

CHAPTER NO. 222

HOUSE BILL NO. 327

INTRODUCED BY FABREGA, MOORE

IN THE HOUSE

January 23, 1979	Introduced and referred to Committee on Local Government.
February 5, 1979	Committee recommend bill do pass. Report adopted.
February 6, 1979	Printed and placed on members' desks.
February 7, 1979	Second reading, do pass.
February 8, 1979	Considered correctly engrossed.
February 9, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 10, 1979	Introduced and referred to Committee on Local Government.
March 6, 1979	Committee recommend bill be concurred in. Report adopted.
March 8, 1979	Second reading, concurred in.
March 10, 1979	Third reading, concurred in.

IN THE HOUSE

March 12, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 HOUSE BILL NO. 327
2 INTRODUCED BY Salvador Torres

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 15-8-104, MCA; ELIMINATING THE REQUIREMENT THAT A COUNTY PAY
6 FOR AUDITS CONDUCTED BY THE DEPARTMENT OF REVENUE, AND
7 PROVIDING THAT THE COSTS OF AN AUDIT BE PAID BY THE
8 DEPARTMENT; PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

11 Section 1. Section 15-8-104, MCA, is amended to read:

12 "15-8-104. Department audit of taxable value -- ~~costs~~
13 ~~of--audit--paid--by--county--~~ penalty for underreporting --

14 ~~costs of audit paid by department.~~ (1) When in the judgment
15 of the director of revenue it is necessary, audits may be
16 made for the purpose of determining the taxable value of net
17 proceeds of mines and oil and gas wells, bank shares,
18 business inventories, and all other types of property
19 subject to ad valorem taxation. ~~The costs incurred by the~~
20 ~~department, including per diem and mileage expense as well~~
21 ~~as salaries and benefits, shall be reimbursed from the~~
22 ~~amount collected as a result of the audit in the event the~~
23 ~~property subject to audit is assessed within two or more~~
24 ~~counties, the department shall allocate the cost among the~~
25 ~~collections due each of the counties. Reimbursement shall be~~

1 ~~made solely for audit expense and not for other services~~
2 ~~provided to the counties by the department and may not~~
3 ~~exceed the amounts collected.~~

4 (2) The taxable value of any underreported portion of
5 any business inventory found as a result of an audit to have
6 been underreported by the owner shall be increased by 25% as
7 a penalty for underreporting.

8 (3) The 25% penalty may be waived by the department if
9 reasonable cause for failure to report the total value of a
10 business inventory is provided to the department.

11 (4) The cost of the audit shall be paid to ~~the state~~
12 ~~treasurer for credit to the general fund by the department."~~

13 Section 2. Effective date. This act is effective on
14 passage and approval.

-End-

HB 327

Approved by Comm.
on Local Government

HOUSE BILL NO. 327

INTRODUCED BY Raymond Thorne

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18 business inventories, and all other types of property
19 subject to ad valorem taxation. ~~The costs--incurred--by--the~~
20 ~~department--including--per-diem-and-mileage-expense-as-well~~
21 ~~as-salaries-and-benefits--shall--be--reimbursed--from--the~~
22 ~~amount--collected--as-a-result-of-the-audit--in-the-event-the~~
23 ~~property-subject-to-audit-is-assessed--within--two--or--more~~
24 ~~counties--the--department--shall--allocate--the--cost--among--the~~
25 ~~collections-due-each-of-the-counties--Reimbursement--shall--be~~

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1 HOUSE BILL NO. 327
 2 INTRODUCED BY George Thorne
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-End-

H B 327
 THIRD READING

HOUSE BILL NO. 327

INTRODUCED BY FABREGA, MOORE

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 15-8-104, MCA; ELIMINATING THE REQUIREMENT THAT A COUNTY PAY FOR AUDITS CONDUCTED BY THE DEPARTMENT OF REVENUE, AND PROVIDING THAT THE COSTS OF AN AUDIT BE PAID BY THE DEPARTMENT; PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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"15-8-104. Department audit of taxable value -- costs of-audit--paid--by--county--- penalty for underreporting == costs_of_audit_paid_by_department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of net proceeds of mines and oil and gas wells, bank shares, business inventories, and all other types of property subject to ad valorem taxation. the-costs--incurred--by--the department--including--per-diem-and-mileage-expense-as-well as-salaries-and-benefits--shall--be--reimbursed--from--the amount--collected-as-a-result-of-the-audit--in-the-event-the property-subject-to-audit-is-assessed--within--two--or--more counties--the--department--shall--allocate--the--cost--among--the collections-due--each--of--the--counties--Reimbursement--shall--be

~~made-society-for-audit-expense-and-not-for-other-services provided-to-the-counties-by-the-department-and-may-not exceed-the-amounts-collected.~~

(2) The taxable value of any underreported portion of any business inventory found as a result of an audit to have been underreported by the owner shall be increased by 25% as a penalty for underreporting.

(3) The 25% penalty may be waived by the department if reasonable cause for failure to report the total value of a business inventory is provided to the department.

(4) The cost of the audit shall be paid to--the--state treasurer-for-credit-to-the-general-fund by the department."

Section 2. Effective date. This act is effective on passage and approval.

-End-