

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2351

2001 SENATE FINANCE AND TAXATION

SB 2351

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2351

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/30/01

Tape Number	Side A	Side B	Meter #
1		x	16,7-29,2
2/5/01 - 2		x	25-36,9
Committee Clerk Signature <i>Lynette M. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2351, relating to an option for the lessee of a motor vehicle under a long-term lease to pay sales or use taxes on lease payments.

Senator David O'Connell: Co-sponsored the bill, testified in support. This would help college kids.

Rick Clayburgh: State Tax Commissioner, testified neutrally. Explains there is a similar bill in the House.

Senator Stenhjem: If you buy a new vehicle you pay the taxes again, so why not on leases?

Rick Clayburgh: Explains the difference and the tax influence on consumer choice.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 2/5/01. Meter number 25-36.9.

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Senate Finance and Taxation Committee  
Bill/Resolution Number 2351  
Hearing Date 1/30/01

COMMITTEE ACTION: 2/5/01

Motion made by Senator Christmann for a DO NOT PASS, Seconded by Senator Wurdner. Vote was 5 yeas, 1 nay, 0 absent and not voting. Bill carrier was Senator Christmann.

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/24/2001

Bill/Resolution No.: SB 2351

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			(\$3,960,000)	(\$344,000)		
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 2351 allows taxpayers leasing vehicles the option to pay sales and use taxes on the monthly lease payments rather than motor vehicle excise tax on the full lease price of the vehicle.

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.*

The provisions of SB 2351 are expected to reduce motor vehicle excise tax collections by \$7,598,000 and increase sales and use tax collections by \$3,294,000 for a net effect of -\$4,304,000 during the 01-03 biennium. This would affect the state general fund and the state aid distribution fund.

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:** Kalhryn L. Strombeck

**Agency:** Tax Department

**Phone Number:** 328-3402

**Date Prepared:** 01/29/2001

Date: 2/5/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2351

Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By Christmann 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) 5 No 1

Absent 0

Floor Assignment Christmann

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

**REPORT OF STANDING COMMITTEE (410)**  
February 6, 2001 1:41 p.m.

**Module No: SR-21-2499**  
**Carrier: Christmann**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2351: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO NOT PASS (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2351 was placed on the Eleventh order on the calendar.**