

HOUSE BILL NO. 340

INTRODUCED BY RAMIREZ

IN THE HOUSE

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| January 23, 1979 | Introduced and referred to Committee on Taxation. |
| January 31, 1979 | Committee recommend bill do pass as amended. Report adopted. |
| February 1, 1979 | Printed and placed on members' desks. |
| February 2, 1979 | Second reading, do pass. |
| February 3, 1979 | Considered correctly engrossed. |
| February 5, 1979 | Third reading, passed. Transmitted to second house. |

IN THE SENATE

| | |
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| February 6, 1979 | Introduced and referred to Committee on Taxation. |
| March 3, 1979 | Committee recommend bill be concurred in. Report adopted. |
| March 6, 1979 | Second reading, concurred in. |
| March 8, 1979 | Third reading, concurred in. |

IN THE HOUSE

| | |
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| March 9, 1979 | Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled. |
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1 HOUSE BILL NO. 340
 2 INTRODUCED BY Ramirez
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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE MANNER OF
 5 PAYMENT OF ESTATE TAX RELATING TO DUE DATE AND INTEREST TO
 6 CONFORM WITH THE MANNER OF PAYMENT OF INHERITANCE TAX;
 7 AMENDING SECTION 72-16-909, MCA."
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 72-16-909, MCA, is amended to read:
 11 "72-16-909. When and where tax payable -- interest.
 12 The estate tax shall be payable to the county treasurer of
 13 the county in which such estate is being probated ~~at the~~
 14 ~~same time or times at which the United States tax is payable~~
 15 ~~and shall bear interest, if any, at the same rate and for~~
 16 ~~the same period as such United States tax in the same manner~~
 17 provided for the payment of inheritance taxes in 72-16-440
 18 and 72-16-441."

-End-

HB 340
 INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 96-79

FISCAL NOTE

Form BD 15

In compliance with a written request received January 24, 19 79, there is hereby submitted a Fiscal Note for House Bill 339 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.

Page 2

LONG-RANGE EFFECTS

Presumably the value of property exempted under this act would level off within a few years although it is impossible to tell where the equilibrium point may be. The long-range effect of this bill is simply that local governments will simply forego collection of revenue which they now collect.

TECHNICAL NOTE

The March 1 deadline for applications (section 1(3)) may preclude any successful applications for FY80 because that date may have passed before this bill could be enacted. In this case the impact would be felt only in FY81.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/31/79

STATE OF MONTANA

REQUEST NO. 96-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 1979, there is hereby submitted a Fiscal Note for House Bill 339 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 exempts the residences of certain retired, widowed, or disabled persons from property taxation; and provides an immediate effective date.

ASSUMPTIONS

1. All property in present class 15 would be exempt from tax if this bill were enacted.
2. Exempt property would grow at the rate of about 5% annually (as did class 15 from 1977 to 1978).
3. Actual value of class 15 property (as of January 1, 1978): \$146,584,272 with a taxable value of \$6,265,631.
4. The taxable value of all property in the state is (under current law):

| | | |
|-----------------|-----------------|-----------------|
| FY79(actual) | FY80(estimated) | FY81(estimated) |
| \$1,568,246,354 | \$1,647,000,000 | \$1,729,000,000 |
5. The remainder of the tax base will not change substantially.
6. The university 6 mill levy will be the only levy for state purposes.
7. (See technical note) Some sort of change will be made in section 1(3) so that applications may be accepted for FY80 beyond March 1, 1979.

FISCAL IMPACT

| | FY80 | FY81 |
|------------------------|-------------|--------------|
| 6 mill University Levy | | |
| under current law | \$9,882,000 | \$10,374,000 |
| under proposed law | 9,842,526 | 10,332,552 |
| Estimated Decrease | (\$ 39,474) | (\$ 41,448) |

FUND INFORMATION

| | | |
|------------------------|-------------|-------------|
| 6 Mill University Levy | | |
| Estimated Decrease | (\$ 39,474) | (\$ 41,448) |

EFFECT ON LOCAL GOVERNMENTS

It is impossible to give a precise estimate of local impact because of the variation among the components of local tax bases and local mill levies. The loss in taxable value statewide is calculated to be \$6,579,000 in FY80 and \$6,903,000 in FY81. Under rather reasonable assumptions as to the average mill levy which might obtain, this translates into between \$1.5 and \$2 million in property tax revenue each fiscal year.

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: _____

(CONTINUED ON PAGE 2)

STATE OF MONTANA

REQUEST NO. 449-79

FISCAL NOTE

Form BD-15

In compliance with a written request received March 9, 19 79, there is hereby submitted a Fiscal Note for House Bill 340 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 changes the manner of payment of estate tax relating to due date and interest to conform with the manner of payment of inheritance tax.

FISCAL IMPACT

The fiscal impact is indeterminable; however, a description of the effect can be made. Under the current law the interest for late payment starts 9 months after death with a rate of 6%. This proposal would have the effect of changing the interest rate to 10% with the interest starting 18 months after death, but retroactive to date of death.

(Prepared by the Department of Revenue)

Richard L. Tracy for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/17/77

Approved by Committee
on Taxation

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15 ~~and--shall--bear--interest--if--any--at--the--same--rate--and--for~~
16 ~~the-same-period-as-such-United-States-tax in the same manner~~
17 ~~provided for the payment of inheritance taxes in 72-16-440~~
18 ~~and 72-16-441."~~

-End-

HB 340
SECOND READING

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16 ~~the-same-period-as-such-United-States-tax~~ in the same manner
17 provided for the payment of inheritance taxes in 72-16-449
18 and 72-16-441."

-End-

HB 340
THIRD READING

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-End-

AD 340
REFERENCE BILL