

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 7, 2006 in Room 519-S of the Capitol.

All members were present except:
Representative Mario Goico- excused

Committee staff present:
Chris Courtwright, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Others attending:
See attached list.

The Chairman opened the floor for bill introductions.

Representative Carlson made a motion to introduce a bill relating to motor vehicles; providing for a 90-day timber permit for farm trucks (Attachment 1). Representative Wilk seconded the motion. The motion carried.

Representative Brunk made a motion to introduce a bill regarding advanced placement classes, college level. Representative Siegfried seconded the motion. The motion carried.

Representative Thull made a motion to introduce a bill pertaining to a tax exemption for the current owners of property that had been owned by the same family for more than 100 years. Representative Treaster seconded the motion. The motion carried.

Sub for HB 2080 - The bill would incorporate the contents of HB 2080, as amended; HB 2006; HB 2219; HB 2221; HB 2236; HB 2244; HB 2290; HB 2056 and the Kinzer amendment.

Chris Courtwright briefed the Committee on the fiscal note of approximately \$175,000 in tax losses (Attachment 2). This is the split between the two projections.

Representative Owens made the motion that **Sub for HB 2080** be passed out favorable for passage. Representative Brunk seconded the motion.

Discussion followed questioning the rationale of the selection policy for tax exemptions between not-for-profit organizations.

Representative Owens said that this process is the current tax policy and until they change the process it is appropriate to grant tax exemption to those that have followed the rules. He moved his motion on **Sub for HB 2080**. The motion passed 11-9.

HB 2548 - Three-year phase out of the franchise tax

The Chairman opened the floor for discussion on the bill.

Representative Brunk made a motion that **HB 2548** be passed out favorable for passage. Representative Gordon seconded the motion.

Discussion followed regarding the pros and cons of fiscal responsibility verses expanded opportunity for businesses due to tax relief.

Representative Brunk closed and moved his motion. The motion passed.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 7, 2006 in Room 519-S of the Capitol.

Substitute HB 2023 - Uniformity and the Excise Tax

The Chairman opened the discussion by asking Representative Siegfroid to review the bill that came out of the sub-committee. Gordon Self explained the process of substitute motions and amendments. Representative Siegfroid moved that they insert the sub-committee report as shown in **5rs1449** (Attachment 3) into **Substitute HB 2023**. Representative Thull seconded the motion. The motion carried.

Representative Siegfroid reviewed the sub-committee report. The effects of this bill are: 1) Deals with city sales tax authority only; 2) Sales tax adopted by claim of home rule authority prior to July 1, 2006 will be "grand-fathered" and; 3) Cities are reduced from four-plus classes of cities to one. The bill has a .03 cap for all cities (.02 for normal tax and .01 special tax), with a sunset after 10 years.

Gordon Self explained the charter process that is current law today.

Discussion continued on the differences in excise, impact, fees and sales taxes.

The Chairman closed the discussion on **Substitute HB 2023**. When they resume their discussion. Representative Owen will have the floor, followed by Representative Dillmore and Gordon.

Representative Kinzer announced a Sub-Committee on **HB 2680** on March 9, noon in room 123-S.

The meeting was adjourned at 10:30 P.M. The next meeting is March 8, 03/08/2006 2006.