

SENATE BILL NO. 249

INTRODUCED BY BOYLAN, B. BROWN, D. BROWN, IVERSON, QUILICI

IN THE SENATE

January 26, 1985	Introduced and referred to Committee on Taxation.
January 29, 1985	Fiscal Note requested.
February 2, 1985	Fiscal Note returned.
February 13, 1985	Committee recommend bill do pass. Report adopted.
February 14, 1985	Bill printed and placed on members' desks.
February 15, 1985	Second reading, do pass.
February 16, 1985	Considered correctly engrossed.
February 18, 1985	Third reading, passed. Ayes, 47; Noes, 1.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Taxation.
March 26, 1985	Committee recommend bill be concurred in. Report adopted.
March 30, 1985	Second reading, concurred in.
April 1, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

April 1, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1 Senate BILL NO. 249
2 INTRODUCED BY Douglas Bob Brown Dave Brown
3 Indra Zimber

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TAX CIGARETTES SOLD
5 IN PACKAGES OF MORE THAN 20 CIGARETTES ON A PER CIGARETTE
6 BASIS; AMENDING SECTIONS 16-11-111 AND 17-5-408, MCA; AND
7 PROVIDING AN EFFECTIVE DATE."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22 Section 2. Section 17-5-408, MCA, is amended to read:
23 "17-5-408. Percentage of income, corporation license,
24 and cigarette tax pledged. (1) The state pledges and
25 appropriates and directs to be credited as received to the

1 debt service account 11% of all money, except as provided in
2 15-31-702, received from the collection of the income tax
3 and the corporation license tax referred to in 15-1-501 and
4 such additional amount of said taxes, if any, as may at any
5 time be needed to comply with the principal and interest and
6 reserve requirements stated in 17-5-405(4), provided that no
7 more than 11% of such tax collections shall be deemed to be
8 pledged for the purpose of 17-5-403(2). The pledge and
9 appropriation herein made shall be and remain at all times a
10 first and prior charge upon all money received from the
11 collection of said taxes.

12 (2) The state pledges and appropriates and directs to
13 be credited to the debt service account 79.75% of all money
14 received from the collection of the ~~16-cent~~ excise tax on
15 cigarettes which is levied, imposed, and assessed by
16 16-11-111. The state also pledges and appropriates and
17 directs to be credited as received to the debt service
18 account all money received from the collection of the taxes
19 on other tobacco products which are or may hereafter be
20 levied, imposed, and assessed by law for that purpose,
21 including the tax levied, imposed, and assessed by
22 16-11-202. Nothing herein shall impair or otherwise affect
23 the provisions and covenants contained in the resolutions
24 authorizing the presently outstanding long-range building
25 program bonds. Subject to the provisions of the preceding



1 sentence, the pledge and appropriation herein made shall be
2 and remain at all times a first and prior charge upon all
3 money received from the collection of all taxes referred to
4 in this subsection (2)."

5 NEW SECTION. Section 3. Extension of authority. Any
6 existing authority of the department of revenue, the
7 department of administration, the state treasurer, or the
8 board of examiners to make rules on the subject of the
9 provisions of this act is extended to the provisions of this
10 act.

11 NEW SECTION. Section 4. Effective date. This act is
12 effective July 1, 1985, or as soon thereafter as the
13 department of revenue certifies to all wholesalers in the
14 state that it has tax insignia available for affixation to
15 packages of cigarettes proposed to be sold in Montana in
16 units of more than 20 cigarettes.

-End-

STATE OF MONTANA

REQUEST NO. FNN 254-85

F I S C A L N O T E

Form BD-15

In compliance with a written request received January 29, 1985, there is hereby submitted a Fiscal Note for Senate Bill 249 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

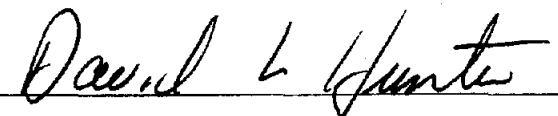
An act to tax cigarettes sold in packages of more than 20 cigarettes on a per cigarette basis.

ASSUMPTIONS:

1. Assumes that 2 new decal configurations will be needed at an annual cost of \$6,840 per decal.
2. Cigarette consumption will remain constant regardless of the larger packages.

EXPENDITURES:

	<u>FY 1986</u>			<u>FY 1987</u>		
	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Estimated Difference</u>	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Estimated Difference</u>
New Decals - 2	-0-	\$ 13,680	\$ 13,680	-0-	\$ 13,680	\$ 13,680
TOTAL EXPENDITURES	-0-	\$ 13,680	\$ 13,680	-0-	\$ 13,680	\$ 13,680



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 2, 1985
SB 249

APPROVED BY COMMITTEE
ON TAXATION

1 Sense BILL NO. 249
2 INTRODUCED BY Douglas Bob Brown Dave Brown
3 Julie Linton
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TAX CIGARETTES SOLD
5 IN PACKAGES OF MORE THAN 20 CIGARETTES ON A PER CIGARETTE
6 BASIS; AMENDING SECTIONS 16-11-111 AND 17-5-408, MCA; AND
7 PROVIDING AN EFFECTIVE DATE."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 16-11-111, MCA, is amended to read:
11 "16-11-111. Cigarette sales tax. ~~From-and-after-July~~
12 ~~17-1981; there~~ There is hereby levied, imposed, and assessed
13 and there shall be collected and paid to the state of
14 Montana upon cigarettes sold or possessed in this state the
15 following excise tax which shall be paid prior to the time
16 of sale and delivery thereof: 16 cents on each package
17 containing not more than 20 cigarettes and, when packages
18 contain more than 20 cigarettes, then ~~16-cents-on-each-20-or~~
19 ~~fraction-of-20-cigarettes-contained-in-such-package~~ a tax on
20 each cigarette equal to 1/20th the tax on a package
21 containing not more than 20 cigarettes."

22 Section 2. Section 17-5-408, MCA, is amended to read:
23 "17-5-408. Percentage of income, corporation license,
24 and cigarette tax pledged. (1) The state pledges and
25 appropriates and directs to be credited as received to the

1 debt service account 11% of all money, except as provided in
2 15-31-702, received from the collection of the income tax
3 and the corporation license tax referred to in 15-1-501 and
4 such additional amount of said taxes, if any, as may at any
5 time be needed to comply with the principal and interest and
6 reserve requirements stated in 17-5-405(4), provided that no
7 more than 11% of such tax collections shall be deemed to be
8 pledged for the purpose of 17-5-403(2). The pledge and
9 appropriation herein made shall be and remain at all times a
10 first and prior charge upon all money received from the
11 collection of said taxes.



1 sentence, the pledge and appropriation herein made shall be
2 and remain at all times a first and prior charge upon all
3 money received from the collection of all taxes referred to
4 in this subsection (2)."

5 NEW SECTION. Section 3. Extension of authority. Any
6 existing authority of the department of revenue, the
7 department of administration, the state treasurer, or the
8 board of examiners to make rules on the subject of the
9 provisions of this act is extended to the provisions of this
10 act.

11 NEW SECTION. Section 4. Effective date. This act is
12 effective July 1, 1985, or as soon thereafter as the
13 department of revenue certifies to all wholesalers in the
14 state that it has tax insignia available for affixation to
15 packages of cigarettes proposed to be sold in Montana in
16 units of more than 20 cigarettes.

-End-

Senate BILL NO. 249
Douglas Bob Brown Dave Brown
John Larson

1
2 INTRODUCED BY
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TAX CIGARETTES SOLD
5 IN PACKAGES OF MORE THAN 20 CIGARETTES ON A PER CIGARETTE
6 BASIS; AMENDING SECTIONS 16-11-111 AND 17-5-408, MCA; AND
7 PROVIDING AN EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 16-11-111, MCA, is amended to read:
11
12 "16-11-111. Cigarette sales tax. From-and-after-July
13 ~~17-1984-~~ ~~there~~ is hereby levied, imposed, and assessed
14 and there shall be collected and paid to the state of
15 Montana upon cigarettes sold or possessed in this state the
16 following excise tax which shall be paid prior to the time
17 of sale and delivery thereof: 16 cents on each package
18 containing not more than 20 cigarettes and, when packages
19 contain more than 20 cigarettes, then ~~16-cents-on-each-20-or~~
20 ~~fraction-of-20-cigarettes-contained-in-such-package a tax on~~
21 ~~each cigarette equal to 1/20th the tax on a package~~
22 ~~containing not more than 20 cigarettes."~~

23 Section 2. Section 17-5-408, MCA, is amended to read:
24
25 "17-5-408. Percentage of income, corporation license,
and cigarette tax pledged. (1) The state pledges and
appropriates and directs to be credited as received to the

1 debt service account 11% of all money, except as provided in
2 15-31-702, received from the collection of the income tax
3 and the corporation license tax referred to in 15-1-501 and
4 such additional amount of said taxes, if any, as may at any
5 time be needed to comply with the principal and interest and
6 reserve requirements stated in 17-5-405(4), provided that no
7 more than 11% of such tax collections shall be deemed to be
8 pledged for the purpose of 17-5-403(2). The pledge and
9 appropriation herein made shall be and remain at all times a
10 first and prior charge upon all money received from the
11 collection of said taxes.

12 (2) The state pledges and appropriates and directs to
13 be credited to the debt service account 79.75% of all money
14 received from the collection of the 16-cent excise tax on
15 cigarettes which is levied, imposed, and assessed by
16 16-11-111. The state also pledges and appropriates and
17 directs to be credited as received to the debt service
18 account all money received from the collection of the taxes
19 on other tobacco products which are or may hereafter be
20 levied, imposed, and assessed by law for that purpose,
21 including the tax levied, imposed, and assessed by
22 16-11-202. Nothing herein shall impair or otherwise affect
23 the provisions and covenants contained in the resolutions
24 authorizing the presently outstanding long-range building
25 program bonds. Subject to the provisions of the preceding

1 sentence, the pledge and appropriation herein made shall be
2 and remain at all times a first and prior charge upon all
3 money received from the collection of all taxes referred to
4 in this subsection (2)."

5 NEW SECTION. Section 3. Extension of authority. Any
6 existing authority of the department of revenue, the
7 department of administration, the state treasurer, or the
8 board of examiners to make rules on the subject of the
9 provisions of this act is extended to the provisions of this
10 act.

11 NEW SECTION. Section 4. Effective date. This act is
12 effective July 1, 1985, or as soon thereafter as the
13 department of revenue certifies to all wholesalers in the
14 state that it has tax insignia available for affixation to
15 packages of cigarettes proposed to be sold in Montana in
16 units of more than 20 cigarettes.

-End-

1 SENATE BILL NO. 249
2 INTRODUCED BY BOYLAN, B. BROWN, D. BROWN, IVERSON, QUILICI
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TAX CIGARETTES SOLD
5 IN PACKAGES OF MORE THAN 20 CIGARETTES ON A PER CIGARETTE
6 BASIS; AMENDING SECTIONS 16-11-111 AND 17-5-408, MCA; AND
7 PROVIDING AN EFFECTIVE DATE."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 16-11-111, MCA, is amended to read:
11 "16-11-111. Cigarette sales tax. From-and-after-duty
12 ~~for-1901-~~~~there~~ There is hereby levied, imposed, and assessed
13 and there shall be collected and paid to the state of
14 Montana upon cigarettes sold or possessed in this state the
15 following excise tax which shall be paid prior to the time
16 of sale and delivery thereof: 16 cents on each package
17 containing not more than 20 cigarettes and, when packages
18 contain more than 20 cigarettes, then ~~is-6-cents-on-each-20-or~~
19 ~~fraction-of-20-cigarettes-contained-in-such-package~~ a tax on
20 each cigarette equal to 1/20th the tax on a package
21 containing not more than 20 cigarettes."

22 Section 2. Section 17-5-408, MCA, is amended to read:
23 "17-5-408. Percentage of income, corporation license,
24 and cigarette tax pledged. (1) The state pledges and
25 appropriates and directs to be credited as received to the

1 debt service account 11% of all money, except as provided in
2 15-31-702, received from the collection of the income tax
3 and the corporation license tax referred to in 15-1-501 and
4 such additional amount of said taxes, if any, as may at any
5 time be needed to comply with the principal and interest and
6 reserve requirements stated in 17-5-405(4), provided that no
7 more than 11% of such tax collections shall be deemed to be
8 pledged for the purpose of 17-5-403(2). The pledge and
9 appropriation herein made shall be and remain at all times a
10 first and prior charge upon all money received from the
11 collection of said taxes.

1 sentence, the pledge and appropriation herein made shall be
2 and remain at all times a first and prior charge upon all
3 money received from the collection of all taxes referred to
4 in this subsection (2)."

5 NEW SECTION. Section 3. Extension of authority. Any
6 existing authority of the department of revenue, the
7 department of administration, the state treasurer, or the
8 board of examiners to make rules on the subject of the
9 provisions of this act is extended to the provisions of this
10 act.

11 NEW SECTION. Section 4. Effective date. This act is
12 effective July 1, 1985, or as soon thereafter as the
13 department of revenue certifies to all wholesalers in the
14 state that it has tax insignia available for affixation to
15 packages of cigarettes proposed to be sold in Montana in
16 units of more than 20 cigarettes.

-End-