

*Senate* BILL NO. *186*  
INTRODUCED BY *Lee*

BY REQUEST OF THE DEPARTMENT OF LABOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 87-135, R.C.M. 1947, WHICH SECTION IS A PART OF THE UNEMPLOYMENT COMPENSATION LAW, BY PROVIDING PENALTIES FOR FILING DELINQUENT CONTRIBUTION REPORTS; AMENDING THE PENALTY AND INTEREST PROVISIONS ON PAST-DUE CONTRIBUTIONS; DELETING LANGUAGE NO LONGER APPLICABLE; AND INCREASING THE PENALTY AND INTEREST ASSESSMENT."

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

Section 1. Section 87-135, R.C.M. 1947, is amended to read as follows:

"87-135. Penalty and interest on past-due contributions. Contribution reports not made and filed on the date on which they are due as provided by subsections (a)(1) and (b)(2) of 87-109 shall be subject to a penalty assessment of \$10. Contributions unpaid on the date on which they are due and payable, as ~~prescribed by the division~~ provided by subsections (a)(1) and (b)(2) of 87-109 shall be subject to a penalty assessment of ~~five-per-centum (5%) or five (\$5.00) dollars~~ \$10 or 10% of the contribution due, whichever is greater, and shall bear interest at the rate of

~~one-half-of-one-per-centum (1/2-of-1%) per month from and after such date until payment plus accrued interest and penalty is received by the division 1% per month or fraction thereof. No interest shall be charged for fractional part of a month. Interest and penalty collected pursuant to this subsection shall be paid into the unemployment compensation administration fund. When failure to pay contributions in time and before delinquency was not caused by willful intent of the employer, and for good cause shown, the division may abate the penalty and interest as a compromise offer of settlement and payment of the tax liability for late filing or late payment or both. Interest shall not be subject to abatement."~~

-End-

*SB186*

STATE OF MONTANA

REQUEST NO. 466-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 10, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 186 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:

Provides penalties for filing delinquent contribution reports and amendments.

ASSUMPTIONS:

1. The proposed legislation will significantly reduce the number of delinquent contribution reports.
2. No additional workload will fall on the Employment Security Division.

FISCAL IMPACT:

The proposed legislation will provide the following increase to the unemployment compensation administration fund:

<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
<u>\$11,000</u>	<u>\$10,000</u>	<u>\$21,000</u>

*Richard J. Tracy for*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-17-77

Approved by Committee  
on Labor & Employment  
Relations

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