

1 SENATE JOINT RESOLUTION NO. 25

2 INTRODUCED BY B. HOVEN

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING AN INTERIM STUDY TO DESIGN A SALES TAX.6
7 WHEREAS, there is never enough money for local governments, property tax relief, income tax
8 reduction, district court judges, public defenders, mental health treatments, caregiver raises, and other
9 government and societal needs and requests; and10 WHEREAS, a sales tax is based on ability to pay and collections rise as the economy grows while
11 property taxes are not based on ability to pay and only go up when the taxing jurisdictions levy more; and

12 WHEREAS, it will be enlightening to see what can be accomplished with a sales tax; and

13 WHEREAS, designing a sales tax over the interim allows for more public input and detailed committee
14 discussions that are more difficult during the legislative session.15
16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
17 THE STATE OF MONTANA:18 That the Legislative Council be requested to designate an appropriate interim committee or statutory
19 committee, pursuant to section 5-5-217, MCA, to design a sales tax.

20 BE IT FURTHER RESOLVED, that as part of designing the sales tax, the committee shall:

- 21 (1) assume a 4% statewide tax rate;
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- 22 (2) identify sales and services subject to and exempt from the tax;
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- 23 (3) provide for distribution of the revenue;
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- 24 (4) recommend changes to other state taxes, as appropriate;
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- 25 (5) consider elements to address the fairness of a sales tax; and
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- 26 (5) determine whether to allow local option sales taxes.

27 BE IT FURTHER RESOLVED, that the committee be directed to appoint a subcommittee, pursuant to
28 section 5-5-211(7), MCA, to undertake the study for the purpose of including nonlegislative members in the

1 study process. Members of the subcommittee may include but are not limited to:

2 (1) a representative of city government;

3 (2) a representative of county government;

4 (3) a representative of a school district;

5 (4) a tax policy expert;

6 (5) an infrastructure expert;

7 (6) a representative of business or industry;

8 (7) an economist or other academic with tax policy expertise; and

9 (8) a representative of the department of revenue as a nonvoting member.

10 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
11 requirements, be concluded prior to September 15, 2022.

12 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
13 comments, or recommendations of the appropriate committee, be reported to the 68th Legislature.

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