

MINUTES

MONTANA SENATE 64th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on April 15, 2015 at 8:00 AM, in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Bruce Tutvedt, Chair (R)
Sen. Fred Thomas, Vice Chair (R)
Sen. Duane Ankney (R)
Sen. Dick Barrett (D)
Sen. Taylor Brown (R)
Sen. Jill Cohenour (D) (arrived after roll call)
Sen. Brian Hoven (R)
Sen. Christine Kaufmann (D)
Sen. Sue Malek (D)
Sen. JP Pomnichowski (D) (arrived after roll call)

Members Excused: Sen. Mark Blasdel (R)
Sen. Janna Taylor (R)

Members Absent: None

Staff Present: Jaret Coles, Legislative Branch
Julie Ward, 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 341, 4/9/2015; HB 637, 4/9/2015; HB 416, 4/9/2015

Executive Action: HB 235, HB 637, HB 416, HB 341, HB 421

HEARING ON HB 341**Opening Statement by Sponsor:**

00:00:24 Rep. Bill Harris (R), HD 29, opened the hearing on HB 341, Provide tax benefits to employers and students for higher education expenses.

[EXHIBIT\(tas76a01\)](#)

Proponents' Testimony:

00:05:15 Riley Johnson, National Federation of Independent Business (NFIB)

00:06:21 Glenn Oppel, Montana Chamber of Commerce

00:06:35 Mark Cadwallader, Department of Labor and Industry (DLI)

Opponents' Testimony:

00:07:14 Eric Feaver, Montana Education Association-Montana Federation of Teachers (MEA-MFT)

Informational Testimony:

00:09:54 Lee Baerlocher, Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:10:18 Sen. Barrett

00:10:45 Rep. Harris

00:11:04 Sen. Barrett

00:11:28 Rep. Harris

00:12:01 Sen. Brown

00:12:50 Mr. Baerlocher, DOR

00:13:51 Sen. Brown

00:14:09 Brian Olsen, Department of Revenue (DOR)

00:15:05 Sen. Brown

00:15:31 Sen. Kaufmann

00:16:37 Rep. Harris

00:16:52 Sen. Kaufmann

00:17:13 Rep. Harris

00:17:55 Sen. Kaufmann

Closing by Sponsor:

00:18:45 Rep. Harris

HEARING ON HB 416**Opening Statement by Sponsor:**

00:21:35 Rep. Robert (Bob) Mehlhoff (D), HD 22, opened the hearing on HB 416, Provide military income tax exemption.

[EXHIBIT\(tas76a02\)](#)

[EXHIBIT\(tas76a03\)](#)

Proponents' Testimony:

00:22:37 Jim Higgins, Montana National Guard (MTNG)

[EXHIBIT\(tas76a04\)](#)

00:37:02 Roger Hagan, representing himself.

00:40:24 Keith J. Kelly, Montana National Guard Association

Opponents' Testimony: None

Informational Testimony:

00:42:38 Micah Christensen, Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:43:14 Sen. Hoven

00:43:30 Mr. Higgins, MTNG

00:43:38 Sen. Hoven

00:43:45 Mr. Higgins

00:44:15 Sen. Hoven

00:44:36 Mr. Higgins

00:45:28 Sen. Hoven

00:46:23 Sen. Cohenour

00:46:35 Rep. Mehlhoff

00:48:00 Mr. Christensen, DOR

00:48:21 Sen. Thomas

00:49:10 Rep. Mehlhoff

00:49:49 Sen. Thomas

00:50:38 Mr. Hagan, self

00:51:32 Sen. Thomas

00:51:52 Mr. Hagan

00:52:17 Sen. Brown

00:52:58 Mr. Hagan

Closing by Sponsor:

00:53:51 Rep. Mehlhoff

HEARING ON HB 637**Opening Statement by Sponsor:**

00:59:20 Rep. Andrew Person (D), HD 96, opened the hearing on HB 637, Provide for an apprenticeship tax credit, with an increased amount for veterans.

Proponents' Testimony:

01:04:11 Judy Bovington, chief legal counsel, Department of Labor and Industry (DLI)
[EXHIBIT\(tas76a05\)](#)

01:10:28 Sen. Tutvedt left the meeting. Sen. Thomas took over duties of the chair.

01:10:48 Glen Oppel, Montana Chamber of Commerce

[EXHIBIT\(tas76a06\)](#)

01:14:05 Jim Higgins, Montana National Guard (MTNG)

01:14:42 Ron Devlin, Northwestern Energy (NWE)

01:26:16 JD Lynch, Montana Construction Trades Council

01:17:16 John Forkan, Montana Association of Plumbers and Pipe Fitters

01:17:39 Dwight Rose, International Brotherhood of Electrical Workers #233

01:18:03 Aimee Grmoljez, MDU Resources

01:20:27 Jessie Luther, Montana Contractor's Association (MCA)

01:21:35 Chris Cavazos, Montana American Federation of Labor-Congress of Industrial Organizations (MT AFL-CIO)

01:22:00 Riley Johnson, National Federation of Independent Business (NFIB)

01:23:13 Margaret Morgan, Montana Independent Electrical Contractors (MTIEC)

01:24:03 Dan Flynn, Outside Branch, International Brotherhood of Electrical Workers (IBEW)

01:24:12 Roger Hagan, representing himself.

01:24:54 Mark Maki, training director, Montana Electrical JATC

01:25:32 Sen. Tutvedt returned to the meeting.

Opponents: None

Informational Testimony:

01:27:09 Brian Olsen, Department of Revenue (DOR)

Questions from Committee Members and Responses:

01:27:25 Sen. Kaufmann

01:27:49 Ms. Bovington (DLI)

01:28:04 Sen. Kaufmann

01:28:34 Ms. Bovington

01:29:14 Sen. Kaufmann

01:29:35 Ms. Bovington

01:30:12 Sen. Malek

01:30:55 Darrell Holzer, Apprenticeship and Training Program, Workforce Services Division, Department of Labor and Industry (DLI)

01:32:04	Sen. Malek
01:32:29	Mr. Holzer, DLI
01:33:59	Sen. Malek
01:34:44	Mr. Holzer
01:36:13	Sen. Malek
01:37:04	Mr. Holzer
01:38:11	Sen. Barrett
01:38:27	Mr. Holzer
01:38:56	Sen. Barrett
01:39:37	Mr. Holzer
01:40:10	Sen. Barrett
01:40:36	Mr. Holzer
01:41:24	Sen. Tutvedt
01:41:51	Mr. Maki, JATC
01:43:40	Sen. Tutvedt
01:44:01	Mr. Maki
01:44:50	Sen. Tutvedt
01:45:01	Mr. Maki
01:45:25	Vice Chairman Thomas
01:45:36	Mr. Maki
01:45:50	Vice Chairman Thomas
01:46:02	Mr. Maki
01:46:33	Sen. Tutvedt
01:46:42	Mr. Maki
01:47:23	Sen. Kaufmann
01:48:00	Ms. Bovington
01:48:24	Sen. Kaufmann
01:49:09	Ms. Bovington
01:49:25	Sen. Hoven
01:49:46	Rep. Person
01:49:55	Sen. Hoven
01:51:20	Rep. Person
01:51:31	Sen. Hoven
01:52:02	Mr. Holzer
01:53:10	Sen. Hoven
01:53:43	Mr. Holzer
01:54:22	Sen. Hoven
01:54:50	Mr. Holzer
01:55:34	Sen. Cohenour
01:56:16	Mr. Holzer
01:58:32	Sen. Cohenour
01:58:51	Mr. Holzer
02:00:19	Sen. Hoven
02:01:16	Ms. Bovington
02:02:14	Vice Chairman Thomas
02:02:26	Mr. Holzer
02:03:36	Vice Chairman Thomas
02:04:33	Rep. Person
02:05:09	Vice Chairman Thomas

Closing by Sponsor:

02:05:28 Rep. Person
02:09:28 Recess
02:24:30 Reconvened
02:24:37 Jaret Coles, Legislative Services Division (LSD)
02:26:07 Sen. Tutvedt
02:26:18 Sen. Barrett
02:26:50 Chairman Tutvedt resumed duties of the chair.

EXECUTIVE ACTION ON HB 235

02:26:58 **Motion:** Sen. Thomas moved that **HB 235 BE CONCURRED IN.**

Discussion:

02:27:07 Sen. Kaufmann
02:27:21 Sen. Ankney
02:28:07 Chairman Tutvedt
02:29:07 Sen. Malek
02:29:42 Sen. Hoven
02:30:20 Sen. Ankney
02:30:42 **Vote:** Motion failed 6-6 by roll call vote with Sen. Ankney, Sen. Blasdel, Sen. T. Brown, Sen. Malek, Sen. Taylor and Sen. Thomas voting aye. Sen. Blasdel and Sen. Taylor voted by proxy.

EXECUTIVE ACTION ON HB 421

02:32:04 **Motion:** Sen. Thomas moved that **HB 421 BE CONCURRED IN.**

Discussion:

02:32:31 Sen. Malek
02:34:32 Sen. Kaufmann
02:35:07 Sen. Ankney
02:37:40 Sen. Hoven
02:38:40 **Vote:** Motion carried 7-5 by roll call vote with Sen. Di. Barrett, Sen. Cohenour, Sen. Kaufmann, Sen. Malek and Sen. Pomnichowski voting no. Sen. Blasdel and Sen. Taylor voted by proxy. Sen. Hoven will carry the bill.
02:40:20 Chairman Tutvedt

EXECUTIVE ACTION ON HB 341

02:41:04 **Motion:** Sen. Thomas moved that **HB 341 BE CONCURRED IN.**

Discussion:

02:41:24 Chairman Tutvedt
02:41:38 Sen. Kaufmann
02:42:37 Sen. Barrett

02:43:33 **Substitute Motion:** Sen. Cohenour made a substitute motion that **HB 341 BE TABLED**. Substitute motion carried 9-1 by voice vote with Sen. Thomas voting no. Sen. Blasdel and Sen. Taylor were excused.

EXECUTIVE ACTION ON HB 416

02:44:23 **Motion:** Sen. Thomas moved that **HB 416 BE CONCURRED IN**.

Discussion:

02:45:16 Sen. Hoven
02:46:30 Chairman Tutvedt
02:47:02 Sen. Barrett
02:47:29 Sen. Ankney

02:47:45 **Motion:** Sen. Thomas moved that **HB 416 BE AMENDED CONCEPTUALLY**.

Discussion:

02:49:15 Sen. Kaufmann
02:49:27 Sen. Cohenour
02:49:52 Jaret Coles, Legislative Services Division (LSD)

02:50:42 **Vote:** Motion carried 9-1 by voice vote with Sen. Kaufmann voting no. Sen. Blasdel and Sen. Taylor were excused.

02:50:54 **Substitute Motion/Vote:** Sen. Kaufmann made a substitute motion that **HB 416 BE TABLED**. Substitute Motion carried 9-1 by voice vote with Sen. Thomas voting no. Sen. Blasdel and Sen. Taylor were excused.

EXECUTIVE ACTION ON HB 637

02:52:01 **Motion:** Sen. Thomas moved that **HB 637 BE CONCURRED IN**.

02:52:15 **Motion:** Sen. Hoven moved that **HB 637 BE AMENDED**.

02:53:55 Sen. Taylor joined the meeting.

Discussion:

02:54:09 Jaret Coles, Legislative Services Division (LSD)
02:55:04 Sen. Pomnichowski
02:56:22 Sen. Ankney

02:57:02 Sen. Brown

02:57:58 **Vote:** Motion failed 5-7 by roll call vote with Sen. Ankney, Sen. Blasdel, Sen. Cohenour, Sen. Malek and Sen. Pomnichowski voting aye. Sen. Blasdel voted by proxy.

Discussion:

02:59:04 Sen. Malek
03:00:09 Chairman Tutvedt
03:00:29 Lee Baerlocher, Department of Revenue (DOR)
03:00:43 Chairman Tutvedt
03:01:08 Sen. Ankney
03:01:49 Chairman Tutvedt
03:02:05 Sen. Cohenour
03:02:34 Sen. Pomnichowski
03:03:33 Sen. Hoven
03:04:21 Sen. Thomas
03:04:41 Mr. Coles, LSD

03:05:36 **Motion/Vote:** Sen. Cohenour moved that **HB 637 BE AMENDED CONCEPTUALLY**. Motion carried 10-1 by voice vote, with Sen. Kaufmann voting no. Sen. Blasdel was excused.

Discussion:

03:06:47 Sen. Thomas
03:07:11 Sen. Barrett
03:07:29 Sen. Cohenour
03:08:17 Sen. Thomas
03:09:04 Judy Bovington, Department of Labor and Industry (DLI)
03:09:17 Chairman Tutvedt
03:09:59 Sen. Brown
03:10:40 Sen. Malek
03:11:31 Sen. Cohenour
03:13:04 Sen. Hoven
03:14:14 Sen. Brown
03:14:59 Sen. Ankney
03:16:41 Sen. Thomas
03:18:03 Sen. Cohenour

03:18:15 **Vote:** Motion failed 5-7 by roll call vote with Sen. Ankney, Sen. Blasdel, Sen. Hoven, Sen. Taylor and Sen. Thomas voting aye. Sen. Blasdel voted by proxy.

03:19:05 **Motion/Vote:** Sen. Thomas moved that **HB 637 BE TABLED**. Motion failed 6-6 by roll call vote with Sen. Blasdel, Sen. T. Brown, Sen. Hoven, Sen. Taylor, Sen. Thomas and Sen. Tutvedt voting aye. Sen. Blasdel voted by proxy.

03:20:46 Jim Higgins, Montana National Guard (MTNG)
03:21:13 John Esp, Montana Association of Counties (MACo)

Committee Business:

03:22:32 Sen. Cohenour
03:23:25 Chairman Tutvedt
03:24:17 Sen. Hoven
03:25:05 Chairman Tutvedt
03:25:21 Sen. Pomnichowski
03:27:27 Chairman Tutvedt
03:28:13 Sen. Cohenour
03:28:45 Jaret Coles, Legislative Services Division (LSD)
03:29:44 Sen. Kaufmann
03:30:24 Sen. Brown

EXECUTIVE ACTION ON HB 235

03:31:24 **Motion:** Sen. T. Brown moved that **HB 235 BE CONCURRED IN.**

Discussion:

03:32:19 Chairman Tutvedt
03:33:12 Sen. Hoven
03:33:35 Sen. Malek
03:34:01 Sen. Ankney left the hearing.
03:34:23 Sen. Barrett

03:35:08 **Vote:** Motion failed 5-7 by roll call vote with Sen. Ankney, Sen. Blasdel, Sen. T. Brown, Sen. Malek and Sen. Thomas voting aye. Sen. Ankney and Sen. Blasdel voted by proxy.

03:36:16 **Motion/Vote:** Sen. Tutvedt moved that **HB 235 BE TABLED.** Motion carried 7-5 by roll call vote with Sen. Ankney, Sen. Blasdel, Sen. T. Brown, Sen. Malek and Sen. Thomas voting no. Sen. Ankney and Sen. Blasdel voted by proxy.

03:38:03 Chairman Tutvedt

ADJOURNMENT

Adjournment: 11:50 A.M.

Julie Ward, Secretary

jw

Additional Documents:

EXHIBIT([tas76aad.pdf](#))