

1 HB BILL NO. 73
2 INTRODUCED BY Jack Ramsey

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE INCOME
5 DERIVED FROM THE PURCHASE OF OR PARTICIPATION IN LOANS
6 SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY
7 INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE APPLICATION
8 OF THE CORPORATION INCOME TAX; AMENDING SECTION 84-6903,
9 R.C.M. 1947."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 Section 1. Section 84-6903, R.C.M. 1947, is amended to
13 read as follows:

14 "84-6903. Rate of tax imposed -- income from sources
15 within state defined -- alternative tax. (1) There is
16 hereby imposed upon every corporation for each taxable year
17 an income tax at the rate specified in section 84-1501
18 R.C.M. --1947, upon its net income derived from sources
19 within this state for taxable years beginning after December
20 31, 1970, other than income for any period for which the
21 corporation is subject to taxation under chapter 15, Title
22 84 Title 84, chapter 15, R.C.M. --1947, according to or
23 measured by its net income.

24 (2) Income from sources within this state includes
25 income from tangible or intangible property located in or

1 having a situs in this state and income from any activities
2 carried on in this state, regardless of whether carried on
3 in intrastate, or interstate, or foreign commerce, but does
4 not include interest paid on loans held by out-of-state
5 depositories, secured by mortgages, trust indentures, or
6 other security interests on real or personal property
7 located within the state if there is no activity conducted
8 by the out-of-state lender in Montana except periodic
9 inspection of the security.

10 (3) Pursuant to ~~article~~ Article III, section 2, of the
11 ~~multistate--tax--compact~~ Multistate Tax Compact (Title 84,
12 chapter 67, R.C.M. --1947), any corporation required to file a
13 return under this act, and whose only activity in Montana
14 consists of making sales and which does not own or rent real
15 estate or tangible personal property within Montana and
16 whose annual gross volume of sales made in Montana does not
17 exceed ~~one-hundred-thousand-dollars--(\$100,000)~~ may elect to
18 pay a tax of ~~one-half-of-one-percent--(.5%)~~ 1/2 of 1% of
19 gross sales made in Montana during the taxable year. Such
20 tax shall be in lieu of the tax otherwise imposed under this
21 section. The gross volume of sales made in Montana during
22 the taxable year shall be determined according to ~~article~~
23 Article IV, sections 15 and 17, of the ~~multistate--tax~~
24 compact Multistate Tax Compact."

-End-

INTRODUCED BILL

HB 73

Approved by Committee
on Taxation

HB BILL NO. 73
John Ramsey

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2 INTRODUCED BY _____
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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE INCOME
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6 SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY
7 INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE APPLICATION
8 OF THE CORPORATION INCOME TAX; AMENDING SECTION 84-6903,
9 R.C.M. 1947."

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12 Section 1. Section 84-6903, R.C.M. 1947, is amended to
13 read as follows:

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15 within state defined -- alternative tax. (1) There is
16 hereby imposed upon every corporation for each taxable year
17 an income tax at the rate specified in section 84-1501v
18 ~~R.C.M. 1947~~, upon its net income derived from sources
19 within this state for taxable years beginning after December
20 31, 1970, other than income for any period for which the
21 corporation is subject to taxation under ~~chapter 15, title~~
22 84 Title 84, chapter 13, R.C.M. 1947, according to or
23 measured by its net income.

24 (2) Income from sources within this state includes
25 income from tangible or intangible property located in or

1 having a situs in this state and income from any activities
2 carried on in this state, regardless of whether carried on
3 in intrastate, or interstate, or foreign commerce, but does
4 not include interest paid on loans held by out-of-state
5 depositories, secured by mortgages, trust indentures, or
6 other security interests on real or personal property
7 located within the state if there is no activity conducted
8 by the out-of-state lender in Montana except periodic
9 inspection of the security.

10 (3) Pursuant to ~~article~~ Article III, section 2, of the
11 ~~multistate--tax--compact~~ Multistate Tax Compact (Title 84,
12 chapter 67, ~~R.C.M. 1947~~), any corporation required to file a
13 return under this act, and whose only activity in Montana
14 consists of making sales and which does not own or rent real
15 estate or tangible personal property within Montana and
16 whose annual gross volume of sales made in Montana does not
17 exceed ~~one-hundred-thousand-dollars-(\$100,000)~~ may elect to
18 pay a tax of ~~one-half-of-one-percent--(.5%)~~ 1/2 of 1% of
19 gross sales made in Montana during the taxable year. Such
20 tax shall be in lieu of the tax otherwise imposed under this
21 section. The gross volume of sales made in Montana during
22 the taxable year shall be determined according to ~~article~~
23 Article IV, sections 16 and 17, of the ~~multistate--tax~~
24 ~~compact~~ Multistate Tax Compact."

-End-

HB 73

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2 INTRODUCED BY Jack Ramsey

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5 DERIVED FROM THE PURCHASE OF OR PARTICIPATION IN LOANS
6 SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY
7 INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE APPLICATION
8 OF THE CORPORATION INCOME TAX; AMENDING SECTION 84-6903,
9 R.C.M. 1947."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 Section 1. Section 84-6903, R.C.M. 1947, is amended to
13 read as follows:

14 "84-6903. Rate of tax imposed -- income from sources
15 within state defined -- alternative tax. (1) There is
16 hereby imposed upon every corporation for each taxable year
17 an income tax at the rate specified in section 84-1501
18 R.C.M. 1947 upon its net income derived from sources
19 within this state for taxable years beginning after December
20 31, 1970, other than income for any period for which the
21 corporation is subject to taxation under ~~chapter 15, title~~
22 84 Title 84, chapter 12, R.C.M. 1947 according to or
23 measured by its net income.

24 (2) Income from sources within this state includes
25 income from tangible or intangible property located in or

1 having a situs in this state and income from any activities
2 carried on in this state, regardless of whether carried on
3 in intrastate, or interstate, or foreign commerce, but does
4 not include interest paid on loans held by out-of-state
5 depositories, secured by mortgages, trust indentures, or
6 other security interests on real or personal property
7 located within the state if there is no activity conducted
8 by the out-of-state lender in Montana except periodic
9 inspection of the security.

10 (3) Pursuant to ~~article~~ Article III, section 2, of the
11 ~~multistate--tax--compact~~ Multistate Tax Compact (Title 84,
12 chapter 67, ~~R.C.M. 1947~~), any corporation required to file a
13 return under this act, and whose only activity in Montana
14 consists of making sales and which does not own or rent real
15 estate or tangible personal property within Montana and
16 whose annual gross volume of sales made in Montana does not
17 exceed ~~one-hundred-thousand-dollars-(\$100,000)~~ may elect to
18 pay a tax of ~~one-half-of-one-percent--(.5%)~~ 1/2 of 1% of
19 gross sales made in Montana during the taxable year. Such
20 tax shall be in lieu of the tax otherwise imposed under this
21 section. The gross volume of sales made in Montana during
22 the taxable year shall be determined according to ~~article~~
23 Article IV, sections 16 and 17, of the ~~multistate--tax~~
24 ~~compact~~ Multistate Tax Compact.

-End-

HB 73

March 18, 1977

SENATE STANDING COMMITTEE REPORT
Taxation Committee

That House Bill No. 73, third reading, be amended as follows:

1. Amend the title, line 9.

Following: "1947"

Insert: "; and providing an effective date"

2. Amend page 2, section 1, line 5.

Following: line 4

Strike: "depositories"

Insert: "financial institutions recognized as such in the state of their domicile"

3. Amend page 2, section 1, line 7.

Following: "if"

Insert: "the loan is originated by a lender doing business in Montana and assigned out-of-state and"

4. Amend page 2, section 1, line 24.

Following: line 24

Insert: "Section 2. Application. The amendments made in section 1 apply to taxable years ending after September 12, 1976."

HOUSE BILL NO. 73
INTRODUCED BY RAMIREZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE INCOME DERIVED FROM THE PURCHASE OF OR PARTICIPATION IN LOANS SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE APPLICATION OF THE CORPORATION INCOME TAX; AMENDING SECTION 84-6903, R.C.M. 1947; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 84-6903, R.C.M. 1947, is amended to read as follows:

"84-6903. Rate of tax imposed -- income from sources within state defined -- alternative tax. (1) There is hereby imposed upon every corporation for each taxable year an income tax at the rate specified in ~~section 84-1501, R.C.M. 1947~~ upon its net income derived from sources within this state for taxable years beginning after December 31, 1970, other than income for any period for which the corporation is subject to taxation under ~~chapter 15, title 84~~ title 84, chapter 15, R.C.M. 1947, according to or measured by its net income.

(2) Income from sources within this state includes income from tangible or intangible property located in or

having a situs in this state and income from any activities carried on in this state, regardless of whether carried on in intrastate, or interstate, or foreign commerce, but does not include interest paid on loans held by out-of-state depositories FINANCIAL INSTITUTIONS RECOGNIZED AS SUCH IN THE STATE OF THEIR DOMICILE, secured by mortgages, trust indentures, or other security interests on real or personal property located within the state if THE LOAN IS ORIGINATED BY A LENDER DOING BUSINESS IN MONTANA AND ASSIGNED QUI-DE-STATE AND there is no activity conducted by the out-of-state lender in Montana except periodic inspection of the security.

(3) Pursuant to ~~article~~ Article III, section 2, of the ~~multistate--tax--compact~~ Multistate Tax Compact (Title 84, chapter ~~67, R.C.M. 1947~~), any corporation required to file a return under this act, and whose only activity in Montana consists of making sales and which does not own or rent real estate or tangible personal property within Montana and whose annual gross volume of sales made in Montana does not exceed ~~one-hundred-thousand-dollars-(\$100,000)~~ may elect to pay a tax of ~~one-half-of-one-percent--(5%)~~ 1/2 of 1% of gross sales made in Montana during the taxable year. Such tax shall be in lieu of the tax otherwise imposed under this section. The gross volume of sales made in Montana during the taxable year shall be determined according to ~~article~~

1 ~~Article IV, sections 16 and 17, of the multistate--tax~~
2 ~~compact Multistate Tax Compact."~~

3 SECTION 2. APPLICATION. THE AMENDMENTS MADE IN SECTION
4 1 APPLY TO TAXABLE YEARS ENDING AFTER SEPTEMBER 12, 1976.

-End-