

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 64th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Mike Miller, on April 9, 2015 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Mike Miller, Chair (R)
Rep. Greg Hertz, Vice Chair (R)
Rep. Kathleen Williams, Vice Chair (D)
Rep. Zach Brown (D)
Rep. Rob Cook (R)
Rep. Mary Ann Dunwell (D)
Rep. Ed Lieser (D)
Rep. Edith (Edie) McClafferty (D)
Rep. Albert Olszewski (R)
Rep. Alan Redfield (R)
Rep. Bridget Smith (D)
Rep. Kerry White (R)
Rep. Nancy Wilson (D)
Rep. Daniel Zolnikov (R)

Members Excused:

Rep. Kelly Flynn (R)
Rep. Tom Jacobson (D)
Rep. Steve Lavin (R)
Rep. Nicholas Schwaderer (R)
Rep. Geraldine Custer (R)
Rep. Lee Randall (R)

Members Absent: None

Staff Present: Megan Moore, Legislative Branch
Erica Siate, Committee Secretary
Stephanie Morrison, Legislative Branch

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 212, 4/1/2015; SB 386, 4/1/2015; SB 394, 4/1/2015

00:00:01 Chair Miller

HEARING ON SB 212

Opening Statement by Sponsor:

00:01:39 Sen. Scott Sales (R), SD 35, opened the hearing on SB 212, Revise late filing penalties and extension laws.

00:01:56 Rep. McClafferty entered the meeting.

Proponents' Testimony:

00:02:55 Bob Story, Montana Taxpayers Association

00:03:22 Holly Franz, Montana Association of Certified Public Accountants

Opponents' Testimony: None

Informational Testimony:

00:04:03 Gene Walborn, Department of Revenue (DOR)

Questions from Committee Members and Responses: None

Closing by Sponsor:

00:04:23 Sen. Sales

00:04:28 Chair Miller

00:06:20 Rep. Custer entered the meeting.

HEARING ON SB 386

Opening Statement by Sponsor:

00:08:46 Sen. Jill Cohenour (D), SD 42, opened the hearing on SB 386, Revising late file penalty, filing, and withholding for pass-through entities.

00:08:50 Rep. Flynn entered the meeting.

Proponents' Testimony:

00:11:06 Tracee Abel, Department of Revenue (DOR)

EXHIBIT(tah71a01)

00:18:25 George Olsen, Montana Society of Certified Public Accountants

00:21:53 Leo Berry, League of Publicly Traded Partnerships

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

00:22:48 Sen. Cohenour

00:23:25 Chair Miller

HEARING ON SB 394**Opening Statement by Sponsor:**

00:30:18 Sen. Mark Blasdel (R), SD 4, opened the hearing on SB 394, Revise intangible personal property exemption and unit valuation methodology.

[EXHIBIT\(tah71a02\)](#)[EXHIBIT\(tah71a03\)](#)**Proponents' Testimony:**

00:33:56 Mike Green, Montana Taxpayers Association and Montana Chamber of Commerce

[EXHIBIT\(tah71a04\)](#)

00:50:09 Bob Story, Montana Taxpayers Association (MTA)

[EXHIBIT\(tah71a05\)](#)[EXHIBIT\(tah71a06\)](#)[EXHIBIT\(tah71a07\)](#)[EXHIBIT\(tah71a08\)](#)

00:54:02 Rep. Smith left the meeting.

00:54:10 Rep. Zolnikov left the meeting.

00:57:16 Glenn Oppel, Montana Chamber of Commerce

00:58:34 Mark Baker, Kalispell Chamber of Commerce

01:01:30 Dave Galt, Montana Petroleum Association (MPA)

Opponents' Testimony:

01:02:12 Mike Kadas, Department of Revenue (DOR)

[EXHIBIT\(tah71a09\)](#)

01:09:26 Gene Walborn, Department of Revenue (DOR)

[EXHIBIT\(tah71a10\)](#)

01:22:35 David Nielsen, Montana League of Cities and Towns

01:28:37 John MacDonald, City of Missoula

01:29:30 Heather O'Loughlin, Montana Budget and Policy Center (MBPC)

[EXHIBIT\(tah71a11\)](#)

01:33:20 Rep. Jacobson entered the meeting

Informational Testimony: None**Questions from Committee Members and Responses:**

01:33:33 Rep. Williams

01:34:14 Rep. Lavin entered the meeting.

01:34:30 Mark Baker, Kalispell Chamber of Commerce

01:36:13 Rep. Williams
01:36:17 Mark Baker, Kalispell Chamber of Commerce
01:36:37 Rep. Williams
01:38:13 Mike Kadas, DOR
01:39:22 Rep. White left the meeting.
01:40:16 Rep. Williams
01:40:49 Mike Kadas, DOR
01:42:14 Rep. Williams
01:42:40 Mike Kadas, DOR
01:43:26 Rep. Williams
01:43:37 Mike Kadas, DOR
01:43:45 Rep. Williams
01:44:12 Dan Whyte, Department of Revenue (DOR)
01:46:24 Chair Miller
01:46:29 Mike Green, Montana Taxpayers Association and Montana Chamber of
Commerce
01:47:37 Rep. Wilson
01:48:41 Heather O'Loughlin, MBPC
01:49:15 Rep. Wilson
01:49:27 Heather O'Loughlin, MBPC
01:50:28 Rep. Z. Brown
01:50:59 Sen. Blasdel
01:51:27 Rep. Z. Brown
01:51:40 David Nielsen, Montana League of Cities and Towns
01:51:55 Rep. Z. Brown
01:52:11 Gene Walborn, DOR
01:53:01 Rep. Hertz
01:54:44 Mike Kadas, DOR
01:57:45 Rep. Hertz
01:58:04 Mike Kadas, DOR
01:58:21 Rep. Hertz
01:58:44 Mike Kadas, DOR
02:00:26 Rep. Hertz
02:00:41 Gene Walborn, DOR
02:01:05 Rep. Williams
02:01:41 Mike Kadas, DOR
02:02:14 Gene Walborn, DOR
02:02:58 Chair Miller
02:03:02 Gene Walborn, DOR
02:03:30 Rep. Dunwell
02:04:58 Glenn Oppel, Montana Chamber of Commerce
02:05:25 Rep. Dunwell
02:05:29 Glenn Oppel, Montana Chamber of Commerce
02:05:40 Rep. Dunwell
02:06:08 Glenn Oppel, Montana Chamber of Commerce
02:06:29 Rep. Dunwell
02:07:21 David Nielsen, Montana League of Cities and Towns
02:07:43 Rep. Dunwell
02:08:00 David Nielsen, Montana League of Cities and Towns
02:09:11 Rep. Custer

02:09:44 Mike Kadas, DOR
02:11:13 Rep. Custer
02:11:52 Mike Kadas, DOR
02:12:14 Rep. Lieser
02:12:47 Bob Story, MTA
02:15:20 Rep. Lieser
02:15:43 Rep. Olszewski
02:16:23 Gene Walborn, DOR
02:17:15 Rep. Olszewski
02:17:21 Gene Walborn, DOR

Closing by Sponsor:

02:17:33 Sen. Blasdel

02:19:33 Chair Miller

02:19:53 Recess

02:35:52 Reconvened

02:35:53 Chair Miller

02:36:45 Rep. Redfield

02:36:58 Chair Miller

02:37:35 Megan Moore, Legislative Services Division (LSD)

02:37:39 Rep. Williams

02:37:55 Chair Miller

02:38:29 Chair Hertz

EXECUTIVE ACTION ON HJ 2

02:38:40 **Motion:** Rep. Miller moved that **HJ 2 DO PASS.**

02:38:59 **Motion:** Rep. Miller moved that **HJ 2 BE AMENDED.**

EXHIBIT(tah71a12)

Discussion:

02:39:35 Rep. Williams

02:39:50 Megan Moore, LSD

02:40:20 Rep. Miller

EXHIBIT(tah71a13)

02:40:43 Stephanie Morrison, Legislative Fiscal Division (LFD)

02:44:21 Rep. Miller

02:44:28 Stephanie Morrison, LFD

02:46:04 Rep. Miller

02:46:18 Rep. Williams

02:48:53 Rep. Olszewski

02:49:32 Rep. Miller

02:49:52 Rep. Hertz

02:50:20 **Vote:** Motion carried 12-8 by roll call vote with Rep. Flynn, Rep. Hertz, Rep. Lavin, Rep. Randall, Rep. Redfield, Rep. Schwaderer, Rep. White and Rep.

Zolnikov voting no. Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy.

02:51:56 **Motion:** Rep. Miller moved that **HJ 2 DO PASS AS AMENDED.**

Discussion:

02:52:14 Chair Hertz
02:52:25 Rep. Williams
02:53:14 Rep. Jacobson
02:54:28 Rep. Hertz

02:54:44 **Vote:** Motion carried 12-8 by roll call vote with Rep. Flynn, Rep. Hertz, Rep. Lavin, Rep. Randall, Rep. Redfield, Rep. Schwaderer, Rep. White and Rep. Zolnikov voting no. Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy.

02:56:10 Chair Miller
02:56:18 Rep. Williams
02:56:36 Chair Miller
02:56:39 Rep. Williams
02:56:45 Chair Miller
02:57:19 Rep. Williams
02:57:25 Chair Miller
02:57:28 Rep. Williams
02:57:53 Rep. Hertz
02:58:15 Rep. Wilson
02:59:58 Rep. Jacobson
03:02:05 Chair Miller
03:02:25 Rep. Hertz
03:03:02 Rep. Williams

03:04:27 Chair Miller

EXECUTIVE ACTION ON SB 399

03:05:12 Megan Moore, Legislative Services Division (LSD)

03:05:21 **Motion:** Rep. Hertz moved that **SB 399 BE CONCURRED IN.**

03:05:29 **Motion:** Rep. Hertz moved that **SB 399 BE AMENDED.**
EXHIBIT(tah71a14)

Discussion:

03:05:38 Megan Moore, LSD
03:06:33 Rep. Jacobson
03:07:07 Rep. Hertz

03:07:42 **Vote:** Motion carried unanimously by voice vote. Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy.

03:08:07 **Motion:** Rep. Hertz moved that **SB 399 BE CONCURRED IN AS AMENDED.**

Discussion:

03:08:16 Rep. Williams

03:08:28 Rep. Zolnikov entered the meeting.

03:09:00 Rep. Smith

03:09:39 Rep. Jacobson

03:09:58 Rep. Zolnikov left the meeting.

03:10:57 **Vote:** Motion carried unanimously by voice vote. Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy. Rep. Hertz will carry the bill.

03:11:57 Chair Miller

03:12:45 Chair Miller

03:14:29 Rep. Jacobson left the meeting.

03:15:09 Chair Miller

EXECUTIVE ACTION ON SB 212

03:16:11 **Motion/Vote:** Rep. Hertz moved that **SB 212 BE CONCURRED IN.** Motion carried unanimously by voice vote. Rep. Jacobson, Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy. Rep. Hertz will carry the bill.

EXECUTIVE ACTION ON SB 378

03:17:14 **Motion:** Rep. Hertz moved that **SB 378 BE CONCURRED IN.**

Discussion:

03:17:51 Megan Moore, Legislative Services Division (LSD)

03:17:54 Rep. Hertz

03:17:58 Megan Moore, LSD

03:18:57 **Vote:** Motion carried unanimously by voice vote. Rep. Jacobson, Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy. Rep. Jacobson will carry the bill.

EXECUTIVE ACTION ON SB 386

03:19:49 **Motion/Vote:** Rep. Hertz moved that **SB 386 BE CONCURRED IN.** Motion carried unanimously by voice vote. Rep. Jacobson, Rep. Randall, Rep. Schwaderer and Rep. Zolnikov voted by proxy. Rep. Cook will carry the bill.

03:20:51 Rep. Williams

03:21:26 Chair Miller

ADJOURNMENT

Adjournment: 03:21:35

Erica Siate, Secretary

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Additional Documents:

EXHIBIT([tah71aad.pdf](#))