

1 *Senate* BILL NO. *267*
 2 INTRODUCED BY *Miss Beely Fashender*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A
 5 TWENTY-FIVE PERCENT (25%) TAX ON INCOME REALIZED FROM
 6 GAMBLING AND FROM THE MANUFACTURE, SALE, LEASE, DISTRIBUTION
 7 OR OTHER DISPOSITION OF GAMBLING DEVICES IN MONTANA; AND
 8 PROVIDING PENALTIES."
 9

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

11 Section 1. Twenty-five percent (25%) gross receipts
 12 tax imposed. (1) In addition to any license fees or taxes
 13 imposed by any other gambling law of this or any other state
 14 or the federal government, each person, partnership,
 15 corporation, or association conducting, or permitting to be
 16 conducted, any authorized gambling game, or offering for
 17 play any authorized gaming device in this state under Title
 18 62, chapter 7, R.C.M. 1947, shall pay to the department of
 19 revenue, quarterly, a tax equal to twenty-five percent (25%)
 20 of the gross receipts realized by that person, partnership,
 21 corporation, or association from conducting or permitting
 22 gambling games or offering for play gaming devices.

23 (2) For purposes of this act, "gross receipts" means
 24 all of the money or other items of value which the person,
 25 partnership, corporation, or association receives directly

1 from conducting or permitting gambling games or from
 2 offering for play gaming devices, before the deduction of
 3 any expenses, exemptions, credits or the like, but after
 4 deducting payments for winnings (payments dependent upon the
 5 play of the game) actually paid.

6 Section 2. Quarters -- time for payment -- interest --
 7 suspension of license. For the purpose of this act,
 8 quarters end on March 31, June 30, September 30, and
 9 December 31, and the reports required shall be filed with
 10 and the taxes due paid to the department not later than the
 11 end of the calendar month following the end of the quarter
 12 for which the report is made and the tax paid. In addition
 13 to any other penalty or consequence of a failure to pay any
 14 tax when due, interest shall be charged upon all unpaid
 15 taxes at the rate of six percent (6%) per year from the date
 16 the tax is due until it is paid.

17 Section 3. Person, partnership, corporation, or
 18 association to report gross receipts -- penalty. (1) Each
 19 person, partnership, corporation, or association shall
 20 report to the department, upon forms provided by the
 21 department, itemized accounts of all the gross receipts
 22 received by the person, partnership, corporation, or
 23 association for conducting or permitting gambling games or
 24 offering for play gaming devices, along with the taxes due
 25 for that quarter.

1 (2) Each person, partnership, corporation, or
2 association shall keep records of all money or other items
3 of value received from conducting or permitting gambling
4 games or offering for play gaming devices, separate from the
5 other records of business.

6 (3) The department of revenue may at any time inspect
7 the records of a person, partnership, corporation, or
8 association provided for in subsection (2) of this section.

9 Section 4. Penalties. (1) Failure to keep proper
10 records as provided by section 3 (2) and by regulations of
11 the department, made under this act, is a misdemeanor
12 punishable by a fine not to exceed one thousand dollars
13 (\$1,000).

14 (2) Willful failure to keep, or falsification of, the
15 records provided for by this act or failure to pay the tax
16 required is a misdemeanor punishable by imprisonment in the
17 county jail for not more than one (1) year or a fine, of
18 either not more than ten thousand dollars (\$10,000) or not
19 more than five (5) times the amount of the gross receipts
20 deliberately not reported or falsely reported whichever is
21 greater, or both fine and imprisonment.

22 Section 5. All proceeds collected under this act shall
23 be deposited in the general fund.

-End-

STATE OF MONTANA

REQUEST NO. 125-75

FISCAL NOTE

Form BD-15

In compliance with a written request received 1-29, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 267 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:

An act to provide for a 25% tax on income realized from gambling and from the manufacture, sale, lease, distribution or other disposition of gambling devices in Montana.

ASSUMPTIONS:

1. Administration of SB 267 would require 2 additional office personnel, office rent, equipment, supplies, printing and distribution of forms, and 3 field personnel for record inspections.

FISCAL IMPACT:

Montana law enacted in 1974 currently allows gambling in the form of certain authorized card games, bingo, raffles and sports pools. There is no information available at this time relative to gross income realized from gambling and/or from manufacture, sale or lease of gambling devices. Thus, no quantitative revenue estimate is possible. On the basis of the above stated assumption, additional costs to the Department of Revenue under the proposed law would be an estimated \$100,000 in FY76 and \$95,000 in FY77.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/3/75