

HOUSE TAXATION SUBCOMMITTEE

46th Legislature

Representative E.N. Dassinger called the subcommittee to order on January 19, 1979, in Room 434, Capitol Building, Helena, Montana. Representatives Jay Fabrega and Vicki Johnson were present. James Beck, attorney for the Highway Department; Randy McDonald, Staff Attorney; Norris Nichols, Administrator for the Motor Fuel Tax Division; and Don Allen, Montana representative for the Petroleum Industry, were present.

The 1978 refund was explained. State parks and snowmobiles get 1.2% off the top. Bulk fuel refund is based on gallonage; snowmobile and state parks is based on dollar amounts.

James Beck said any gas tax increase and revenues go up. Highway Department shows 3% growth in gasoline consumption.

Rep. Fabrega asked if there is any reason we should include the base revenue like we want to include the gallonage? No need. Base revenue is simply the same for regulation purposes.

Rep. Dassinger explained the next fiscal year would have a different gallonage base for triggering a change in tax. Mr. Nichols advised the figures under consideration are not audited, but they are the figures that are reported to everyone. Official figures.

Rep. Johnson moved adoption of the amendment (a). Unanimous adoption.

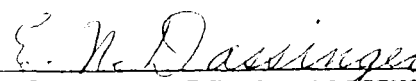
Rep. Johnson suggested diesel fuel be included on page 1, line 24, and diesel fuel and other volatile liquids. If in a declining situation, tax will be raised accordingly. Ought to get diesel figures. There are 6700 diesel dealers. Time lag in reporting is the problem. Gasoline is different because of dealing on a first level. Diesel will be off a little bit because decrease won't be totally shown in figures. Taking a 6-month period by actual consumption could have been used prior to the 6 months in the period. Actually lag compensates itself out over a period of time. Revenue is 82% from gasoline and 18% from diesel.

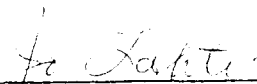
Diesel should be included because more and more people are going to diesel cars, trucks, etc.

Rep. Fabrega asked Mr. Nichols if he had tried using the figure of 6% in figuring revenue providing for a 6% decline before the tax was effective. The \$218,000 overage might be from using too low a decrease figure.

Rep. Fabrega moved to decrease to 6% instead of 5% of revenue. Mr. Nichols was asked to come back with figures using a 6% decrease.

Meeting adjourned at 8:50 a.m.

  
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REPRESENTATIVE E.N. DASSINGER, CHAIRMAN

  
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Secretary