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Senate BILL NO. 233
INTRODUCED BY Watt (by Request of Highway Dept)

1 30, 1977.

-End-

A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A TAX ON THE USE OF SPECIAL FUEL AND LICENSE TAX ON THE PRIVILEGE OF ENGAGING IN AND CARRYING ON BUSINESS OF DISTRIBUTING GASOLINE AND PROVIDING FOR CERTIFICATION THAT SUCH TAX IS NECESSARY."

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

Section 1. There is hereby levied and imposed as a temporary measure a tax on the use of special fuel and a license tax on the privilege of engaging in and carrying on business of distributing gasoline; said tax shall be in addition to those already imposed by sections 84-1832.1 and 84-1847, R.C.M. 1947, and shall be in the amount of one and one-half cents (1 1/2¢) per gallon on each gallon of special fuel and gasoline. Such tax shall be levied and imposed by the department of revenue not later than ninety (90) days after certification by the legislative fiscal review committee to the department that the imposition of such tax is necessary in order that the state of Montana obtain full benefits under the provisions of the Federal-Aid Highway Act and all acts amendatory thereto. Any tax levied and imposed pursuant to this section shall expire on June

FISCAL NOTE

Form BD-15

In compliance with a written request received January 27, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 233 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 OF PROPOSED LEGISLATION:

Senate Bill 233 imposes a 1½ cent per gallon tax on the use of special fuels and a 1½ cent per gallon license tax on the distribution of gasoline, providing such tax is necessary for the state to obtain benefits under provisions of the Federal-Aid Highway Act.

ASSUMPTIONS:

1. The proposed 1.5 cent per gallon tax will be imposed only if required. Estimates provided in this fiscal note assume the tax will be imposed for 9 months during the 1976 fiscal year and the entire 1977 fiscal year (the maximum amount of time possible).

2. The projected levels of consumption are:

	FY 76	FY 77
Special fuels		
liquid petroleum gas	600 thousand gallons	710 thousand gallons
diesel	55 million gallons	75 million gallons
Gasoline	310 million gallons	460 million gallons

3. 34% of the collections will be refunded.

FISCAL IMPACT:

	FY 76	FY 77
Estimated special fuel and gasoline tax collections for deposit in the Highway ERA under current law	\$ 36,240,280	\$ 38,532,332
Estimated special fuel and gasoline tax collections under proposed law	<u>39,859,720</u>	<u>43,835,861</u>
Estimated increase in special fuel and gasoline tax collections	<u>\$ 3,619,440</u>	<u>\$ 5,303,529</u>

CONCLUSION:

Enactment of Senate Bill 233 could result in an additional \$8,923,000 in special fuel and gasoline taxes during the biennium. However, the exact amount depends on when, or if, the 1.5 cent per gallon tax is imposed.

Michael Bellings

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 30, 1975

STATE OF MONTANA
CORRECTED FISCAL NOTE

REQUEST NO. 97-75

Form BD-15

In compliance with a written request received January 27, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 233 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.

NOTE:

An erroneous assumption was made that 34% of the tax and license collections would be refunded. The correct figure should have been 6%. A corrected fiscal note is being provided for clarification.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 233 imposes a 1½ cent per gallon tax on the use of special fuels and a 1½ cent per gallon license tax on the distribution of gasoline, providing such tax is necessary for the state to obtain benefits under provisions of the Federal-Aid Highway Act.

ASSUMPTIONS:

1. The proposed 1.5 cent per gallon tax will be imposed only if required. Estimates provided in this fiscal note assume the tax will be imposed for 9 months during the 1976 fiscal year and the entire 1977 fiscal year (the maximum amount of time possible).

2. The projected levels of consumption are:

	FY 76	FY 77
Special fuels		
liquid petroleum gas	600 thousand gallons	710 thousand gallons
diesel	55 million gallons	75 million gallons
Gasoline	310 million gallons	460 million gallons

3. 6% of the collections will be refunded.

FISCAL IMPACT:

	FY 76	FY 77
Estimated special fuel and gasoline tax collections under current law	\$ 36,240,280	\$ 38,532,332
Estimated special fuel and gasoline tax collections under proposed law	<u>41,395,240</u>	<u>46,085,843</u>
Estimated increase in special fuel and gasoline tax collections	<u>\$ 5,154,960</u>	<u>\$ 7,553,511</u>

CONCLUSION:

Enactment of Senate Bill 233 could result in an additional \$12,708,000 in special fuel and gasoline taxes during the biennium. However, the exact amount depends on when, or if, the 1.5 cent per gallon tax is imposed.

Michael G. Fallings
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2/8/75

Approved by Committee
on Highways & Transportation

SENATE BILL NO. 233

1 expire on June 30, 1977.

INTRODUCED BY WATT (BY REQUEST OF HIGHWAY DEPARTMENT)

-End-

A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A TAX ON THE
USE OF SPECIAL FUEL AND LICENSE TAX ON THE PRIVILEGE OF
ENGAGING IN AND CARRYING ON BUSINESS OF DISTRIBUTING
GASOLINE AND PROVIDING FOR CERTIFICATION THAT SUCH TAX IS
NECESSARY."

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

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temporary measure a tax on the use of special fuel and a
license tax on the privilege of engaging in and carrying on
business of distributing gasoline; said tax shall be in
addition to those already imposed by sections 84-1832.1 and
84-1847, R.C.M. 1947, and shall be in the amount of one and
one-half cents (1 1/2¢) per gallon on each gallon of
special fuel and gasoline. Such tax shall be levied and
imposed by the department of revenue not later than ninety
(90) days after certification by the legislative fiscal
~~review--committee~~ COUNCIL to the department that the
imposition of such tax is necessary in order that the state
of Montana obtain full benefits under the provisions of the
Federal-Aid Highway Act and all acts amendatory thereto.
Any tax levied and imposed pursuant to this section shall

Approved by Committee
on Taxation

1 SENATE BILL NO. 233 1 expire on June 30, 1977.

2 INTRODUCED BY WATT (BY REQUEST OF HIGHWAY DEPARTMENT)

-End-

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A TAX ON THE
5 USE OF SPECIAL FUEL AND LICENSE TAX ON THE PRIVILEGE OF
6 ENGAGING IN AND CARRYING ON BUSINESS OF DISTRIBUTING
7 GASOLINE AND PROVIDING FOR CERTIFICATION THAT SUCH TAX IS
8 NECESSARY."

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

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12 temporary measure a tax on the use of special fuel and a
13 license tax on the privilege of engaging in and carrying on
14 business of distributing gasoline; said tax shall be in
15 addition to those already imposed by sections 84-1332.1 and
16 84-1347, R.C.M. 1947, and shall be in the amount of one and
17 one-half cents (1 1/2¢) per gallon on each gallon of
18 special fuel and gasoline. Such tax shall be levied and
19 imposed by the department of revenue not later than ninety
20 (90) days after certification by the legislative fiscal
21 ~~review--committee~~ COUNCIL to the department that the
22 imposition of such tax is necessary in order that the state
23 of Montana obtain full benefits under the provisions of the
24 Federal-Aid Highway Act and all acts amendatory thereto.
25 Any tax levied and imposed pursuant to this section shall

SECOND READING
SECOND PRINTING 4/8/75

SENATE BILL NO. 233

1 expire on June 30, 1977.

2 INTRODUCED BY WATT (BY REQUEST OF HIGHWAY DEPARTMENT)

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5 USE OF SPECIAL FUEL AND LICENSE TAX ON THE PRIVILEGE OF
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7 GASOLINE AND PROVIDING FOR CERTIFICATION THAT SUCH TAX IS
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14 business of distributing gasoline; said tax shall be in
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16 84-1847, R.C.M. 1947, and shall be in the amount of one and
17 one-half cents (1 1/2¢) per gallon on each gallon of
18 special fuel and gasoline. Such tax shall be levied and
19 imposed by the department of revenue not later than ninety
20 (90) days after certification by the legislative ~~fiscal~~
21 ~~review--committee~~ COUNCIL to the department that the
22 imposition of such tax is necessary in order that the state
23 of Montana obtain full benefits under the provisions of the
24 Federal-Aid Highway Act and all acts amendatory thereto.
25 Any tax levied and imposed pursuant to this section shall

HOUSE OF REPRESENTATIVES

March 26, 1975

HOUSE COMMITTEE ON TAXATION AMENDMENT TO SENATE BILL 233

Be amended in the third reading copy as follows:

1. Amend page 1, line 14.
Following: "gasoline"
Insert: "excluding aviation gasoline as defined in section 84-1846(8)"
2. Amend page 1, line 18.
Following: "gasoline"
Insert: "excluding aviation gasoline"
3. Amend page 1, lines 20 and 21.
Following: "the"
Strike: "legislative COUNCIL"
Insert: "governor"

AS SO AMENDED
BE CONCURRED IN

1 SENATE BILL NO. 233
 2 INTRODUCED BY WATT (BY REQUEST OF HIGHWAY DEPARTMENT)
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A TAX ON THE
 5 USE OF SPECIAL FUEL AND LICENSE TAX ON THE PRIVILEGE OF
 6 ENGAGING IN AND CARRYING ON BUSINESS OF DISTRIBUTING
 7 GASOLINE AND PROVIDING FOR CERTIFICATION THAT SUCH TAX IS
 8 NECESSARY."

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

11 Section 1. There is hereby levied and imposed as a
 12 temporary measure a tax on the use of special fuel and a
 13 license tax on the privilege of engaging in and carrying on
 14 business of distributing gasoline EXCLUDING AVIATION
 15 GASOLINE AS DEFINED IN SECTION 84-1846(8); said tax shall be
 16 in addition to those already imposed by sections 84-1832.1
 17 and 84-1847, R.C.M. 1947, and shall be in the amount of one
 18 and one-half cents (1 1/2¢) per gallon on each gallon of
 19 special fuel and gasoline EXCLUDING AVIATION GASOLINE. Such
 20 tax shall be levied and imposed by the department of revenue
 21 not later than ninety (90) days after certification by the
 22 ~~legislative-fiscal-review-committee~~ COUNCIL GOVERNOR to the
 23 department that the imposition of such tax is necessary in
 24 order that the state of Montana obtain full benefits under
 25 the provisions of the Federal-Aid Highway Act and all acts

1 amendatory thereto. Any tax levied and imposed pursuant to
 2 this section shall expire on June 30, 1977.

-End-