

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

4029

2001 SENATE FINANCE AND TAXATION

SCR 4029

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 4029

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2/12/01

Tape Number	Side A	Side B	Meter #
I	x		0-5
2/14/01 - 1		x	15.2-23.2
Committee Clerk Signature <i>Lynelle A. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 4029, a resolution urging Congress to eliminate the marriage penalty.

Senator Jerry Kelsh: Co-sponsored the bill, testified in support. This encourages a bill that Conrad & Pomeroy put in on the marriage tax. Written testimony attached.

Senator Christmann: Is this essentially the same as the one that was vetoed last year?

Senator Jerry Kelsh: No, this is a little different and it's not quite as negative to the budget as that one was.

Discussion followed. Senator Christmann to look into it.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 2/14/01. Meter number 15.2-23.2

Senator Christmann: Informed committee that the bill refers to so many sections of federal code that it's hard to understand what it's actually saying. I don't think we should pass a resolution

urging one particular solution to the problem, but just urging that there should be a solution and recognizing that some of these solutions people tend to be on both sides of.

Senator Nichols: I don't know if any of us probably know of all the things that were included in those bills. Sometimes there's much more to a bill than just what the title is. Maybe there was reasons that it was vetoed and Congressman Pomeroy voted the way he did. I plan to oppose the amendment.

Senator Kroeplin: I'll echo what Senator Nichols said.

Senator Nichols: Does the amended bill still send the same message?

Senator Christmann: The final message is that this legislative assembly urges the Congress of the United States to support and pass legislation to eliminate the marriage tax penalty. It's not asking for the Democratic sponsored legislation or the Republican sponsored legislation. It's neutral, were asking for legislation to do that.

AMENDMENT ACTION:

Motion made by Senator Christmann, Seconded by Senator Wardner, to move amendment numbered 18348.0101. Roll call vote taken. Vote was 4 yeas, 2 nays, 0 absent.

Amendment adopted.

COMMITTEE ACTION:

Motion made by Senator Christmann for a DO PASS AS AMENDED, Seconded by Senator Stenehjem. Vote was 4 yeas, 2 nays, 0 absent and not voting. Bill carrier was Senator Christmann.

18348.0101
Title.

Prepared by the Legislative Council staff for
Senator Christmann
February 14, 2001

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4029

Page 1, after line 10, insert:

"WHEREAS, President Bill Clinton vetoed the Marriage Tax Relief Reconciliation Act of 2000 which sought to address the marriage tax penalty; and

WHEREAS, Congressman Earl Pomeroy voted to sustain President Clinton's veto of the Marriage Tax Relief Reconciliation Act of 2000; and"

Page 1, line 17, remove "Congressman Pomeroy's proposed"

Renumber accordingly

Date: 2/14/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4029

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 18348.0101

Action Taken Move Amendment

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 Kroepflin		✓			
Senator Nichols		✓			

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

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

Date: 2/14/01
Roll Call Vote #: 7

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4029

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Christmann Seconded By Stenehjem

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

Total (Yes) 4 No 2

Absent 0

Floor Assignment Christmann

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

REPORT OF STANDING COMMITTEE

SCR 4029: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SCR 4029 was placed on the Sixth order on the calendar.

Page 1, after line 10, insert:

"WHEREAS, President Bill Clinton vetoed the Marriage Tax Relief Reconciliation Act of 2000 which sought to address the marriage tax penalty; and

WHEREAS, Congressman Earl Pomeroy voted to sustain President Clinton's veto of the Marriage Tax Relief Reconciliation Act of 2000; and"

Page 1, line 17, remove "Congressman Pomeroy's proposed"

Renumber accordingly

2001 HOUSE FINANCE AND TAXATION

SCR 4029

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4029

House Finance and Taxation Committee

Conference Committee

Hearing Date March 21, 2001

Tape Number	Side A	Side B	Meter #
1		X	1,015
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing.

SEN. EVERY, Testified in support of the resolution as a co-sponsor. He had not prepared to testify, but was the only sponsor who appeared for the hearing.

REP. CARLSON Read from the resolution, and asked Sen. Every if he agreed with the statements in the resolution.

SEN. EVERY Yes, and in fact, a colleague of mine, who is divorced, stated, marriage should be penalty enough.

REP. SCHMIDT Would you care if we amended this to make it retroactive?

SEN. EVERY It wouldn't hurt my feelings.

With no further testimony, the hearing was closed.

Page 2

House Finance and Taxation Committee

Bill/Resolution Number SCR 4029

Hearing Date March 21, 2001

COMMITTEE ACTION 3-21-01, TAPE #1, SIDE B, METER #2940

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

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

13 YES 0 NO 2 ABSENT

REP. KROEBER Was given the floor assignment.

Date: 3-21-01
 Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SCR 4029

House FINANCE & TAXATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Renner Seconded By Rep. Brandenburg

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

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep. Kroeber

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

REPORT OF STANDING COMMITTEE (410)
March 21, 2001 11:27 a.m.

Module No: HR-49-6265
Carrier: Kroeber
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4029, as engrossed: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SCR 4029 was placed on the Tenth order on the calendar.

2001 TESTIMONY

SCR 4029

Congressman Pomeroy's Bill:

1. Would give a married couple a choice to file which would eliminate the marriage penalty.

2. It establishes a split in the income between the spouses:

a. Earned income, and pension income, is attributed to each spouse as the income is earned by each spouse.

b. Passive income (interest, capital gains, etc. on investments) is attributed to the individual who owns the property, if joint ownership the income is split.

c. Income exclusions are treated as the exclusion of the person who would otherwise include the income.

3. It establishes a split in the deductions:

a. Deductions go to the spouse who has the income the deductions to which the deduction would apply.

b. Each spouse would get one personal exemption for themselves.

c. Itemization of deductions - decision must be made together and apply to each as if not married.

d. Other deductions are essentially distributed on a pro-rata basis based on the income of the spouse. So if one spouse makes 20% of the income they would receive 20% of the deduction.

4. It establishes a split in the credits. Generally credits are shared pro rata, the earned income credit is determined as if each person were a separate taxpayer, except children are allocated based upon income of each spouse.

There are other provisions that relate to a phase in of this bill so the benefit is fully effective in 2004.

