

Approved: 4-30-97
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION..

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on March 18, 1997 in Room 313-S of the Capitol.

Committee staff present: Chris Courtwright, Legislative Research Department
Tom Severn, Legislative Research Department
Don Hayward, Revisor of Statutes
Shirley Sicilian, Department of Revenue
Ann McMorris, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

Chair continued the process of evaluation on setting criteria on 24 proposed bills on the linear rating form he provided each member of the committee. (Attachment 1). Kline described the process to complete the linear rating form. At this point a time out was called while the members completed their rating form. After approximately one half hour all were through, the forms were collected and results will be tabulated and reported at the next meeting.

The next meeting is scheduled for March 19, 1997.

Adjournment.

Attachment - 1

TAXATION COMMITTEE GUEST LIST

DATE: March 18, 1997

NAME	REPRESENTING
Duane Waterworth	Division of the Budget
Clarey + Irma Moses	sponsors - government class - Little River High School
Chris Nelson	Senior Class - LHS
Chuck Stokes	KBA
Mary Barcellona	K DODD
Keith Rains	Sponsor - Am. govt. - Little River
Drew Jones	Gotland, Sweden, Europe, Earth
Samanda Johnson	Little River High School
Sally Hodgson	Little River High School
Christina Schmidt	Little River H.S.
Mariah Minger	Little River H.S.
Ash Borgstrom	LRHS
Branden Hall	Melrose Junior High
Bill Jancee	BOEING
Ed Guin	Peterson Public Affairs
Gene Helthaus	Western Resources
JAN PROENBERGER	BRAD SMOOT
Callee Bell Denton	K. Peterson's Assoc.
Susan M. Baker	Hein + Weir

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative A: Property Tax: 29 – 25 mills

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative B: Property Tax: \$30,000 homestead exemption / 31 mills

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative C: Property Tax: \$40,000 homestead exemption / 27 mills

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative D: Property Tax: \$20,000 exemption on all property

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative E: Property Tax: 20 – 20 mills

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative F: Property Tax: 25 – 25 mills

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative G: Adoption credit

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative H: Tax Credit on Business Machinery

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative I: Remodeling sales tax repeal

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative J: Singles Income tax equalization

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative K: Homestead qualification increase (Governor's Rec.)

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative L: Sales tax rebate on food (Governor's Rec.)

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative M: Elimination of sales tax on food (8 years)

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative N: Inheritance Tax replaced by Pick-Up Tax

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative O: Earned income tax credit

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative P: \$500 tax credit for employers of dev. disabled

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

1-8

Linear Rating Form

- Evaluation Criteria**
- A. Fairness
 - B. Regressivity
 - C. Simplification
 - D. Significant / Meaningful Relief
 - E. Broad-based relief
 - F. Funding of Government

Alternative Q: Long term health care deduction (Mayans)

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative R: Fit and Trim (27%)

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative S: Exemption for religious purchases

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative T: Insurance Premium tax reduction

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative U: \$10,000 exemption on private/public pension - equalize

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Alternative V: Broadcast machinery exemption

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
A		1	2	3	4	5	6	7
B		1	2	3	4	5	6	7
C		1	2	3	4	5	6	7
D		1	2	3	4	5	6	7
E		1	2	3	4	5	6	7
F		1	2	3	4	5	6	7
G		1	2	3	4	5	6	7

Total Score _____

Final Rank _____

Linear Rating Form

- Evaluation Criteria**
- A. Fairness**
 - B. Regressivity**
 - C. Simplification**
 - D. Significant / Meaningful Relief**
 - E. Broad-based relief**
 - F. Funding of Government**

Alternative W: Sales tax exemptions (HB 2107) not already mentioned

Criteria		Least Desirable					Most Desirable	
		1	2	3	4	5	6	7
	A	1	2	3	4	5	6	7
	B	1	2	3	4	5	6	7
	C	1	2	3	4	5	6	7
	D	1	2	3	4	5	6	7
	E	1	2	3	4	5	6	7
	F	1	2	3	4	5	6	7
	G	1	2	3	4	5	6	7

Total Score _____

Final Rank _____

What do you feel is the ideal tax relief plan that the tax committee and the House should pass?

What is the ideal fiscal note the House should pass on a tax relief plan?

Rank the top five methods or areas that should be used to fund tax relief this year (#1 being the most preferable).

1. _____
2. _____
3. _____
4. _____
5. _____