

1 *Senate* BILL NO. 94
 2 INTRODUCED BY *Tierney* (By Request - Department of Revenue
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 84-1504, R.C.M. 1947, TO PROVIDE FOR AN AUTOMATIC EXTENSION
 6 OF ONE (1) TO SIX (6) MONTHS FOR THE FILING OF A CORPORATION
 7 LICENSE TAX RETURN."

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

10 Section 1. Section 84-1504, R.C.M. 1947, is amended to
 11 read as follows:

12 "84-1504. Computation of license tax--return of net
 13 income to be filed--definitions. (1) The license fee shall
 14 be computed on the basis of the corporation's total net
 15 income for the taxable period. The corporation's taxable
 16 period shall be its taxable year for federal income tax
 17 purposes. In the event a corporation changes its taxable
 18 year, it shall promptly notify the state department of
 19 revenue.

20 (2) Every corporation, subject to the license fee
 21 imposed under this chapter, shall for each taxable period
 22 render a true and accurate return of its net income for the
 23 taxable period in the manner and form to be prescribed by
 24 the state department of revenue, and containing such facts,
 25 data and information as are appropriate and in the opinion

1 of the state department of revenue necessary to determine
 2 the correctness of the net income returned and to carry out
 3 the provisions of this act. The return shall be signed by
 4 one (1) of the following: the president, the vice-president,
 5 the treasurer, the assistant treasurer, or chief accounting
 6 officer. If the corporation is reporting on a calendar year
 7 basis the return shall be filed with the department of
 8 revenue on or before the fifteenth day of May following the
 9 close of the calendar year, and if reporting on a fiscal
 10 year basis the return shall be filed with the department on
 11 or before the fifteenth day of the fifth month following the
 12 close of its fiscal year. Upon application a corporation
 13 shall be allowed an automatic extension of time for filing
 14 its return ~~to the fifteenth day of the third month of one~~
 15 (1) to six (6) months following the date prescribed for
 16 filing of its tax return. The application is to be made on
 17 such forms as the department of revenue shall prescribe. The
 18 department of revenue may grant an additional extension of
 19 time for the filing of a return whenever in its judgment
 20 good cause exists. The terms "engaged in business" and
 21 "doing business" both mean actively engaging in any
 22 transaction for the purpose of financial or pecuniary gain
 23 or profit. The term gross income means all income recognized
 24 in determining the corporation's gross income for federal
 25 income tax purposes; but shall include interest exempt from

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1 federal income tax. No corporation is exempt from the
2 corporation license tax unless specifically provided for
3 under section 84-1501. Any corporation not subject to or
4 liable for federal income tax but not exempt from the
5 corporation license tax under section 84-1501 shall compute
6 gross income for corporation license tax purposes in the
7 same manner as a corporation that is subject to or liable
8 for federal income tax according to the provisions for
9 determining gross income in the federal internal revenue
10 code in effect for the taxable year. The term "net income"
11 means the gross income of the corporation less the
12 deductions set forth in section 84-1502.

13 (3) In cases wherein receivers, trustees in bankruptcy,
14 or assignees are operating the property or business of a
15 corporation subject to the license fee imposed by this act,
16 such receiver, trustee, or assignee shall make the return in
17 the same manner and form as such corporation is hereinbefore
18 required to make return, and any license fee due on the
19 basis of such returns made by the receiver, trustee, or
20 assignee, shall be assessed and collected in the same manner
21 as if assessed directly against the corporation of whose
22 business or property they have custody and control, and
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Approved by Committee
on Taxation

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Turnage (By Request - Department of Revenue

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