

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Bruce Tutvedt, on March 16, 2011 at 8:00 AM, 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. Art Wittich (R)

**Members Excused:**

Sen. Jeff Essmann (R)  
Sen. Jim Peterson (R)  
Sen. Kendall Van Dyk (D)  
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:**

Hearing & Date Posted: HB 460, 3/12/2011  
SB 395, 3/9/2011  
SB 396, 3/9/2011

Executive Action: SB 395 (Amendment added)

**HEARING ON HB 460****Opening Statement by Sponsor:**

00:00:36 Rep. Ken Peterson (R), HD 46, opened the hearing on HB 460, Revise unit ownership act affecting townhouses.

**Proponents' Testimony:**

00:03:24 Tom Llewellyn , Realtor, Billings  
00:05:19 Dustin Stewart, Executive Director, Montana Building Industry Association (MBIA)  
00:06:02 Joe Roberts, representing Montana Association of Realtors (MAR)  
00:06:32 Linda Stoll, representing Missoula County

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

00:07:33 Sen. Wittich  
00:09:16 Rep. Peterson  
00:09:40 Sen. Wittich  
00:10:35 Rep. Peterson  
00:11:06 Tom Llewellyn  
00:12:44 Sen. Wittich  
00:13:08 Rep. Peterson  
**EXHIBIT(tas59a01)**  
00:14:59 Sen. Wittich  
00:15:38 Dan Bucks, Director, Department of Revenue (DOR), without objection from the committee  
00:16:55 Sen. Wittich  
00:17:36 Dan Bucks, DOR  
00:19:55 Sen. Kaufmann  
00:20:07 Sen. Lake  
00:20:48 Tom Llewellyn  
00:21:38 Sen. Lake  
00:22:26 Dan Bucks  
00:23:49 Sen. Lake  
00:24:17 Dan Bucks  
00:25:45 Chairman Tutvedt  
00:26:00 Tom Llewellyn  
00:27:39 Chairman Tutvedt  
00:28:03 Rep. Peterson

**Closing by Sponsor:**

00:30:09 Rep. Ken Peterson

**HEARING ON SB 396****Opening Statement by Sponsor:**

00:31:59 Sen. Kim Gillan (D), SD 24, opened the hearing on SB 396, Provide for nonresident and resident tax equity on business interest sales.

**Proponents' Testimony:**

00:36:41 Dan Bucks, Director, Department of Revenue (DOR)

[EXHIBIT\(tas59a02\)](#)

[EXHIBIT\(tas59a03\)](#)

[EXHIBIT\(tas59a04\)](#)

00:56:50 Tara Veazey, Montana Budget and Policy Center (MBPC)

00:58:24 Diane Fladmo, representing MEA/MFT

**Opponents' Testimony:**

00:59:26 George S. Olsen, representing Montana Society of Certified Public Accountants (MSCPA)

01:04:04 Senator Van Dyk arrived at committee hearing

**Informational Testimony:**

01:06:28 Brenda Gilmer, Attorney, DOR

01:09:25 Dan Dodds, DOR

**Questions from Committee Members and Responses:**

01:09:40 Sen. Kaufmann

01:10:14 Dan Bucks, DOR

01:13:04 Sen. Wittich

01:15:14 Dan Bucks

01:19:29 Sen. Wittich

01:20:25 Dan Bucks

01:22:09 Chairman Tutvedt

01:22:46 Dan Bucks

01:26:22 Chairman Tutvedt

01:26:42 Dan Bucks

01:28:58 Sen. Arthun

01:29:07 Dan Bucks

01:30:39 Chairman Tutvedt

01:31:01 George Olson, MSCPA

01:33:35 Sen. Arthun

01:33:49 George Olson

01:34:10 Sen. Erickson

01:34:26 George Olson

01:35:13 Sen. Erickson

01:35:20 Dan Bucks

01:36:34 Sen. Wittich  
01:38:46 George Olson  
01:39:24 Sen. Wittich  
01:39:59 Chairman Tutvedt  
01:41:09 Dan Bucks  
01:42:16 Chairman Tutvedt  
01:42:24 Dan Bucks

**Closing by Sponsor:**

01:45:12 Sen. Kim Gillan  
01:50:25 Chairman Tutvedt  
  
01:51:00 Recess  
02:05:00 Reconvene

**Additional Questions from Committee Members on SB 396:**

02:05:05 Chairman Tutvedt  
02:05:19 Rocky Haralson, DOR, without objection from committee  
02:05:34 Sen. Wittich  
02:06:46 Rocky Haralson  
02:08:47 Sen. Wittich  
02:10:20 Chairman Tutvedt  
02:10:39 Rocky Haralson  
02:11:27 Chairman Tutvedt  
02:11:46 Rocky Haralson  
02:12:30 Sen. Lake  
02:13:10 Rocky Haralson

**HEARING ON SB 395**

**Opening Statement by Sponsor:**

02:13:28 Sen. Art Wittich (R), SD 35, opened the hearing on SB 395, Extend class 14 tax classification to all new generating and fuel facilities.

[EXHIBIT\(tas59a05\)](#)

**Proponents' Testimony:** None

**Opponents' Testimony:** None

**Informational Testimony:**

02:20:55 Gene Walborn, Administrator, Business and Income Taxes Division , DOR  
02:22:04 Chairman Tutvedt  
02:22:15 Ralph Franklin, Senior Revenue Analyst, Budget and Program Planning Office,  
Office of the Governor (BPPO)

**Questions from Committee Members and Responses:**

02:22:49 Sen. Gillan  
02:23:17 Sen. Wittich  
02:24:29 Sen. Gillan  
02:25:09 Sen. Wittich  
02:25:57 Sen. Erickson  
02:26:44 Sen. Wittich  
02:30:47 Sen. Erickson  
02:31:23 Sen. Wittich  
02:32:34 Sen. Arthun  
02:33:07 Gene Walborn, DOR  
02:33:23 Sen. Arthun  
02:33:38 Gene Walborn  
02:33:49 Chairman Tutvedt  
02:34:24 Sen. Wittich  
02:35:18 Chairman Tutvedt  
02:35:25 Gene Walborn  
02:37:38 Sen. Lake  
02:38:35 Sen. Wittich  
02:39:10 Sen. Lake  
02:40:34 Sen. Wittich  
02:42:15 Chairman Tutvedt  
02:42:39 Ralph Franklin, BPPO

**Closing by Sponsor:**

02:43:22 Sen. Art Wittich

**EXECUTIVE ACTION ON SB 395**

(Senators Van Dyk, Gillan, Peterson, Essmann, and Vincent excused)

02:44:30 **Motion:** Sen. Lake moved that **SB 395 DO PASS.**

02:44:40 **Motion:** Sen. Lake moved that **SB 395 BE AMENDED.** (See Exhibit 5)

**Discussion:**

02:44:53 Lee Heiman, Legislative Services Division, (LSD), discussed conceptual technical amendment to remove the text "consumed within the state" .

02:45:17 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 395 BE AMENDED** to include the technical changes as recommended by Lee Heiman. Substitute Motion carried 7-0 by voice vote of those present and voting.

**ADJOURNMENT**

Adjournment: 10:45 A.M.

---

Debra Polhemus, Secretary

dp

Additional Documents:

**EXHIBIT([tas59aad.pdf](#))**