recess

02:32:25 Reconvene

Sen. Tutvedt resumed the role as chair.

EXECUTIVE ACTION ON SB 361

02:33:00 **Motion/Vote:** Sen. Di. Barrett moved that **SB 317 DO PASS**. Motion carried 11-0 by voice vote. Sen. Essmann was excused.

EXECUTIVE ACTION ON SB 317

02:34:05 **Motion:** Sen. Thomas moved that **SB 317 DO PASS**.

Discussion:

02:34:07 Sen. Wittich
02:35:25 Sen. Barrett
02:36:31 Sen. Phillips
02:37:23 Sen. Peterson
02:38:52 Sen. Thomas
02:40:36 Sen. Malek
02:42:33 Sen. Jergeson
02:44:35 Chairman Tutvedt

02:46:23 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **SB 317 BE TABLED**. Substitute motion carried 8-4 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Taylor and Sen. Thomas voting no. Sen. Essmann voted by proxy.

EXECUTIVE ACTION ON SJ 18

02:47:39 **Motion:** Sen. Thomas moved that **SJ 18 DO PASS**.

Discussion:

02:48:01 Sen. Barrett
02:49:19 Chairman Tutvedt
02:49:27 Sen. Barrett
02:50:12 Sen. Wittich
02:52:12 Sen. Phillips
02:53:31 Chairman Tutvedt
02:53:36 Sen. Phillips
02:54:22 Chairman Tutvedt
02:54:37 Sen. Thomas
02:55:35 Chairman Tutvedt
02:55:55 Sen. Phillips
02:56:33 Sen. Barrett
02:58:42 Sen. Peterson
03:00:33 Sen. Thomas
03:01:06 Sen. Peterson

03:01:33 Sen. Barrett

03:02:39 **Motion:** Sen. Thomas moved that **SJ 18 BE AMENDED on page 2, line 14 striking "annually produce a federal budget" and, following "lower", striking the word "annual" and amending the title to reflect the change.**

Discussion:

03:03:16 Sen. Peterson

03:03:35 Sen. Thomas

03:03:43 Chairman Tutvedt

03:03:49 Sen. Phillips

03:04:42 Jaret Coles, Legislative Services Division (LSD)

03:05:24 **Vote:** Motion carried 10-1 by voice vote with Sen. Malek voting no. Sen. Essmann was excused.

03:05:52 **Motion:** Sen. Phillips moved that **SJ 18 BE AMENDED to strike "WHEREAS" on page 1, line 10 through "and" on line 29 and strike "WHEREAS" on page 2, line 4 through "vision; and" on line 7.**

03:06:35 Sen. Wittich

03:06:39 Sen. Phillips

03:07:38 Sen. Jergeson

03:08:48 Sen. Peterson

03:09:00 Sen. Phillips

03:09:22 Sen. Wittich

03:09:41 Sen. Barrett

03:10:28 Mr. Coles, LSD

03:11:21 **Vote:** Motion carried 9-2 by voice vote with Sen. Thomas and Sen. Wittich voting no. Sen. Essmann was excused.

03:11:43 **Motion:** Sen. Thomas moved that **SJ 18 DO PASS AS AMENDED.**

Discussion:

03:11:50 Sen. Malek

03:12:20 **Vote:** Motion carried 9-3 by roll call vote with Sen. Barrett, Sen. Kaufmann and Sen. Malek voting no. Sen. Essmann voted by proxy.

EXECUTIVE ACTION ON SB 307

03:14:02 **Motion:** Sen. Jergeson moved that **SB 307 DO PASS.**

Discussion:

03:14:05 Sen. Jergeson

03:18:30 Sen. Taylor

03:19:00 Ronda Wiggers, Montana County Treasurers

03:19:47 **Vote:** Motion failed 6-6 by roll call vote with Sen. Barrett, Sen. Jergeson, Sen. Kaufmann, Sen. Malek, Sen. Phillips and Sen. Thomas voting aye. Sen. Essmann voted by proxy. (Vote not reported out of committee).

EXECUTIVE ACTION ON SB 350

03:22:27 **Motion:** Sen. Peterson moved that **SB 350 DO PASS.**

03:22:36 **Motion:** Sen. Peterson moved that **SB 350 BE AMENDED on page 1, line 26 to strike "the" and insert "a" and on page 2 strike lines 25 and 26 and insert language from SB 303.**

Discussion:

03:23:26 Jaret Coles, Legislative Services Division (LSD)

03:24:10 Chairman Tutvedt

03:24:23 Mr. Coles, LSD

03:25:43 Chairman Tutvedt

03:25:50 Sen. Taylor

03:26:14 Sen. Peterson

03:26:24 Mr. Coles

03:28:01 Sen. Wittich

03:30:34 Chairman Tutvedt

03:30:48 **Vote:** Motion carried 11-0 by voice vote. Sen. Essmann was excused.

03:31:03 **Motion:** Sen. Taylor moved that **SB 350 BE AMENDED to strike lines 18, 19 and 20 of the previous amendment.**

Discussion:

03:32:44 Sen. Phillips

03:33:33 Sen. Barrett

03:35:07 Chairman Tutvedt

03:35:20 Sen. Barrett

03:35:33 Chairman Tutvedt

03:35:42 Sen. Barrett

03:36:06 Sen. Taylor

03:36:23 Mr. Coles

03:38:21 Sen. Wittich

03:38:35 Chairman Tutvedt

03:38:43 Sen. Jergeson

03:40:45 Sen. Peterson

03:41:39 Sen. Taylor

03:42:01 Sen. Thomas

03:43:10 **Vote:** Motion failed 5-7 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Taylor, Sen. Thomas and Sen. Wittich voting aye. Sen. Essmann voted by proxy.

Discussion:

03:44:25 Sen. Taylor
03:44:36 Mr. Coles
03:45:08 Chairman Tutvedt
03:45:21 Sen. Peterson
03:45:24 Sen. Barrett
03:46:15 Chairman Tutvedt
03:47:26 Sen. Thomas
03:48:24 Mr. Coles

Note: committee postponed further action

Sen. Wittich left the meeting.

EXECUTIVE ACTION ON SB 177

03:48:44 **Motion:** Sen. Thomas moved that **SB 177 DO PASS.**

03:49:30 **Substitute Motion/Vote:** Sen. Peterson made a substitute motion that **SB 177 BE TABLED.** Substitute motion carried 10-2 by roll call vote with Sen. Barrett and Sen. Kaufmann voting no. Sen. Essmann and Sen. Wittich voted by proxy.

EXECUTIVE ACTION ON SB 228

03:50:47 **Motion:** Sen. Kaufmann moved that **SB 228 DO PASS.**

Discussion:

03:51:02 Sen. Malek
03:51:35 Chairman Tutvedt
03:52:03 Sen. Phillips
03:52:47 Sen. Thomas

03:53:04 **Substitute Motion/Vote:** Sen. Thomas made a substitute motion that **SB 228 BE TABLED.** Substitute motion carried 10-0 by voice vote. Sen. Essmann and Sen. Wittich were excused.

EXECUTIVE ACTION ON SB 131

03:53:57 **Motion:** Sen. Thomas moved that **SB 131 DO PASS.**

03:54:07 **Substitute Motion/Vote:** Sen. Peterson moved a substitute motion that **SB 131 BE TABLED.** Substitute motion carried 10-0 by voice vote. Sen. Essmann and Sen. Wittich were excused.

ADJOURNMENT

Adjournment: 11:44

Prudence Gildroy, Secretary

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Additional Documents

Additional Documents:

EXHIBIT([tas40aad.pdf](#))