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HJ 35 Tax Study

66th Montana Legislature

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LAURA SHERLEY, Secretary

AGENDA

Monday, July 20, 2020

Video Conference Call

Agenda times are approximate. Some items may take more or less time than is indicated.

- 9:30 1. **Call HJ 35 Committee to order – Roll Call** -- Rep. Alan Redfield, Presiding Officer
- 9:35 2. **Property Tax Follow-up from May Meeting**
- a. Rising Property Taxes: What You Should Know (updated) -- Doug Young, MSU
 - b. Calculation of state mill levies
 - i. Introduction -- Megan Moore, Committee staff
 - ii. Questions directed to Ed Caplis, Department of Revenue
 - c. Requested bill drafts
 - i. Allow full inflation for 15-10-420 calculation (HJ35-01) -- Megan Moore
 - ii. Property tax circuit breaker
 - A. Bill draft (HJ35-02) -- Megan Moore
 - B. Percent reduction in property tax from circuit breaker -- Sen. Dick Barrett
 - d. Public comment*
- 10:15 3. **Individual Income Tax Follow-up from May Meeting**
- a. Suggestions for improving tax gap for pass-throughs -- Megan Moore
 - b. CARES Act impact on net operating losses -- Megan Moore
 - c. Tip income reported on Montana returns -- Aaron McNay, Department of Revenue
 - d. Requested bill drafts
 - i. Capital gains tax credit
 - A. Overview -- Rep. Jim Hamilton
 - B. Bill draft (HJ35-04) -- Megan Moore
 - ii. Bill draft to direct income tax collections above inflation to public infrastructure (HJ35-05) -- Megan Moore
 - e. Public comment*
- 11:15 **Break**

- 11:30 4. **Corporate Income Tax Follow-up from May Meeting**
- a. Overview of gross receipts tax -- Megan Moore
 - b. Corporations subject to minimum tax by industry and revenue implications of increasing minimum corporate income tax -- Finn McMichael, Department of Revenue
 - c. Bill draft to increase minimum corporate income tax (HJ35-03) -- Megan Moore
 - d. Public comment*
- 12:15 **Lunch Break**
- 1:30 5. **Sales Tax**
- a. Sales Taxes in the States -- Marco Guzman, State Policy Analyst, Institute on Taxation and Economic Policy
 - b. Montana sales tax model -- Finn McMichael, Department of Revenue
 - c. Public comment*
- 2:45 6. **Natural Resource Taxes**
- a. Comparing Montana's Natural Resource Fiscal Policies to Peer-States and Best Practices -- Mark Haggerty, Headwaters Economics
 - b. Public comment*
- 3:30 7. **Public comment*** on any other topic within the HJ 35 committee's jurisdiction
- 3:35 **Break**
- 3:45 8. **Committee Work Session**
- a. Committee action on requested bill drafts
 - b. Request additional information on sales tax or natural resource tax topics
 - c. Identify additional areas for recommendations or legislative changes
 - d. Consider August meeting
- 4:15 9. **Adjourn HJ 35 Committee**

Notes:

*This meeting is open to the public. The meeting will be streamed live on www.leg.mt.gov and broadcast on the Montana Public Affairs Network (MPAN) if you wish to view only. An archived recording of the meeting will also be made immediately available on leg.mt.gov.

Members of the public who wish to participate may join the meeting. If you want to participate, please email the meeting owner at memoore@mt.gov by 5 p.m. the day before the call with your name and the agenda item(s) for which you may provide comment and you will be sent instructions for joining and participating in the call.

A time will be provided for oral public comment on the agenda, at that time, members of the public who have joined may "raise their hand" and participate after being recognized by the presiding officer or the meeting host. Comments will be taken in order. Written public comment via email in advance of the meeting to memoore@mt.gov is also welcome and will be provided to committee members.

Any oral or written public comment provided to the committee is a public record that is recorded, archived, and available on the web.

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