

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Bruce Tutvedt, on March 11, 2011 at 9:00 A.M., in Room 405  
Capitol

#### ROLL CALL

**Members Present:**

Sen. Bruce Tutvedt, Chair (R)  
Sen. Bob Lake, Vice Chair (R)  
Sen. Ron Arthun (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kim Gillan (D)  
Sen. Christine Kaufmann (D)  
Sen. Kendall Van Dyk (D)  
Sen. Art Wittich (R)

**Members Excused:**

Sen. Jeff Essmann (R)  
Sen. Jim Peterson (R)  
Sen. Chas Vincent (R)

**Members Absent:** None

**Staff Present:**

Lee Heiman, 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:**

Executive Action:

Do Pass: SB 333 ~ SB 376                      Partial Action: SB 372 ~ SB 358 ~ HB 111  
Do Pass As Amended: SB 253 ~ SB 288 ~ SB 295  
Be Concurred In: HB 293 ~ HB 219 ~ HB 348  
Be Concurred In As Amended: HB 103  
Tabled: SB 22 ~ SB 252 ~ SB 265 ~ SB 273 ~ SB 318 ~ SB 353 ~ SB 360  
          SB 377 ~ SB 378

(Senators Essmann, Peterson, and Vincent are excused)

**EXECUTIVE ACTION ON SB 295**

00:01:29     **Motion:** Sen. Lake moved that **SB 295 DO PASS.**

00:02:00     **Motion:** Sen. Lake moved that **SB 295 BE AMENDED.**  
**EXHIBIT(tas55a01)**

**Discussion:**

00:02:32     Lee Heiman, Legislative Services Division (LSD)

00:03:35     Chairman Tutvedt

00:03:47     Lee Heiman, LSD

00:04:28     Chairman Tutvedt

00:04:36     Sen. Lake

00:04:47     **Vote:** Motion carried 9-0 by voice vote of those present and voting.

00:05:04     **Motion:** Sen. Lake moved that **SB 295 DO PASS AS AMENDED.**

00:05:25     **Motion:** Sen. Lake moved that **SB 295 BE AMENDED.**  
**EXHIBIT(tas55a02)**

**Discussion:**

00:06:01     Chairman Tutvedt

00:06:25     Sen. Wittich

00:06:37     Sen. Lake

00:06:50     Sen. Gillan

00:07:19     Chairman Tutvedt

00:07:27     **Vote:** Motion carried 9-0 by voice vote of those present and voting.

00:07:42     **Motion:** Sen. Lake moved that **SB 295 DO PASS AS AMENDED.**

00:08:09     **Motion:** Sen. Lake moved that **SB 295 BE AMENDED.**  
**EXHIBIT(tas55a03)**

**Discussion:**

00:08:21     Sen. Gillan

00:08:35     Lee Heiman

00:09:16     Sen. Wittich

00:09:56     Sen. Gillan

00:10:40     Alan Peura, Deputy Director, Department of Revenue, (DOR), without objection  
from the committee

00:11:36     Sen. Gillan

00:12:31     Alan Peura, DOR

00:13:40     Sen. Gillan

00:14:43 Alan Peura  
00:15:24 Sen. Lake  
00:16:13 Alan Peura  
00:17:04 Sen. Lake  
00:17:32 Alan Peura  
00:18:07 Sen. Wittich  
00:19:10 Sen. Lake  
00:19:41 Sen. Wittich  
  
00:19:59 Sen. Lake **WITHDREW MOTION TO AMEND SB 295.**

**Discussion:**

00:20:18 Chairman Tutvedt  
00:20:52 Alan Peura  
  
00:21:27 **Motion:** Sen. Kaufmann moved that **SB 295 BE AMENDED.**  
[EXHIBIT\(tas55a04\)](#)

**Discussion:**

00:21:49 Sen. Kaufmann  
00:22:52 Chairman Tutvedt  
00:22:58 Alan Peura  
00:24:14 Sen. Lake  
00:24:59 Sen. Wittich  
00:25:49 Sen. Kaufmann  
  
00:27:19 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.  
  
00:28:37 **Motion:** Sen. Lake moved that **SB 295 BE AMENDED.**  
[EXHIBIT\(tas55a05\)](#)

**Discussion:**

00:28:57 Lee Heiman  
00:29:33 Sen. Lake  
  
00:29:39 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

**Discussion:**

00:30:00 Sen. Wittich  
00:30:09 Alan Peura  
00:31:11 Chairman Tutvedt  
  
00:31:30 **Motion:** Sen. Lake moved that **SB 295 BE AMENDED.**  
[EXHIBIT\(tas55a06\)](#)

**Discussion:**

00:31:36 Sen. Lake  
00:32:11 Alan Peura  
00:32:30 Sen. Gillan  
00:33:43 Lee Heiman  
00:33:53 Alan Peura  
00:35:02 Chairman Tutvedt  
00:35:09 Sen. Gillan  
00:35:54 Lee Heiman  
00:36:04 Sen. Lake  
00:36:55 Sen. Gillan

00:37:09 **Vote:** Motion carried 8-1 by voice vote of those present and voting with Sen. Erickson voting no.

00:37:33 **Motion:** Sen. Lake moved that **SB 295 DO PASS AS AMENDED.**

**Discussion:**

00:37:42 Sen. Erickson  
00:38:16 Chairman Tutvedt  
00:38:22 Sen. Lake  
00:38:54 Chairman Tutvedt  
00:39:05 Sen. Kaufmann

00:40:23 **Vote:** Motion carried unanimously by voice vote. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 22**

00:41:07 **Motion:** Sen. Lake moved that **SB 22 DO PASS.**

00:41:15 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 22 BE TABLED.** Substitute Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 253**

00:42:08 **Motion:** Sen. Lake moved that **SB 253 DO PASS.**

00:43:00 **Motion:** Sen. Lake moved that **SB 253 BE AMENDED.**

00:44:30 Sen. Lake **WITHDREW MOTION THAT SB 253 BE AMENDED.**

00:44:40 **Motion:** Sen. Lake moved that **SB 253 BE AMENDED.**  
**EXHIBIT(tas55a07)**

**Discussion:**

00:45:14 Sen. Gillan  
00:45:27 Chairman Tutvedt  
00:46:19 Sen. Lake

00:46:37 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

00:46:48 **Motion:** Sen. Lake moved that **SB 253 DO PASS AS AMENDED.**

00:47:03 **Motion:** Sen. Lake moved that **SB 253 BE AMENDED.**

**EXHIBIT(tas55a08)**

**Discussion:**

00:47:205 Sen. Lake  
00:47:37 Sen. Gillan  
00:47:53 Chairman Tutvedt  
00:48:02 Sen. Gillan  
00:50:46 Sen. Erickson  
00:52:15 Sen. Lake  
00:52:34 Chairman Tutvedt  
00:52:59 Sen. Wittich

00:53:42 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

00:54:30 **Motion:** Sen. Lake moved that **SB 253 DO PASS AS AMENDED.**

**Discussion:**

00:54:40 Sen. Erickson  
00:55:24 Sen. Branae  
00:55:54 Chairman Tutvedt  
00:56:16 Sen. Gillan

01:00:19 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 252**

01:01:22 **Motion:** Sen. Erickson moved that **SB 252 DO PASS.**

**Discussion:**

01:01:29 Sen. Erickson  
01:03:00 Sen. Lake

01:03:43 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from committee, Sen. Lake requested that the bill be tabled.

**EXECUTIVE ACTION ON SB 372**

01:05:10 **Motion:** Sen. Lake moved that **SB 372 DO PASS.**

**Discussion:**

01:05:16 Chairman Tutvedt

01:05:56 **Motion:** Sen. Arthun moved that **SB 372 BE AMENDED.**  
**EXHIBIT(tas55a09)**

**Discussion:**

01:06:08 Sen. Arthun  
01:06:20 Chairman Tutvedt  
01:07:52 Sen. Gillan  
01:09:16 Alan Peura, DOR  
01:09:52 Chairman Tutvedt  
01:10:00 Sen. Wittich  
01:10:26 Lee Heiman  
01:10:58 Sen. Gillan  
01:11:04 Sen. Wittich  
01:11:24 Lee Heiman  
01:12:24 Sen. Wittich  
01:13:04 Lee Heiman  
01:13:44 Sen. Wittich

01:14:06 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

01:15:03 **Motion:** Sen. Lake moved that **SB 372 DO PASS AS AMENDED.**

**Discussion:**

01:15:13 Sen. Gillan  
01:16:43 Chairman Tutvedt  
01:17:04 Sen. Gillan  
01:17:32 Chairman Tutvedt  
01:19:11 Sen. Kaufmann

01:19:53 Chairman Tutvedt  
01:20:30 Sen. Kaufmann  
01:20:44 Chairman Tutvedt  
01:21:01 Sen. Kaufmann  
01:21:42 Sen. Lake  
01:22:24 Sen. Van Dyk  
01:23:26 Chairman Tutvedt  
01:23:34 Sen. Gillan  
01:24:56 Chairman Tutvedt  
  
01:25:04 Sen. Lake **WITHDREW MOTION SB 372 DO PASS AS AMENDED.**

**Discussion:**

01:25:27 Sen. Kaufmann  
01:25:38 Sen. Wittich  
01:25:50 Sen. Van Dyk

**EXECUTIVE ACTION ON HB 103**

01:26:37 **Motion:** Sen. Lake moved that **HB 103 BE CONCURRED IN.**

01:27:15 **Motion:** Sen. Lake moved that **HB 103 BE AMENDED.**  
**EXHIBIT(tas55a10)**

**Discussion:**

01:28:00 Sen. Wittich  
01:28:16 Chairman Tutvedt  
01:28:29 Sen. Wittich  
  
01:28:54 **Vote:** Motion carried 9-0 by voice vote of those present and voting.  
  
01:29:06 **Motion/Vote:** Sen. Lake moved that **HB 103 BE CONCURRED IN AS AMENDED.** Motion carried 9-0 by voice vote of those present and voting. Sen. Wittich will carry the bill.

**EXECUTIVE ACTION ON HB 111**

01:31:04 **Motion:** Sen. Lake moved that **HB 110 BE CONCURRED IN.**

01:31:10 **Substitute Motion:** Sen. Lake made a substitute motion that **HB 110 BE TABLED.**

**Discussion:**

01:31:16 Sen. Van Dyk  
01:31:31 Alan Peura, without objection from the committee  
01:32:38 Sen. Lake  
  
01:32:46 Sen. Lake **WITHDREW MOTION HB 110 BE TABLED.**  
  
01:32:59 Sen. Lake **WITHDREW MOTION HB 110 BE CONCURRED IN.**

**EXECUTIVE ACTION ON HB 219**

01:33:08 **Motion:** Sen. Lake moved that **HB 219 BE CONCURRED IN.**

**Discussion:**

01:33:25 Sen. Wittich  
01:34:18 Sen. Erickson  
  
01:35:42 **Vote:** Motion carried 8-4 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Sen. Essmann will carry the bill.

**EXECUTIVE ACTION ON HB 293**

01:36:51 **Motion:** Sen. Lake moved that **HB 293 BE CONCURRED IN.**

**Discussion:**

01:37:01 Sen. Lake  
01:37:30 Sen. Kaufmann  
  
01:38:27 **Vote:** Motion carried 8-4 by roll call vote with Sen. Erickson, Sen. Kaufmann, Sen. Tutvedt and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Sen. Lake will carry the bill.

**Discussion on SB 382:**

01:40:05 Sen. Gillan, Sen. Lake and Chairman Tutvedt

**EXECUTIVE ACTION ON HB 348**

01:41:15 **Motion/Vote:** Sen. Lake moved that **HB 348 BE CONCURRED IN.** Motion carried 9-0 by voice vote of those present and voting. Sen. Kaufmann will carry the bill.

**EXECUTIVE ACTION ON SB 265**

01:42:35 **Motion:** Sen. Lake moved that **SB 265 DO PASS.**

**Discussion:**

01:42:41 Sen. Lake  
01:42:58 Chairman Tutvedt  
01:43:44 Sen. Erickson  
01:44:29 Chairman Tutvedt  
01:44:41 Sen. Wittich

01:45:21 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 265 BE TABLED.** Substitute Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 273**

01:46:34 **Motion:** Sen. Lake moved that **SB 273 DO PASS.**

**Discussion:**

01:46:41 Chairman Tutvedt  
01:46:53 Sen. Lake

01:47:31 **Motion/Vote:** Sen. Erickson moved that **SB 273 BE AMENDED WITH A CONCEPTUAL AMENDMENT** on page 2 line 14 the push back date be changed to read "2008" instead of "2006". Motion carried 9-0 by voice vote of those present and voting.

01:48:54 **Motion:** Sen. Erickson moved that **SB 273 DO PASS AS AMENDED.**

**Discussion:**

01:49:09 Sen. Lake  
01:49:38 Sen. Van Dyk  
01:50:15 Sen. Wittich  
01:51:11 Sen. Kaufmann  
01:52:20 Sen. Lake  
01:52:41 Sen. Wittich  
01:52:59 Gene Walborn, Administrator, Business and Income Taxes Division, Department of Revenue (DOR), without objection from the committee

01:53:19 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Chairman Tutvedt requested that SB 273 be tabled.

**EXECUTIVE ACTION ON SB 288**

01:54:48 **Motion:** Sen. Gillan moved that **SB 288 DO PASS**.

01:55:11 **Motion:** Sen. Gillan moved that **SB 288 BE AMENDED**.  
**EXHIBIT(tas55a11)**

**Discussion:**

01:55:23 Lee Heiman  
01:56:31 Sen. Gillan  
01:56:44 Alan Peura, without objection from the committee  
01:57:06 Sen. Gillan

01:57:25 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

01:57:33 **Motion/Vote:** Sen. Gillan moved that **SB 288 DO PASS AS AMENDED**. Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 318**

01:58:14 **Motion:** Sen. Lake moved that **SB 318 DO PASS**.

01:58:24 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 318 BE TABLED**. Substitute Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 333**

01:59:08 **Motion/Vote:** Sen. Lake moved that **SB 333 DO PASS**. Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 353**

02:00:16 **Motion:** Sen. Lake moved that **SB 353 DO PASS**.

02:01:00 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **SB 353 BE TABLED**. Substitute Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 358**

02:01:35 **Motion:** Sen. Lake moved that **SB 358 DO PASS**.

02:02:46 **Motion:** Sen. Erickson moved that **SB 358 BE AMENDED**.  
**EXHIBIT(tas55a12)**

**Discussion:**

02:03:59 Lee Heiman

02:04:23 Sen. Wittich

02:04:56 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

02:05:05 **Motion:** Sen. Lake moved that **SB 358 DO PASS AS AMENDED.**

02:05:12 **Motion/Vote:** Sen. Wittich moved that **SB 358 BE TABLED.** Motion failed 6-6 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Lake, Sen. Peterson, Sen. Vincent and Sen. Wittich voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

02:06:48 **Motion:** Sen. Wittich moved that **SB 358 BE AMENDED.**

**EXHIBIT**(tas55a13)

**Discussion:**

02:07:00 Sen. Wittich

02:08:16 Lee Heiman

02:09:18 Chairman Tutvedt

02:09:26 Sen. Erickson

02:09:41 Lee Heiman

02:10:03 **Substitute Motion:** Sen. Erickson made a substitute motion that **SB 358 BE AMENDED** by segregating section #23 from the amendment.

**Discussion:**

02:10:34 Sen. Gillan

02:11:07 Sen. Erickson

02:11:13 Chairman Tutvedt

02:11:29 Lee Heiman

02:11:46 Chairman Tutvedt

02:11:53 Lee Heiman

02:12:32 Sen. Wittich

02:12:49 Lee Heiman

02:12:55 Sen. Wittich

02:13:17 Sen. Gillan

02:13:42 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

02:13:55 **Motion:** Sen. Lake moved that **SB 358 DO PASS AS AMENDED.**

02:14:04 **Motion:** Sen. Wittich moved that **SB 358 BE AMENDED** with section #23 of the previous amendment.

**Discussion:**

02:14:29 Sen. Wittich  
02:15:00 Chairman Tutvedt  
02:15:07 Lee Heiman  
02:15:21 Chairman Tutvedt  
02:15:48 Sen. Kaufmann  
02:16:08 Alan Peura, DOR, without objection from the committee  
02:16:37 Sen. Kaufmann  
02:16:58 Alan Peura  
02:18:22 Sen. Kaufmann  
02:18:49 Alan Peura  
02:19:28 Sen. Gillan  
02:20:02 Chairman Tutvedt  
02:20:26 Lee Heiman  
02:20:49 Sen. Gillan  
02:21:03 Lee Heiman  
02:21:28 Sen. Gillan  
02:21:37 Sen. Wittich  
02:23:22 Chairman Tutvedt  
02:23:37 Sen. Wittich  
02:23:58 Lee Heiman  
02:24:39 Sen. Erickson  
02:25:13 Chairman Tutvedt  
02:25:26 Sen. Wittich  
02:26:18 Sen. Erickson  
02:26:35 Chairman Tutvedt  
02:26:56 Sen. Wittich  
02:27:27 Chairman Tutvedt  
02:27:36 Lee Heiman  
  
02:28:32 Sen. Wittich **WITHDREW MOTION SB 358 BE AMENDED.**  
  
02:28:40 Sen. Lake **WITHDREW MOTION SB 358 DO PASS AS AMENDED.**  
  
02:29:00 recess  
02:37:00 reconvene (Senators Essmann, Peterson, Vincent, and Wittich excused)

**EXECUTIVE ACTION ON SB 360**

02:37:22 **Motion:** Sen. Erickson moved that **SB 360 DO PASS.**  
  
02:37:58 **Motion/Vote:** Sen. Kaufmann moved that **SB 360 BE AMENDED.** Motion carried 8-0 by voice vote of those present and voting.

**EXHIBIT(tas55a14)**

02:40:36 Sen. Wittich returned to committee meeting  
  
02:41:02 **Motion:** Sen. Kaufmann moved that **SB 360 DO PASS AS AMENDED.**

**Discussion:**

02:41:11 Sen. Lake  
02:41:14 Chairman Tutvedt

02:41:56 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Chairman Tutvedt requested the HB 360 be tabled.

**EXECUTIVE ACTION ON SB 376**

02:43:45 **Motion:** Sen. Lake moved that **SB 376 DO PASS.**

**Discussion:**

02:44:06 Sen. Lake

02:44:34 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON SB 377**

02:45:45 **Motion:** Sen. Gillan moved that **SB 377 DO PASS.**

**Discussion:**

02:46:05 Sen. Gillan  
02:48:05 Sen. Lake  
02:49:10 Sen. Gillan  
02:50:05 Chairman Tutvedt  
02:51:37 Sen. Erickson

02:53:15 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Chairman Tutvedt requested that the bill be tabled.

**EXECUTIVE ACTION ON SB 378**

02:54:58 **Motion:** Sen. Lake moved that **SB 378 DO PASS.**

02:55:17 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 378 BE TABLED.** Substitute Motion carried 8-1 by voice vote of those present and voting with Sen. Gillan voting no.

**Committee Business:**

02:55:40 Chairman Tutvedt

02:56:02 Sen. Kaufmann

02:56:15 Chairman Tutvedt

**Additional Exhibits:**

**EXHIBIT(tas55a15)**

Information from the Department of Revenue relating to SB 371 heard in committee March 8, 2011.

**EXHIBIT(tas55a16)**

Information from the Department of Revenue relating to SB 372 heard in committee March 3, 2011.

**ADJOURNMENT**

Adjournment: 12:00 P.M.

---

Debra Polhemus, Secretary

dp

Additional Documents:

**EXHIBIT([tas55aad.pdf](#))**