

MINUTES
MONTANA HOUSE OF REPRESENTATIVES
68th LEGISLATURE - REGULAR SESSION
COMMITTEE ON (H) TAXATION

Call to Order: Chair Paul Fielder-R, on April 13, 2023 at 8:02 AM, in 152

ROLL CALL

Members Present: Rep. Paul Fielder, Chair (R)
Rep. Mark Thane, Vice Chair (D)
Rep. Tom Welch, Vice Chair (R)
Rep. Brad Barker (R)
Rep. Larry Brewster (R)
Rep. Alice Buckley (D)
Rep. Jill Cohenour (D)
Rep. Sherry Essmann (R)
Rep. Joshua Kassmier (R)
Rep. Marty Malone (R)
Rep. Marilyn Marler (D)
Rep. Russel Miner (R)
Rep. Melissa Romano (D)
Rep. Tanner Smith (R)

Members Excused: Rep. Kim Abbott (D)
Rep. Edward Butcher (R)
Rep. Dave Fern (D)
Rep. Scot Kerns (R)
Rep. Rhonda Knudsen (R)
Rep. George Nikolakakos (R)
Rep. Sue Vinton (R)

Staff Present: Brigitte Bellefleur, Secretary
Megan Moore, Research Analyst

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 14 04/06/2023
SB 122 04/06/2023
SB 253 04/06/2023

SB 505 04/06/2023
SB 506 04/06/2023
SB 524 04/06/2023
SB 529 04/06/2023
SB 530 04/06/2023
SB 550 04/06/2023
SB 554 04/06/2023
SB 555 04/06/2023

Executive Action:

HEARING ON SB 550 - Generally revise income tax laws and clarify income tax reform provisions

Opening Statement:

08:06:54 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 550, Generally revise income tax laws and clarify income tax reform provisions.

Proponent Testimony:

08:10:46 Kendall Cotton, Frontier Institute

08:13:08 Rachel Greene, Governor's Office

Opponent Testimony:

None

Informational Witness Testimony:

08:14:34 David Merrien, DOR

08:14:49 Aaron McNay, DOR

Questions from Committee:

08:15:21 Rep. Tanner Smith

08:15:46 Sen. Greg Hertz-R

Closing Statement:

08:15:58 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 550.

HEARING ON SB 14 - Revise MEDIA Act film credit cap

Opening Statement:

08:16:55 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 14, Revise MEDIA Act film credit cap.

Discussion:

[EXHIBIT\(230413TAHa1\)](#)

[EXHIBIT\(230413TAHa2\)](#)

Proponent Testimony:

08:26:21 Adrienna Hines, Media Coalition of Montana
08:27:11 Charles Robison, Montana Chamber of Commerce
08:28:33 Rebecca Meyers, Montana Economic Development Association
08:29:00 Bob Branson, Self
08:32:06 Scott Reichner, Montana Lodging and Housing Association
08:33:27 Julie Webb, Self
08:35:05 Dan Brooks, Billings Chamber of Commerce
08:35:56 Karl Swingle, Self
08:37:55 Sam Lowe-Hanker, Self
08:38:58 Jessie Luther, Motion Picture Association
08:40:07 Amie Gromljev, Montana Travel Association
08:41:09 Bob Story, Montana Taxpayers Association
08:42:04 Mark Baker, Paramount
08:44:03 Jim Ward, Self
08:46:23 Sean Higgins, Story House Pictures, Inc.
08:48:19 Lynn Fields, Self
08:49:22 Allyson Adams, Self
08:50:45 Tiana Albery, Self
08:51:43 Allison Corbyn, Big Sky Economic Development

Opponent Testimony:

None

Informational Witness Testimony:

08:53:44 Finn McMichael, DOR

08:54:00 David Merrien, DOR

Questions from Committee:

08:54:36 Rep. Marty Malone

08:54:42 Jim Ward

08:55:38 Vice Chair Mark Thane

08:56:21 Sen. Greg Hertz-R

Closing Statement:

08:57:10 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 14.

HEARING ON SB 122 - Revise cigar tax based on a fixed amount per cigar

Opening Statement:

08:59:11 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 122, Revise cigar tax based on a fixed amount per cigar.

Proponent Testimony:

09:04:38 Ken Weinheimer, Montana Cigar Association

09:05:49 John Sonju, Montana Cigar Association

[EXHIBIT\(230413TAHa3\)](#)

09:06:50 Dan Smith, Self

09:07:17 Truman Tolson, Self

09:07:38 Chris Wrench, Self

09:08:27 David Gipson, Self

09:09:00 Chad Luncesford, Self

09:09:44 Scott Boulanger, Montana Cigar Association

09:10:21 Joseph Loope, Premium Cigar Association

Opponent Testimony:

09:14:01 Kristin Paige-Nei, American Cancer Society/Cancer Action Network
09:16:20 Liz Albers, American Heart Association
09:18:16 Carrie Nyssen, American Lung Association

Informational Witness Testimony:

09:19:49 Jared Isom, DOR
09:20:04 Jason Lay, DOR

Questions from Committee:

09:20:34 Rep. Russel Miner
09:20:46 Sen. Greg Hertz-R
09:21:50 Rep. Jill Cohenour
09:22:11 Jason Lay, DOR
09:25:18 Vice Chair Mark Thane
09:25:40 Jason Lay, DOR
09:26:39 Vice Chair Mark Thane
09:26:48 Truman Tolson
09:27:42 Rep. Sherry Essmann
09:27:51 Truman Tolson
09:29:49 Rep. Jill Cohenour
09:29:58 Truman Tolson

Closing Statement:

09:31:52 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 122.

HEARING ON SB 253 - Revise contractor's gross receipts tax

Opening Statement:

09:34:35 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 253, Revise contractor's gross receipts tax.

Proponent Testimony:

09:39:39 Bob Story, Montana Taxpayers Association

09:40:25 Allen Lloyd, Montana of CPAs

09:41:01 Kelly Lynch, Montana League of Cities and Towns

09:41:26 Dan Schmauch, Self

Opponent Testimony:

09:47:53 David Smith, Montana Contractors Association

09:48:41 Carol Bachini-Wood, Self

[EXHIBIT\(230413TAHa4\)](#)

[EXHIBIT\(230413TAHa5\)](#)

Informational Witness Testimony:

09:54:17 Jared Isom, DOR

09:54:32 Russ Christenson, DOR

Questions from Committee:

09:55:25 Rep. Jill Cohenour

09:55:33 Russ Christenson

09:58:16 Rep. Jill Cohenour

09:58:24 Sen. Greg Hertz-R

09:59:29 Rep. Jill Cohenour

09:59:33 Rep. Dave Fern

09:59:45 Russ Christenson

10:01:48 Rep. Tanner Smith

10:01:55 Sen. Greg Hertz-R

Closing Statement:

10:03:08 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 253.

HEARING ON SB 505 - Revise tax increment calculation for districts that use tax increment financing

Opening Statement:

10:04:42 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 505, Revise tax increment calculation for districts that use tax increment financing.

Proponent Testimony:

10:07:25 Kelly Lynch, Montana League of Cities and Towns

10:08:07 Rebecca Meyers, Montana Economic Developers Association

Opponent Testimony:

None

Informational Witness Testimony:

None

Questions from Committee:

None

Closing Statement:

10:09:19 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 505.

10:10:08 **Recessed**

10:17:23 **Reconvened**

HEARING ON SB 506 - Increase and repeal termination of Montana charitable endowment tax credit

Opening Statement:

10:17:43 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 506, Increase and repeal termination of Montana charitable endowment tax credit.

Proponent Testimony:

10:23:13 Mary Rutherford, Montana Community Foundation
[EXHIBIT\(230413TAHa6\)](#)
[EXHIBIT\(230413TAHa7\)](#)

10:26:24 Liz Moore, Montana Non-Profit Association
[EXHIBIT\(230413TAHa8\)](#)

10:29:03 Bob Story, Montana Taxpayers Association

10:30:51 Nicole Rolf, Montana Farm Bureau Federation

10:31:50 David Smith, Montana Contractors Association

10:32:38 Jessie Luther, MT Outfitters and Guides Association/Association of Montana Troopers

10:33:56 Allen Lloyd, Montana CPAs

10:34:41 Charles Robison, Montana Chamber of Commerce

10:35:17 Dan Brooks, Billings Chamber of Commerce

10:36:11 Ameer Grmoljez, Montana Non-Profit Association

10:38:16 Aiden Myhre, MCF

10:42:01 Sheila Rice, Neighbor Works Great Falls

Opponent Testimony:

None

Informational Witness Testimony:

10:43:58 Brian Olsen, DOR

10:44:29 Aaron McNay, DOR

Questions from Committee:

10:44:55 Chair Paul Fielder

10:45:01 Sen. Greg Hertz-R

10:45:14 Aiden Myhre

10:45:47 Rep. Dave Fern
10:46:14 Mary Rutherford
10:46:56 Rep. Dave Fern
10:47:03 Aiden Myhre

Closing Statement:

10:48:37 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 506.

HEARING ON SB 524 - Revise unrelated business taxable income to include certain legal fees

Opening Statement:

10:50:51 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 524, Revise unrelated business taxable income to include certain legal fees.

Discussion:

[EXHIBIT\(230413TAHa9\)](#)

Proponent Testimony:

11:03:26 Charles Robison, Coal Council

Opponent Testimony:

11:04:06 Liz Moore, Montana Non-Profit

[EXHIBIT\(230413TAHa10\)](#)

11:06:15 Henry Kriegel, Americans for Prosperity

11:07:27 Marc Cook, Wolves of the Rockies

11:09:38 Cari Kimball, Montana Environmental Information Center

11:11:55 Makenna Sellers, Montana Renewable Energy Association

11:13:14 Katjana Stutzer, Montana Backcountry Hunters and Anglers

11:14:33 Kiegan Medrano, ACLU Montana

11:17:16 Susan Evans, Montana Sierra Club

11:21:54 Andrew Gorder, Clark Fork Coalition
11:23:35 Richard Liebert, Citizens for Clean Energy
11:25:38 Jonathan Wood, Property and Environment Research Center
11:27:20 Richard Parks, Northern Plains Resource Council

Questions from Committee:

11:20:58 Rep. Sherry Essmann
11:21:06 Kiegan Medrano

Informational Witness Testimony:

11:29:59 Mark Schoenfeld, DOR

Questions from Committee:

11:30:35 Rep. Russel Miner
11:30:41 Kiegan Medrano
11:30:58 Rep. Russel Miner
11:31:05 Cari Kimball
11:32:10 Rep. Jill Cohenour
11:32:24 Liz Moore
11:35:17 Rep. Dave Fern
11:35:45 Sen. Greg Hertz-R
11:36:47 Vice Chair Mark Thane
11:36:54 Mark Schoenfeld
11:37:33 Rep. Marty Malone
11:37:41 Cari Kimball
11:38:57 Rep. Marilyn Marler
11:39:06 Sen. Greg Hertz-R

Closing Statement:

11:40:11 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 524.

HEARING ON SB 529 - Provide property tax exemption for wireless infrastructure

Opening Statement:

11:43:28 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 529, Provide property tax exemption for wireless infrastructure.

Proponent Testimony:

11:47:39 Ameer Grmoljez

[EXHIBIT\(230413TAHa11\)](#)

11:49:03 Mark Baker, AT&T

11:50:03 Margaret Morgan, T-Mobile

11:50:57 Charles Robison, Montana Chamber of Commerce

11:51:21 Scott Mackey, AT&T, T-Mobile, Verizon

Opponent Testimony:

None

Informational Witness Testimony:

11:54:18 Derek Bell, DOR

11:54:31 Jered Isom, DOR

Questions from Committee:

11:55:03 Chair Paul Fielder

11:55:12 Margaret Moore

11:55:47 Rep. Marty Malone

11:55:56 Margaret Moore

11:57:26 Vice Chair Tom Welch

11:57:35 Derek Bell Dept. of Rev.

11:59:33 Rep. Dave Fern

11:59:41 Derek Bell Dept. of Rev.

[EXHIBIT\(230413TAHa12\)](#)

Closing Statement:

12:01:28 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 529.

HEARING ON SB 554 - Provide optional pass-through entity tax with refundable credit

Opening Statement:

12:02:01 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 554, Provide optional pass-through entity tax with refundable credit.

Discussion:

[EXHIBIT\(230413TAHa13\)](#)

Proponent Testimony:

12:07:09 Allen Lloyd, Montana CPAs

12:07:37 Bob Story, Montana Taxpayers Association

Opponent Testimony:

None

Informational Witness Testimony:

12:08:20 David Merrien, DOR

Questions from Committee:

12:08:49 Rep. Brad Barker

12:08:59 Sen. Greg Hertz-R

Closing Statement:

12:10:49 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 554.

HEARING ON SB 555 - Provide for special spousal trusts with property treated as community property

Opening Statement:

12:11:26 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 555, Provide for special spousal trusts with property treated as community property.

Discussion:

[EXHIBIT\(230413TAHa14\)](#)

Proponent Testimony:

None

Opponent Testimony:

None

Informational Witness Testimony:

12:17:42 David Merrien, DOR

12:17:56 Aaron McNay, DOR

Questions from Committee:

12:18:34 Rep. Dave Fern

12:18:38 Sen. Greg Hertz-R

Closing Statement:

12:19:07 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 555.

HEARING ON SB 530 - Generally revise taxation of new, expanded, or improved industrial property

Opening Statement:

12:20:04 Sen. Greg Hertz (R), SD 6, opened the hearing on SB 530, Generally revise taxation of new, expanded, or improved industrial property.

Proponent Testimony:

12:25:26 Ameer Grmoljez, CRH/MDU Resources

12:29:36 David Smith, Montana Contractors Association

12:30:27 Charles Robison, Montana Chamber of Commerce
12:30:46 Alan Olsen, Montana Petroleum Association
12:31:35 Peggy Trenk, Treasurer State Resources Association
12:32:19 Mark Baker, Kalispell Chamber of Commerce
12:32:58 Bob Story, Montana Taxpayers Association

Opponent Testimony:

12:33:34 Eric Bryson, Montana Association of Counties
12:35:04 Shelby DeMars, Montana association of Oil, Gas and Coal Counties
12:35:36 Ann Hedges, Montana Environmental Informational Center?
12:36:56 Jeff Essmann, Self

Informational Witness Testimony:

12:39:43 Jill Gallagher, DOR
12:40:00 Kory Hofland, DOR
12:40:16 Dylan Cole, DOR

Questions from Committee:

None

Closing Statement:

12:40:47 Sen. Greg Hertz (R), SD 6, closed the hearing on SB 530.

12:43:00 **Committee Discussion:** Chair Fielder

ADJOURNMENT

Adjournment: 12:43:32

Brigitte Bellefleur, Secretary

Additional Documents: [EXHIBIT\(230413TAHaad\)](#)