

HOUSE BILL 64

IN THE HOUSE

January 4, 1979	Introduced and referred to Committee on Taxation.
January 6, 1979	On motion, joint rule 6-6 suspended and sponser's signature allowed to be added to prefiled bills.
January 23, 1979	Committee recommend bill, as amended, do not pass.
January 24, 1979	Report adopted.
March 23, 1979	On motion, rules suspended to allow reconsideration of previous action. On motion taken from Adverse Committee Report and referred to Committee on Taxation.
March 27, 1979	Printed and placed on members' desks. Second reading, do pass. Third reading, not passed.

1 HOUSE BILL NO. 64

2 INTRODUCED BY _____

3 BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO VARY THE TAX ON
6 NONAVIATION GASOLINE UP TO 2 CENTS PER GALLON CONTINGENT
7 UPON USAGE, AMENDING SECTION 15-70-204, MCA."

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

10 Section 1. Section 15-70-204, MCA, is amended to read:

11 "15-70-204. Gasoline license tax -- rate. (1) Every
12 distributor shall pay to the department of revenue a license
13 tax for the privilege of engaging in and carrying on
14 business in this state in an amount equal to 1 cent for each
15 gallon of aviation gasoline, which shall be allocated to the
16 department of community affairs as provided by 67-1-301, as
17 amended, and 8 cents for each gallon of all other gasoline
18 distributed by him within the state and upon which the
19 gasoline license tax has not been paid by any other
20 distributor.

21 (2) Gasoline exported or sold for export out of the
22 state shall not be included in the measure of the
23 distributor's license tax.

24 (3) There is levied on all nonaviation gasoline an
25 additional tax of no more than 2 cents per gallon to be

1 calculated and imposed as follows:

2 (a) The department of revenue in September and March
3 of each year shall determine the total gallonage of
4 nonaviation gasoline distributed within the state for the
5 6-month periods beginning January 1st and July 1st. It shall
6 compare that total gallonage with the total gallonage
7 distributed in the same period for the previous year. If the
8 total gallonage distributed decreased by 1% or more than the
9 previous year, then the department shall increase the amount
10 of the tax by 1/10 cent for each 1% decrease. If the total
11 gallonage increased by 1% or more, then the department shall
12 decrease the amount of the tax by 1/10 cent for each 1%
13 increase.

14 (b) The amount of the tax specified in subsection (1)
15 may not be increased by more than 2 cents per gallon. Any
16 tax increase or decrease shall be imposed by the department
17 not less than 90 days after determination that the tax is
18 necessary."

-End-

STATE OF MONTANA

REQUEST NO. 57-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 19 79, there is hereby submitted a Fiscal Note for House Bill 64 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

This proposed bill varies the tax on nonaviation gasoline up to 2 cents per gallon contingent upon usage.

ASSUMPTIONS

- 1) The effects of the legislation take place in FY80 & FY 81.
- 2) Taxable gallons of gasoline will grow 3%-4% per year

	FY 78	FY 79e	FY 80e	FY 81e (e - Estimate)
3%	514.4 M	529.8 M	545.7 M	562.1 M
4%	514.4 M	535.0 M	556.4 M	578.6 M
- 3) a. 3% increase in gallonage will decrease the tax by 3/10 of a cent.
b. 4% increase in gallonage will decrease the tax by 4/10 of a cent.
- 4) Effective tax currently - 7.88¢/Gallon.
- 5) Administrative costs will remain unchanged.

FISCAL IMPACTGasoline License Tax
(nonaviation gasoline)

under current law	\$43.0 to 43.8 M	\$44.3 to 45.6 M
under proposed law	<u>41.4 to 41.6 M</u>	<u>40.9 to 41.0 M</u>
Estimated Decrease	<u>(\$ 1.6 to 2.2 M)</u>	<u>(\$ 3.4 to 4.6 M)</u>

FUND INFORMATION

Earmarked Revenue

Estimated Decrease	<u>(\$ 1.6 to 2.2 M)</u>	<u>(\$ 3.4 to 4.6 M)</u>
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LONG-RANGE EFFECTS

It is too difficult to project gasoline consumption beyond FY81 to generate accurate revenue estimates.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/25/79

Comm. on taxation
As amended without Recommendation

HOUSE BILL NO. 64

INTRODUCED BY DASSINGER

BY REQUEST OF THE DEPARTMENT OF HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT TO VARY THE TAX ON
NONAVIATION GASOLINE, DIESEL FUEL, AND VOLATILE FUEL UP TO 2
CENTS PER GALLON CONTINGENT UPON USAGE--AMENDING SECTION
~~15-70-204--MCA DECREASE OR INCREASE IN GROSS TAX RECEIPTS;~~
~~PROVIDING THAT THE GOVERNOR MUST ORDER THE TAX INCREASE BE~~
~~PUT INTO EFFECT; PROVIDING THAT THIS ACT IS EFFECTIVE UNTIL~~
~~JUNE 30, 1981."~~

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

Section 1. Variable tax on gasoline, diesel fuel, and
volatile liquids. (1) In addition to the taxes imposed under
15-70-204 and 15-70-321, there is levied on all nonaviation
gasoline, diesel fuel, and volatile liquids an additional
tax of not more than 2 cents a gallon.

(2) The tax shall be calculated and imposed as
follows:

(a) In September and March of each year the department
of revenue shall determine the total receipts collected from
the taxes imposed by 15-70-204 and 15-70-321 for the 6-month

periods beginning January 1 and July 1.

(b) The department shall compare the total receipts
with the total receipts for the comparable period of the
previous year.

(c) If the total receipts show a decrease of 5% or
more of the amount collected for the same period of the
previous year, the department shall notify the governor in
writing of the decrease. After receiving written
certification of the decrease from the department of
highways, the governor may order an increase in the amount
of tax imposed under 15-70-204 and 15-70-321 of 1/2 cent a
gallon for each 5% decrease in gross receipts. If the
governor orders, the increase and the gross receipts
subsequently increase by 5% or more, the governor shall
order that the amount of tax be decreased by 1/2 cent a
gallon for each 5% increase in gross receipts. The tax may
not be decreased below the amounts imposed by 15-70-204 and
15-70-321.

Section 2. Effective period. This act is effective
until June 30, 1981.

-End-