

Tax Reform Study Committee Invites Public Comment

If you haven't given your "two cents worth" to the Tax Reform Study Committee on the best tax structure for Montana, there is still an opportunity to do so.

The Tax Reform Study Committee, an interim committee created by the 2003 Legislature, has been examining Montana's state and local government tax structure extensively over the past year. The committee has developed several proposals and will be reporting its findings to the 2005 Montana Legislature.

Before the final report is written, the committee would like to offer you and other Montana taxpayers one more opportunity to express your ideas, thoughts and concerns.

Public comment on the various proposed tax changes will be a main agenda item at the committee's next meeting. The day-and-a-half meeting has been scheduled for September 16 (all day) and September 17 (morning only). Time has been allotted on the agenda for public comment on Thursday afternoon (1 p.m. - 5 p.m.) and, if necessary, on Friday morning (beginning at 8:30 a.m.). The meeting will be located at the State Capitol Building, Room 317, Helena.

Specifically, the committee would like to hear your viewpoint on various tax proposals that have been addressed and discussed by the committee over the course of their deliberations. The proposals will be presented by committee members the morning of September 16, and opened to public discussion that afternoon. Reform proposals under consideration include a proposal:

- For comprehensive tax reform that would implement a general retail sales tax to provide property and/or individual income tax relief;
- For a gross receipts tax on the sales of "big box" stores;
- For a new soft drink tax;
- To prevent further reductions in business equipment taxes;
- To repeal certain provisions of Senate Bill 407 (2003) that reformed and reduced individual income taxes;
- To reduce property taxes on certain mines, cooperatives, and utilities;
- To increase the minimum tax paid by corporations in Montana;
- To increase gambling taxes;
- To decrease and reform taxes paid on bentonite mining in Montana; and
- To provide for added incentives for mining coal in Montana.

If you are not able to attend but would like to express your views, you may send an e-mail message to Larry Finch, Department of Revenue, at lfinch@state.mt.us or mail correspondence to Tax Reform Study Committee, P.O. Box 5805, Helena, MT 59604-5805.

Committee membership roster, meeting agendas, minutes and supplemental materials are available at www.discoveringmontana.com/revenue.

Background Information

Senate Bill 461, passed during the 2003 Legislature, created the Tax Reform Study Committee. The purpose of the committee is to conduct a comprehensive examination of taxation in Montana, and to evaluate all of the current forms of taxation in terms of their adequacy, efficiency, burden on taxpayers, fairness, ability to be exported, and impact on the economic behavior of businesses and individuals.

The committee has explored means of reforming existing taxes, and also examined and evaluated new sources of taxation, such as a general sales tax, as an option for improving the current tax structure.

The committee has solicited the knowledge and advice of economists, tax policy experts, and representatives of taxpayer groups, local governments, small business organizations, large industry, agriculture, and economic and business development organizations.

The Tax Reform Study Committee's final report to the Montana Legislature, along with recommendations and legislation needed to implement the recommendations, is due no later than December 1, 2004.

The committee is composed of four Senators, four members of the House of Representatives, and four non-legislative members representing small business, large industry, agriculture and labor.

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