

STATE OF MONTANA

REQUEST NO. 617-77

FISCAL NOTE

Form BD-15

In compliance with a written request received March 7, 19 77, there is hereby submitted a Fiscal Note for House Bill 551 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. 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

This bill allows business inventories to be reported for property tax purposes as they are reported to the internal revenue service.

ASSUMPTION

This bill will have no fiscal impact. The bill not only makes the property tax on inventories easier to administer but it also makes the tax easier to comply with.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drury
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-8-77

Approved by Committee
on Taxation

1 H BILL NO. 551
2 INTRODUCED BY League Region Sargent Conroy
3 William MULLAR

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW BUSINESS
5 INVENTORIES TO BE REPORTED FOR PROPERTY TAX PURPOSES AS THEY
6 ARE REPORTED TO THE INTERNAL REVENUE SERVICE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Statement of purpose. The purpose of this
10 act is to reduce the paperwork burden imposed by government
11 on the businessman by permitting the use of federal tax
12 inventory reporting forms for the Montana property tax
13 business inventory reports. The report to the assessor shall
14 continue to be made as of each January 1. Thus, if the
15 taxpayer is an individual proprietor filing on a calendar
16 year basis, the schedule C form attached to his form 1040
17 will also be his property tax inventory report. However, if
18 the taxpayer's taxable year ends on a date other than
19 December 31, he will send the assessor a copy of the last
20 preceding federal schedule he filed.

21 Section 2. There is a new R.C.M. section in Title 84,
22 chapter 4, that reads as follows:

23 Business inventory reporting -- copy of federal
24 schedule. For the purposes of 84-409, a person required to
25 report his business inventory as of January 1 to the

1 department of revenue may satisfy this requirement by
2 submitting a copy of the schedule he filed with the internal
3 revenue service as of that day if the person reports his
4 federal income taxes on a calendar year basis or a copy of
5 the schedule he filed with the internal revenue service as
6 of a date within the preceding year if the person reports
7 his federal income taxes on other than a calendar year
8 basis. In the latter instance, the business inventory
9 indicated on the federal schedule shall be conclusively
10 presumed to be the business inventory in the possession on
11 January 1 of the person reporting it.

-End-

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-End-

March 17, 1977

STANDING COMMITTEE REPORT
Senate Committee on Taxation

That House Bill No. 551 be amended as follows:

1. Amend page 2, section 2, line 9.
Following: "shall be"
Strike: "conclusively"

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 3 WILLIAMS, MULAR
 4

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