

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION
February 3, 1971

PRESENT: KEAN, LINGENFELTER, SWALLOW, MAY, SMALLEY, GLASER, SMITH

GUESTS: Kent, Knisley, Cunningham, Buchanan, the press

Chairman Kean convened the meeting at 8:06.

AB-22 - excludes federal excise tax in determining tax base for vehicle privilege tax- Because this tax is distributed to the cities and counties, Mr. Kean questioned the effect of the loss of revenue. He stated there was a move to raise the privilege tax from \$4 to \$5, and this could replace the tax loss resulting from enactment of this bill. Mr. Swallow and Mr. Smith objected to a tax on a tax, which this bill would eliminate. The Committee decided to delay AB-22 until the privilege tax bill comes through.

AJR-14* - Proposes constitutional amendment to exempt inventories of merchants and household property from ad valorem property tax.

Because this bill is ambiguous the meaning is not clear, but if the bill is rewritten two years work would be lost. Mr. Smith stated this was not a fair tax because the merchants were not paying a fair share. The inventory tax paid was not indicative of the amount of stock that was bought and sold over the year. There should be a transaction tax -- a tax that would be workable, collectable and fair. Mr. Glaser said he thought the Committee should consider rewording the bill so that it said exactly what they meant it to say and lose the two years. Mr. Smith and Mr. Glaser were appointed to make a study of the bill.

AB-112 - Increases property tax exemption for widows and orphans.-- Mr. Kean stated 80% of the nation's wealth was in the hands of widows, and the age of the orphans to be affected was not specified. Mr. Smalley and Mr. Swallow were of the opinion that a large percentage of the senior citizens with fixed incomes needed this increased exemption and suggested that perhaps the bill could be changed to specify an income. Mr. Smith and Mr. Swallow were appointed to study this bill and report to the Committee.

AB-80 - extends property tax exemption to aged and to all veterans. -- It was the opinion of the Committee that those veterans with disabilities should receive tax exemptions but not all veterans.

Mr. Cunningham spoke on the 'sale of tax delinquent mining claim' bill and stated the situation as it now exists encourages speculation, defeating the original purpose of lenient sales terms which was to encourage mining. Mr. Knisley stated many old men made their living this way and these lenient terms meant more to them than the increased revenue would mean to the counties.

Meeting adjourned.

*From the 55th Session

ASSEMBLY

AGENDA FOR COMMITTEE ON Taxation

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Date February 3 Time 8 A.M. Room 240

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Testimony Counsel requested*</u>
AJR-14	Proposes constitutional amendment to to exempt inventories of merchants and household property from ad valorem property tax. We are considering whether to dispose of one year's progress on this bill or postpone indefinitely and rewrite to clear up reported ambiguous language on page 2.	
AB-112 & AB-80	Extends property tax exemption to aged and to all veterans. - We will consider these two bills together and discuss the possibility of rewriting this act by taking into account the fact that there are many wealth widows. (Artical 10, Section 1, last line of the Constitution "No inheritance or estate tax shall ever be levied, and there shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes."	
AB-22	Excludes federal excise tax in determining tax base for venicle privilege tax.	
AB-57	Requires county to sell delinquent patented mining claims. - Give some thought to omitting this section entirely and include mining claims along with the same paralell action as any tax delinquent property.	Mr. Smith and Mr. Howard Gra

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

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