

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN KARL WAITSCHIES**, on March 22, 2005 at 8:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Karl Waitschies, Chairman (R)
Rep. Gary Branae, Vice Chairman (D)
Rep. Bob Lake, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Edward B. Butcher (R)
Rep. Margaret H. Campbell (D)
Rep. Jill Cohenour (D)
Rep. Wanda Grinde (D)
Rep. George G. Groesbeck (D)
Rep. Dennis Himmelberger (R)
Rep. Carol Lambert (R)
Rep. Dave McAlpin (D)
Rep. Jim Peterson (R)
Rep. John (Jack) W. Ross (R)
Rep. Scott Sales (R)
Rep. Bill Warden (R)
Rep. Brady Wiseman (D)

Members Excused: Rep. Holly Raser (D)

Members Absent: Rep. John Balyeat (R)
Rep. Tom Facey (D)

Staff Present: Jeff Martin, 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 756, 3/15/2005; HB 774,
3/15/2005; HB 776, 3/15/2005; HB
784, 3/15/2005; HB 569, 3/18/2005
Executive Action: HB 569

HEARING ON HB 774

Opening Statement by Sponsor:

00:01:08 REP. DENNIS HIMMELBERGER (R), HD 47, opened the
hearing on HB 774, One-time income tax rebate.

Proponents' Testimony:

00:03:58 TOM MCGILLVRAY, HD 50

Opponents' Testimony: None.

Informational Testimony:

00:14:50 Jim McKeon, Montana Department of Revenue

Questions from Committee Members and Responses:

00:15:13 REP. WARDEN

Closing by Sponsor:

00:15:50 REP. DENNIS HIMMELBERGER (R), HD 47 closed the
hearing on HB 774.

HEARING ON HB 784

Opening Statement by Sponsor:

00:18:47 REP. JILL COHENOUR (D), HD 78, opened the hearing
on HB 784, Decouple state income tax from certain
federal income tax deductions.

Proponents' Testimony:

00:21:23 Dan Bucks, Director, Montana Department of Revenue
[EXHIBIT \(tah63a01\)](#)

00:36:37 Judy Paynter, Office of Budget and Program
Planning

Opponents' Testimony:

00:38:19 Joe Mazurek, represting Semi-Tool Corporation
00:41:41 Webb Brown, Montana Chamber of Commerce

Informational Testimony: None.

Questions from Committee Members and Responses:

00:42:58 REP. BRANAE
00:44:22 REP. WISEMAN
00:51:24 REP. BUTCHER
00:55:21 REP. GRINDE
00:57:31 REP. BUTCHER
01:00:34 REP. ROSS
01:02:36 CHAIRMAN WAITSCHIES

Closing by Sponsor:

01:11:02 REP. JILL COHENOUR (D), HD 78 closed the hearing
on HB 784.

HEARING ON HB 569

Opening Statement by Sponsor:

01:24:06 REP. WALTER MCNUTT (R), HD 37, opened the hearing
on HB 569, Clarify classification and valuation of
oil and gas pipelines.

Proponents' Testimony:

01:26:03 John Alke, MD Resources Group, Inc.
EXHIBIT (tah63a02)
01:28:59 Gail Abercrombie, Executive Director, Montana
Petroleum Association
01:29:31 Jerome Anderson, Attorney, representing Encore
Acquisition Company
01:30:10 Richard Dunbar, Phillips County Commissioner and
Vice President, Oil and Gas Producing Counties
01:30:59 Patrick Montalban, Northern Montana Gas
Association

Opponents' Testimony: None.

Informational Testimony:

01:31:31 Gene Walborn, Montana Department of Revenue

Questions from Committee Members and Responses:

01:32:57 REP. WISEMAN
01:38:24 REP. ROSS
01:41:18 REP. LAMBERT
01:42:41 REP. WARDEN
01:45:11 REP. COHENOUR
01:46:04 CHAIRMAN WAITSCHIES

Closing by Sponsor:

01:47:29 **REP. WALTER MCNUTT (R), HD 37**, closed the hearing
on **HB 569**.

EXHIBIT (tah63a03)

01:51:10 Break
02:00:49 Resume

HEARING ON HB 776

Opening Statement by Sponsor:

02:01:14 **REP. HOLLY RASER (D), HD 98**, opened the hearing on
HB 776, Revise law on taxation of biodiesel and
provide incentives.

EXHIBIT (tah63a04)

Proponents' Testimony:

02:22:05 Nancy Schlepp, Montana Farm Bureau Federation
02:23:27 Barbara Broberg, Montana Women Involved in Farm
Economics
02:24:40 Barry "Spook" Stang, Montana Motor Carriers
Association
02:26:21 Richard Owen, Montana Grain Growers Association
02:26:50 Paul T. Miller, Managing Member, Sustainable
Systems, LLC, Missoula, also speaking for Montola
Growers, Inc., and Western Montana Cenex, Missoula

EXHIBIT (tah63a05)

EXHIBIT (tah63a06)

EXHIBIT (tah63a07)

02:31:42 Linda Gryczan, speaking for Grow Montana
02:32:39 Ronna Alexander, Montana Petroleum Products
02:36:17 Gail Abercrombie, Executive Director, Montana
Petroleum Association
02:38:06 Cary Hegreberg, Montana Contractors Association
02:39:11 Doug Alexander, President, Story Distributing
Company, Bozeman
02:43:29 Tom Livers, Deputy Director, Department of
Environmental Quality
02:44:29 Chris Christiaens, Montana Farmers Union
02:46:28 Jim Barngrover, Alternative Energy Resources
Organization
02:47:45 Leslie McClain, Montana Enviromental Information
Center
02:48:46 Pat Torgerson, self

Opponents' Testimony: None.

Informational Testimony:

02:49:53 Jim McKeon, Montana Department of Revenue
02:50:07 Bob Turner, Montana Department of Transportation

Questions from Committee Members and Responses:

02:50:27 **REP. ROSS**
02:55:29 **REP. LAMBERT**
02:58:07 **REP. BUTCHER**
03:01:21 **REP. COHENOUR**

03:01:39 *REP. FACEY arrived at Committee Hearing.*

03:04:20 **REP. BIXBY**
03:05:49 **REP. BUTCHER**
03:09:07 **REP. WISEMAN**

Closing by Sponsor:

03:12:08 **REP. HOLLY RASER (D), HD 98**, closed the hearing on
HB 776.

HEARING ON HB 756**Opening Statement by Sponsor:**

03:17:25 **REP. GAIL GUTSCHE (D), HD 99**, opened the hearing
on **HB 756**, Encourage production and use of
biodiesel.

Proponents' Testimony:

02:23:27 Barbara Broberg, Montana Women Involved in Farm
Economics (as testified to on HB 776)
03:21:51 Nancy Schlepp, Montana Farm Bureau Federation
03:22:10 Richard Owen, Montana Grain Growers Association
03:22:29 Paul Miller, Sustainable Systems, Missoula

EXHIBIT (tah63a08)

03:23:17 Linda Gryczan, Grow Montana
03:23:38 Gary Amestoy, Richland County Economic Development
Corporation
03:24:54 Tom Livers, Department of Environmental Quality
03:25:20 Chris Christiaens, representing Montana Farmers
Union
03:26:23 Leslie McClain, Montana Environmental Information
Center
03:26:42 Jim Barngrover, Alternative Energy Resources
Organization

Opponents' Testimony:

03:27:07 Barry "Spook" Stang, Executive Vice President,
Montana Motorcarriers Association
03:28:31 Carey Hegreberg, Montana Contractors Association

Informational Testimony:

03:30:09 Jim McKeon, Montana Department of Revenue
03:30:23 Bob Turner, Montana Department of Transportation

Questions from Committee Members and Responses:

03:30:39 REP. BUTCHER
03:35:44 REP. WARDEN
03:38:04 CHAIRMAN WAITSCHIES

Closing by Sponsor:

03:39:50 REP. GAIL GUTSCHE (D), HD 99 closed the hearing on
HB 756.

ADDITIONAL TESTIMONY ON HB 752

03:42:36 REP. SALES
03:43:37 Robert Julian, Belgrade Resident
[EXHIBIT](#) (tah63a09)

EXECUTIVE ACTION ON HB 569

03:51:12 **Motion:** REP. FACEY moved that HB 569 DO PASS.

03:51:24 **Motion:** REP. FACEY moved that HB 569 BE AMENDED.
[EXHIBIT](#) (tah63a10)

Discussion:

03:53:08 REP. FACEY
03:56:36 REP. WARDEN
03:56:49 REP. BUTCHER
04:00:10 REP. FACEY
04:02:36 REP. PETERSON
04:04:51 REP. FACEY
04:08:45 REP. PETERSON
04:10:43 REP. FACEY

04:10:54 Without objection REP. FACEY withdrew the motions.

04:11:07

ADJOURNMENT

Adjournment: 12:15 P.M.

REP. KARL WAITSCHIES, Chairman

DEBRA POLHEMUS, Secretary

KW/dp

Additional Exhibits:

EXHIBIT ([tah63aad0.PDF](#))