

2009 HOUSE FINANCE AND TAXATION

HCR 3032

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3032

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: February 10, 2009

Recorder Job Number: 9083

Committee Clerk Signature

Minutes:

Chairman Belter: I will open the hearing on HCR 3032.

Representative Headland: I am here to ask you to support HCR 3032. We all know what is happening nationally. We are going through a recession. The circles that I run in believe that there are some keys to making the recession short-lived. They are addressed in the five "whereas". The presidential campaign talked about tax increases on the richer individuals and I believe that would be problematic with a short-lived recession. I don't believe it would be a good time to raise income tax. I also don't believe that a time of recession is the time to allow the tax structure we currently have to go away. The alternative minimum tax has been a debacle since its inception and needs to be permanently fixed. The rhetoric also talked about increases in capital gains taxes. I think, if you look at who the individuals are who will help turn this recession around by investing that it would be irresponsible to raise taxes on them. Also, it is my belief that this whole recession was caused because of the housing debacle. I believe if you allow for the purchasing of homes in foreclosure by speculators, it may impact what is going on in the country and shorten the recession. That's what the resolution states and I stand for questions.

Brian Kramer, North Dakota Farm Bureau: I am standing in front of you to support HCR 3032. I think the "whereas's" speak to the issue very well. We certainly see worth in this resolution. Our organization has always supported anything that would reduce capital gains tax. Agriculture producers are some of the most heavily capitalized folks in the nation. When they turn those farms over and try to reap the benefits of the sales of those capital gains, they are hit pretty hard with the taxes. We certainly support the resolution.

Chairman Belter: Any further testimony in support of 1332. If not, any opposition to 1332.

John Risch, United Transportation Union: It is probably a bad idea to oppose a resolution like this, but I thought I would just stop by and nitpick it a little bit. The first "whereas" talks about most North Dakotans believing that increasing individual income taxes for any individual is the wrong approach. I would argue that if you took a poll of North Dakotans and asked them if we should raise income taxes on people earning more than a million dollars a year, they would probably support that. On a broad scale, it would probably not be favorable; but for the wealthiest North Dakotans, I think they would support that. The next "whereas" talks about the fact that allowing the tax revisions to expire would be a tax increase. That is arguably true, but I just want to remind the committee that the last tax deduction provisions had an expiration date because that was the way it was able to pass. It was a great compromise. This will be a temporary thing. We don't know the situation of government, how the revenues and expenditures will go. We will make this temporary. Anyone who wants it to continue on will have to argue the merits at the expiration. The alternative minimum tax in the next "whereas" was enacted originally because far too many people in this country had far too many deductions. Although they had great wealth and great income, they were able to deduct so many things that this alternative minimum tax came about. Granted it hasn't been adjusted for inflation like it should have been. That might be a fix. Repealing it might not be the answer,

but adjusting it for inflation and making it somewhat higher might be the answer. I work as a railroad engineer. I make a good income; my wife has a good job and we have never been hit by the alternative minimum tax. I have asked my taxman about it. We have a farm and deduct a bunch of stuff, but it has never affected me. The next "whereas" talks about an increase in the capital gains tax. I would argue that capital gains should be taxed as ordinary income. One of the problems is that those who work for their wages get taxed at a higher rate than those who have their money working for them. It has long been our position that people who work for wages should not be taxed at a higher rate than those who have their money working for them. That concludes my testimony. Now you can beat up on me.

Representative Headland: We don't beat up on anybody in this committee. What union do you represent?

John Risch: United Transportation Union, Railroad Workers Across North Dakota. We support progressive tax policy and that is the basis for me being here today.

Representative Headland: You mentioned that if polled, North Dakotans would probably agree with raising the tax on millionaires. I am just wondering if we polled your group, if they would agree that we should raise taxes on them.

John Risch: I think any group you would poll asking if they wanted their taxes raised would say no. The old adage—don't tax you, don't tax me, tax that fellow behind that tree. We all like to see somebody else pay tax.

Chairman Belter: Any other questions. I won't argue with you, but I think you are absolutely wrong. Any other opposition to HCR 3032. Any neutral testimony on 3032. If not, we will close the hearing on 3032.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 3032

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/10/09

Recorder Job Number: 9122

Committee Clerk Signature

Lou Engelson

Minutes:

Chairman Belter opened the hearing on HB 3032.

Rep. Grande: I move a do pass.

Chairman Belter: I have a motion for a do pass.

Rep. Brandenburg: Second.

Chairman Belter: I have a motion from Rep. Grande and a second from Rep. Brandenburg.

Any discussion? If not, will the clerk read the roll for a do pass on HB 3032.

8 yes, 4 no, 1 absent. Rep. Headland was assigned to carry the bill.

Date: 2/10/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3032

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Grande Seconded By Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich		/
Vice Chairman David Drovdal	/		Representative Kelsh		/
Representative Brandenburg	/		Representative Pinkerton		/
Representative Froseth	/		Representative Schmidt		/
Representative Grande	/		Representative Winrich		/
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 8 No 4

Absent 1 (Froelich)

Floor Assignment Headland

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

REPORT OF STANDING COMMITTEE (410)
February 11, 2009 8:34 a.m.

Module No: HR-27-2347
Carrier: Headland
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3032: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (8 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HCR 3032 was placed on the Eleventh order on the calendar.

2009 SENATE FINANCE AND TAXATION

HCR 3032

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3032

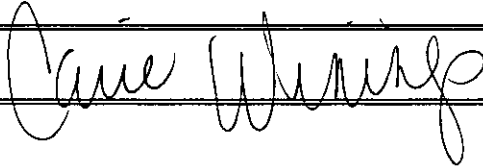
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 03/24/2009

Recorder Job Number: 11460

Committee Clerk Signature



Minutes:

Chairman Cook: Opened the hearing on HCR 3032.

Representative Craig Headland, District 29: Testified as a sponsor and in support of the bill. (Explained the resolution)

1.45 **Chairman Cook:** Further testimony?

2.05 **John Risch, United Transportation Union:** Testified in opposition to HCR 3032. In looking at the economy, this resolution appears to be a bad idea. Goes through the bill and sites several places that there were concerns on the bill.

6.38 **Vice Chairman Miller:** How much money is too much money to make?

John Risch: There is no limit. There is no such thing as enough. We should not give someone special treatment.

Vice Chairman Miller: Wouldn't you think that the complexity of our federal tax code makes it difficult to gain funding for our state and it also promotes people to try and dodge the tax code.

John Risch: I couldn't agree with you more that the tax code is too complex. I think that is because of all of the special provisions that are granted and they keep piling up in the tax code.

Chairman Cook: Do you know if there is any state that the income tax is not progressive?

John Risch: They are all progressive.

Chairman Cook: The argument is when is it progressive enough? What should the rate be for someone making \$1 million?

John Risch: That is not in this resolution.

Chairman Cook: I know that. Is 50% too much? Do you pay too much in taxes?

John Risch: No, I take advantage of every deduction that I can. We all would like to pay a little less.

Chairman Cook: Closed the hearing on HCR 3032.

Senator Triplett: I cannot support this resolution. My concern is with doing this at all in the current environment we are in. We are in the position of accepting the federal stimulus dollars and there will be a point that we have to raise taxes to pay for all of those. It is irresponsible of us to say to the federal government that they can't raise taxes to pay back the money you are giving us. The only people that would be reading our resolution would be our own congressional delegation. They are the ones that represent us and it would be a direct insult to those three fine congressmen and senators who are working hard for us right now to put in something like this. The three of them together might be the only ones who read this and I think it would be a real slap in the face for us to send this message to them.

Chairman Cook: Closed the discussion on HCR 3032.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3032

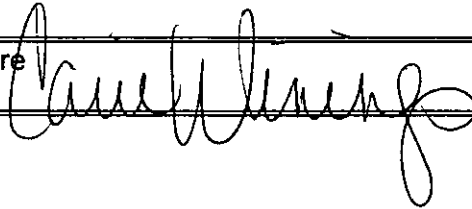
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 04/01/2009

Recorder Job Number: no recording

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on HCR 3032.

Senator Triplett: I really do not like this one. **Moved a Do Not Pass.**

Senator Anderson: Seconded.

A Roll Call vote was taken: Yea 3, Nay 4, Absent 0.

Motion Failed.

Vice Chairman Miller: Moved a Do Pass.

Senator Hogue: Seconded.

A Roll Call Vote was taken: Yea 4, Nay 3, Absent 0.

Senator Miller will carry the bill.

Date: 04/01/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 3032

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Senator Triplett Seconded By Senator Anderson

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman		<input checked="" type="checkbox"/>	Sen. Arden Anderson	<input checked="" type="checkbox"/>	
Sen. Joe Miller - Vice Chairman		<input checked="" type="checkbox"/>	Sen. Jim Dotzenrod	<input checked="" type="checkbox"/>	
Sen. David Hogue		<input checked="" type="checkbox"/>	Sen. Constance Triplett	<input checked="" type="checkbox"/>	
Sen. Dave Oehlke		<input checked="" type="checkbox"/>			

Total: Yes 3 No 4

Absent 0

Floor Assignment _____

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

Failed

Date: 04/01/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 3032

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Senator Miller Seconded By Senator Hogue

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	✓		Sen. Arden Anderson		✓
Sen. Joe Miller - Vice Chairman	✓		Sen. Jim Dotzenrod		✓
Sen. David Hogue	✓		Sen. Constance Triplett		✓
Sen. Dave Oehlke	✓				

Total: Yes 4 No 3

Absent 0

Floor Assignment Senator Miller

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

REPORT OF STANDING COMMITTEE (410)
April 1, 2009 10:19 a.m.

Module No: SR-55-5817
Carrier: Miller
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3032: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HCR 3032 was placed on the Fourteenth order on the calendar.