

1 H BILL NO. 386  
2 INTRODUCED BY [Signature]

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ROUND OFF THE MOTOR  
5 FUELS TAXES TO THE NEXT HIGHEST TENTH OF A CENT; AMENDING  
6 SECTIONS 84-1832.1 AND 84-1847, R.C.M. 1947."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 84-1832.1, R.C.M. 1947, is amended  
10 to read as follows:

11 "84-1832.1. Tax to be collected on diesel fuel and  
12 liquid petroleum gas, when. The state department of revenue  
13 shall, under the provisions of rules and regulations issued  
14 by the department, collect or cause to be collected from the  
15 owners or operators of motor vehicles a tax in an amount  
16 equal to ~~nine and three-quarter cents (\$09 3/4)~~ 9.8 cents  
17 for each gallon of diesel fuel or other volatile liquid  
18 except liquid petroleum gas, of less than forty-six degrees  
19 (46°) A.P.I. (American Petroleum Institute) gravity test  
20 when actually sold or used to produce motor power to propel  
21 motor vehicles upon the public highways or streets within  
22 the state of Montana, or used in motor vehicles, motorized  
23 equipment and the internal combustion of any and all engines  
24 including stationary engines used in connection with any and  
25 all work performed under any and all contracts pertaining to

1 the construction, reconstruction or improvement of any  
2 highway or street and their appurtenances awarded by any and  
3 all public agencies, including federal, state, county,  
4 municipalities, or other political subdivisions."

5 Section 2. Section 84-1847, R.C.M. 1947, is amended to  
6 read as follows:

7 "84-1847. Gasoline license tax — amount. Every  
8 distributor shall pay to the state department of revenue a  
9 license tax for the privilege of engaging in and carrying on  
10 business in this state in an amount equal to one cent (1¢)  
11 for each gallon of aviation gasoline, which shall be  
12 allocated to the aeronautics commission, as provided by  
13 section 1-501, R.C.M. 1947, as amended, and ~~seven and~~  
14 ~~three-quarter cents (\$07 3/4)~~ 7.8 cents for each gallon of  
15 all other gasoline distributed by him within the state and  
16 upon which the gasoline license tax has not been paid by any  
17 other distributor. Gasoline exported or sold for export out  
18 of the state of Montana shall not be included in the measure  
19 of the distributor's license tax."

-End-

STATE OF MONTANA

REQUEST NO. 187-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 1977, there is hereby submitted a Fiscal Note for House Bill 386 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

This bill is an act to round off the motor fuels taxes to the next highest tenth of a cent.

ASSUMPTIONS

1. Gross revenues from gasoline tax, less the 2% allowance, will increase by 2% to 3% in FY 77,78, & 79 and gross revenues from diesel fuel tax will increase by 2% to 3% in FY 77,78, & 79. Assumption based on data from motor fuels division.
2. This proposed bill will cause gasoline tax revenues to increase by 0.645% and diesel tax revenues to increase by 0.513%.
3. Administrative costs will remain unchanged.

FISCAL IMPACT

	1978 <u>Under Current Law</u>	1978 <u>Under Proposed Law</u>	1978 <u>Estimated Increase</u>
Gasoline license tax gross collections less 2% allowance	\$37.018M-\$37.748M	\$37.257M-\$37.991M	\$.239M-\$.243M
Diesel fuel tax - gross collections	<u>\$ 8.303M-\$ 8.467M</u>	<u>\$ 8.346M-\$ 8.510M</u>	<u>\$.043M</u>
<b>TOTAL REVENUE</b>	<u>\$45.321M-\$46.215M</u>	<u>\$45.603M-\$46.501M</u>	<u>\$.282M-\$ .286M</u>

	1979 <u>Under Current Law</u>	1979 <u>Under Proposed Law</u>	1979 <u>Estimated Increase</u>
Gasoline license tax gross collections less 2% allowance	\$37.759M-\$38.880M	\$38.003M-\$39.131M	\$.244M-\$.251M
Diesel fuel tax - gross collections	<u>\$ 8.470M-\$ 8.721M</u>	<u>\$ 8.513M-\$ 8.766M</u>	<u>\$.043M-\$ .045M</u>
<b>TOTAL REVENUE</b>	<u>\$46.229M-\$47.601M</u>	<u>\$46.516M-\$47.897M</u>	<u>\$.287M-\$ .296M</u>

LONG-RANGE EFFECT

Gross collections from the gasoline license tax will increase by approximately 0.645% and gross collections from the diesel tax will increase by approximately 0.513% each fiscal year this act is in effect.

*Richard L. Drury for*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-77

PREPARED BY DEPARTMENT OF REVENUE