

# 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.

1 HOUSE BILL NO. 327  
2 INTRODUCED BY Calvin Moore  
3  
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 EMERGENCY CLAUSE; AND

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA,

1        mode--safety--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-

Approved by Comm.  
on Local Government

House BILL NO. 327

1 INTRODUCED BY Callega Thorne

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3  
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-

1 House Bill No. 327

2 INTRODUCED BY Allegy, Mike

3

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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-diems-and-meeting-expense-as-well  
21 as-garnitures-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--safety--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  
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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

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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.

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

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