

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2060

2001 SENATE FINANCE AND TAXATION

SB 2060

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2060

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/15/01

Tape Number	Side A	Side B	Meter #
1		x	0.1
1/16/01 - 1		x	34-end
1/16/01 - 2	x		0-4.7

Committee Clerk Signature *Aynelle M. Kraft*

Minutes:

Senator Urlacher: Called the hearing on SB 2060, relating to penalties for income tax and sales or use tax purposes.

Gary Anderson: Director of Sales & Special Taxes for State Tax Department, testified in support of the bill. Written testimony attached.

Senator Stenehjem: If I had 15 employees and I don't turn in any of the income tax withholdings, does that put me in the 15 or more categories right right away or is that one instance?

Gary Anderson: It does not put you in that category right away. In the current system, it's based on your actual number of returns that are delinquent. That's one return that they file, regardless of the number of employees.

Senator Stenehjem: If I'm a retailer selling in many different cities, and I'm not paying the monies back, then I'm in violation for the state, plus every city?

Gary Anderson: Each city stands alone. We don't total this group and say we have 15 different taxing authorities so you've got 15 delinquencies at one time.

Senator Stenehjem: Continues to ask questions of Gary Anderson to clarify delinquencies. Through meter number 14.1.

Senator Nichols: How would this affect a farmer/rancher?

Gary Anderson: For a few exceptions, the same would apply if they were annual filers.

Dan Rouse: Legal Counsel for the Tax Department, made a comment to clear up the questions that Senator Stenehjem had. The bill would be applied retroactively.

Bill put aside for further discussion to add an emergency clause.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 1/16/01 meter number 34-end on Tape 1, Side B, 0-4.7, Tape 2, Side A. Dan Rouse appeared to answer questions and clarify some things-penalties, percents, and the retroactive application. Introduced amendment.

AMENDMENT ACTION:

Motion made by Senator Stenehjem, Seconded by Senator Wardner, to move amendment numbered 1080.0100. ~~Voice Vote~~ taken. All in favor, amendment adopted.

COMMITTEE ACTION: 1/16/01

Motion made by Senator Stenehjem for DO PASS AS AMENDED, Seconded by Senator Christmann. Vote was 6 yeas, 0 nay, and 0 absent or not voting. Bill carrier was Senator Stenehjem.

FISCAL NOTE
 Requested by Legislative Council
 12/18/2000

Bill/Resolution No.: SB 2060

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2060 changes the penalty provisions for delinquent sales and withholding returns to one that is more administratively workable and fair. There are positive and negative fiscal effects associated with this bill, but the exact fiscal impact cannot be determined.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/12/2001

18080.0100
Title.

Prepared by the Office of State Tax
Commissioner
January 16, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2060

Page 5, remove lines 7 through 8

Renumber accordingly

Date: 11/10/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2000

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 18080.0100

Action Taken Move Amendment (Voice Vote)

Motion Made By Stenehjem Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 11/16/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2060

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Stenehjem Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Stenehjem

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 16, 2001 4:00 p.m.

Module No: SR-06-1083
Carrier: Stenehjem
Insert LC: 18080.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2060: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2060 was placed on the Sixth order on the calendar.

Page 1, line 3, after the first semicolon insert "and" and replace "; and to" with a period

Page 1, remove line 4

Page 5, remove lines 7 and 8

Renumber accordingly

2001 HOUSE FINANCE AND TAXATION

SB 2060

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2060

House Finance and Taxation Committee

Conference Committee

Hearing Date March 7, 2001

Tape Number	Side A	Side B	Meter #
1		X	99

Committee Clerk Signature

Jamie Stein

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing and read the fiscal note.

GARY L. ANDERSON, DIRECTOR OF SALES & SPECIAL TAXES, STATE TAX

COMMISSIONER'S OFFICE, Testified in support of the bill. See attached written testimony.

REP. CARLSON What did you collect last year?

GARY ANDERSON Stated he didn't have that figure.

REP. CARLSON I see the Senate took out the date where you had it effective December 31, 2000.

GARY ANDERSON When the bill was drafted, I am not sure, how the numbers were put in there, I think in our legal work on the bill, it was put in there. When the Senate looked at that, they were wondering if that was an important feature, and it certainly wasn't, so we agreed that it should come out and take place August 1, without the extended effective date.

Page 2
House Finance and Taxation Committee
Bill/Resolution Number SB 2060
Hearing Date March 7, 2001

REP. CARLSON The penalties will be the same for both, in the end, is there really going to be very much difference, you are using different methodology, but will the actual fine be that much different?

GARY ANDERSON It is our belief, that it will not. What happened in our case, we have run into situations frequently, where somebody will have failed to file a return and if they are filing in several cities, they have all of these penalties for each city, obviously, you can understand that if somebody has a two hundred dollar tax liability, they end up with a thousand dollar penalty interest billing because of all of the combinations of state and city taxes, we certainly take that into allowance and do some adjustments, that these taxpayers have shown us that they were making an effort and just slipped up. There has been some adjustments to equalize that, certainly not waiving all of it, but at least adjusting it. This will basically, bring it into line with what we are doing anyway. I don't see a major change here.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-7-01, TAPE 1, SIDE B, METER #3628

REP. CLARK Made a motion for a **DO PASS**.

REP. SCHMIDT Second the motion. **MOTION CARRIED.**

11 YES 0 NO 4 ABSENT

REP. CLARK Was given the floor assignment.

Date: 3-7-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2060

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Clark Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	A	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	A	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	A		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	A				

Total (Yes) 11 No 0

Absent 4

Floor Assignment Rep. Clark

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 7, 2001 1:22 p.m.

Module No: HR-39-5016
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2060, as engrossed: Finance and Taxation Committee (Rep. Carlson, Chairman)
recommends **DO PASS** (11 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING).
Engrossed SB 2060 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2060

