

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Lake, on April 11, 2007 at 9:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Bob Lake, Chairman (R)
Rep. Jill Cohenour, Vice Chairman (D)
Rep. Jon Sonju, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Mark Blasdel (R)
Rep. Edward B. Butcher (R)
Rep. Ron Erickson (D)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Edward Hilbert (R)
Rep. Mike Jopek (D)
Rep. Carol Lambert (R)
Rep. Gary MacLaren (R)
Rep. Dave McAlpin (D)
Rep. Bill Nooney (R)
Rep. JP Pomnichowski (D)
Rep. John (Jack) W. Ross (R)

Members Excused: Rep. Chas Vincent (R)

Members Absent: None.

Staff Present: Jeff Martin, Legislative Branch
Debra Polhemus, 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 138, 4/2/2007; SB 375, 4/2/2007
Executive Action: SB 553; SB 281; SB 552; SB 436

HEARING ON SB 138

Opening Statement by Sponsor:

00:01:45 Sen. David Wanzenried (D), SD 49, opened the hearing on SB 138, Prevent corporations from channeling income to insurance subsidiary.

Proponents' Testimony:

00:05:20 David Hunter, Deputy Director, Department of Revenue
00:17:11 Robert Minto, Jr., President and CEO, ALPS Corporation, Missoula

EXHIBIT(tah76a01)

Opponents' Testimony:

00:20:27 Bruce Spencer, representing Montana Automobile Dealers Association
00:30:04 Jon Bennion, representing Montana Chamber of Commerce
00:32:31 Steve Broadie, Property Casualty Insurers Association of America (PCI)

EXHIBIT(tah76a02)

00:40:25 Todd Thaker, Prudential Financial, Sacramento, California
00:42:46 Don Allen, representing National Association of Insurance and Financial Advisors
00:43:57 Jacqueline Lenmark, representing American Council of Life Insurers (ACLI)
00:57:24 Bruce Spencer speaking for Mary Whittinghill, Montana Taxpayers Association

Informational Testimony:

00:57:45 Brian Staley, Corporate Tax Unit Manager, Department of Revenue

Questions from Committee Members and Responses:

00:58:07 Rep. Erickson
00:58:56 Steve Broadie
00:59:29 Robert Minto, Jr.
01:00:22 David Hunter
01:02:10 Rep. Erickson
01:02:25 David Hunter

Questions from Committee Members and Responses: (Con't)

01:06:39 Rep. Sonju
 01:06:57 Robert Minto, Jr.
 01:08:44 David Hunter
 01:10:06 Rep. Sonju
 01:12:06 Rep. MacLaren
 01:12:24 David Hunter
 01:13:57 Todd Thaker
 01:14:36 Robert Minto, Jr.
 01:16:10 Rep. Hilbert
 01:16:40 David Hunter
 01:21:19 Rep. Cohenour
 01:21:54 David Hunter
 01:27:00 Robert Minto, Jr.
 01:28:46 Rep. Nooney
 01:29:17 Bruce Spencer
 01:30:41 Jacqueline Lenmark
 01:34:27 Rep. MacLaren
 01:35:00 David Hunter

Closing by Sponsor:

01:36:11 Sen. David Wanzonried

HEARING ON SB 375

Opening Statement by Sponsor:

01:41:07 Sen. Dan McGee (R), SD 29, opened the hearing on SB 375, State tax incentive for National Guard and Reserve employers.

Proponents' Testimony:

01:42:58 Tina Whitaker, Executive Director, Employers Support of the Guard and Reserve
 01:46:41 Riley Johnson, representing National Federal of Independent Business
 01:48:52 Jon Bennion, representing the Montana Chamber of Commerce
 01:50:06 Scott Fink, General Contractor, Mustang Builders, Three Forks, also First Sergeant of the 219th Red Horse Squadron, Malstrom Air Force Base

EXHIBIT (tah76a03)

01:54:44 Ronda Wiggers, representing Great Falls and Helena Chambers of Commerce
 01:56:33 Chief Master Sergeant Roger Hagen, Montana National Guard

Opponents' Testimony: None.

Informational Testimony:

02:01:06 Brian Olsen, Department of Revenue

Questions from Committee Members and Responses:

02:01:20 Rep. Cohenour

02:01:36 Scott Fink

02:02:54 Rep. Ross

02:03:58 Sen. McGee

02:04:24 Rep. Cohenour

Closing by Sponsor:

02:04:50 Sen. Dan McGee

EXECUTIVE ACTION ON SB 553

02:08:56 **Motion:** Rep. Sonju moved that **SB 553 BE CONCURRED IN.**

Discussion:

02:09:08 Rep. Cohenour

02:09:45 Rep. Grinde

02:09:50 Rep. Lambert

02:10:40 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. L. Jones will carry SB 553.

EXECUTIVE ACTION ON SB 281

02:12:14 **Motion:** Rep. Lambert moved that **SB 281 BE CONCURRED IN.**

Discussion:

02:12:21 Rep. Erickson

02:12:34 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Hilbert will carry SB 281.

EXECUTIVE ACTION ON SB 552

02:13:35 **Motion:** Rep. Ross moved that **SB 552 BE CONCURRED IN.**

Discussion:

02:14:02 Rep. Ross
02:15:24 Rep. Butcher
02:16:49 Rep. Grinde
02:17:06 Rep. Lambert

02:18:13 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Ross will carry SB 552.

EXECUTIVE ACTION ON SB 436

02:20:12 **Motion:** Rep. Sonju moved that **SB 436 BE CONCURRED IN.**

02:20:50 **Motion:** Rep. Sonju moved that **SB 436 BE AMENDED.**
EXHIBIT(tah76a04)

Discussion:

02:21:11 Jeff Martin, Legislative Services Division
02:21:41 Rep. Butcher
02:22:51 Rep. Cohenour
02:24:07 Chairman Lake
02:24:39 Rep. Grinde

02:25:14 **Vote:** **MOTION CARRIED** 16-2 by voice vote with Reps. Butcher and Hilbert voting no and Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy.

02:25:46 **Motion:** Rep. Erickson moved that **SB 436 BE CONCURRED IN AS AMENDED.**

02:26:14 **Motion:** Rep. Sonju moved that **SB 436 BE AMENDED.**
EXHIBIT(tah76a05)

Discussion:

02:26:25 Jeff Martin
02:26:54 Rep. Erickson

02:27:13 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy.

02:27:39 **Motion:** Rep. Erickson moved that **SB 436 BE CONCURRED IN AS AMENDED.**

Discussion:

02:27:49 Rep. Sonju

02:29:22 Rep. Butcher

02:33:03 Rep. Cohenour

02:35:03 Rep. Erickson

02:35:38 Chairman Lake

02:36:19 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Blasdel, Hilbert, Lake, Lambert, MacLaren, Nooney, Sonju, and Vincent voting no and Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Erickson will carry SB 436.

ADJOURNMENT

Adjournment: 11:40 A.M.

REP. BOB LAKE, Chairman

DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

EXHIBIT ([tah76aad.pdf](#))