

HOUSE BILL 470

IN THE HOUSE

January 30, 1979

Introduced and referred to
Committee on Taxation.

March 13, 1979

Committee recommend bill,
do not pass.

March 14, 1979

Report adopted.

1 HOUSE BILL NO. 470

2 INTRODUCED BY NATHE, BURNETT, IVERSON

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT NEW
5 LARGE AGRICULTURAL MACHINERY IS EXEMPT FROM TAXATION WHILE
6 UNDER A FLOOR PLAN, OR HELD AS BUSINESS INVENTORY FOR SALE
7 BY A DEALER."

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

10 Section 1. Agricultural machinery held as business
11 inventory exempt. (1) New large agricultural machinery which
12 is floor planned, consigned, or purchased by an agricultural
13 implement dealer and held for sale is not subject to
14 taxation.

15 (2) "New large agricultural machinery" means that new
16 agricultural machinery which qualifies for valuation in the
17 official guide tractors and farm implements and department
18 valuation schedules.

19 (3) "Floor plan" means the same as consignment, or
20 where ownership is in the manufacturer of property held by
21 an implement dealer for sale.

-End-

HB 470

INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 422-79

FISCAL NOTE

Form BD-15

compliance with a written request received February 25, 1979, there is hereby submitted a Fiscal Note House Bill 470 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 provides that new large agricultural machinery is exempt from taxation while under a floor plan, or held as business inventory for sale by a dealer.

ASSUMPTIONS

The taxable value of new agricultural machinery may be a small percentage of statewide business inventories, but it could possibly have significant effects on local revenues.

FISCAL IMPACT

University Levy (6 mills)
Minimal Fiscal Impact

EFFECT ON LOCAL GOVERNMENT

The fiscal impact on local revenues may be significant, but its magnitude cannot be estimated.

(Prepared by the Department of Revenue)

Richard L. Daugherty

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/27/79