HOUSE BILL 724

IN THE HOUSE

February 10, 1979

Introduced and referred to Committee on Taxation.

LC 1221/01

BILL NO. 724 1 2 INTRODUCED BY 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE 4 DISTRIBUTION OF THE LICENSE TAX ON LIQUOR; AMENDING SECTION 5 16-1-404, MCA; REPEALING SECTION 16-1-405, MCA. 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 Section 1. Section 16-1-404. HCA. is amended to read: 9 "16-1-404. License tax on liquor -- amount --10 distribution of proceeds. (1) The department is hereby 11 authorized and directed to charge, receive, and collect at 12 the time of sale and delivery of any liquor under any 13 provisions of the laws of the state of Montana a license tax 14 15 of 10% of the retail selling price on all liquor sold and delivered. Said tax shall be charged and collected on all 16 liquor brought into the state and taxed by the department. 17 The retail selling price shall be computed by adding to the 13 cost of said liquor the state markup as designated by the 19 20 department. Said 10% license tax shall be figured in the same manner as the state excise tax and shall be in addition 21 22 to said state excise tax. The department shall retain in a 23 separate account the amount of such 10% license tax so 24 received. Two-thirds of these revenues shall be distributed 25 to the counties according to the amount of liquor purchased

1 in each county. One-third of these revenues shall be 2 retained by the state. Provided, however, in the case of 3 purchases of liquor by a retail liquor licensee for use in 4 his businessy the department shall make such regulations as 5 are necessary to apportion that proportion of license tax so * generated to the county where the licensed establishment is locatedy-for-use-as-provided--in--16-1-405. The department 7 A shall pay quarterly to each county treasurer the proportion 9 of the license tax due each county.

10 (2) The county treasurer of each county shall retain 11 50% six-sevenths of said license tax and shall, within 30 12 days after receipt thereof, apportion the remaining 50% 13 one-seventh thereof to the treasurers of the incorporated cities and towns within his county for the treatment. 14 15 rebabilitation, and prevention of alcoholism as approved by 16 the states seid The apportionment is to be based in each instance upon the proportion which the gross sale of liquor 17 18 in such incorporated city or town bears to the gross sale of 19 liquor in all of the incorporated cities and towns in his 20 county.

(3) Of-the-50%-of-the-tax-retained-by-the-countyy-the
Ihe county treasurer shall deposit six-sevenths--of--this
emount the tax retained by the county in a fund within the
county for the treatment, rehabilitation, and prevention of
alcoholism as approved by the state of Montana, The

HB 924 INTRODUCED BILL

LC 1221/01

LC 1221/01

| 1 | remaining-one-seventh-of-the-fund s-shail-be-retained-inthe |
|----|--|
| 2 | county-treosury-for-use-by-that-county. |
| 3 | [4] If a city or county does not have an approved |
| 4 | program for the treatment, rebabilitation, and prevention of |
| 5 | alcoholism: the money apportioned to the city or county |
| 6 | reverts_back_and_is_to_be_credited_to_the_department_of |
| 7 | institutions to be distributed to approved programs |
| 8 | accepting clients from the city or county lacking an |
| 9 | approved_program |
| 10 | (4)[5] The one-third of the license tax on liquor |
| 11 | retained by the state shall be deposited with the state |
| 12 | treasurer to the credit of the department of institutions |
| 13 | each quarter for the treatment, rehabilitation, and |
| 14 | prevention of alcoholism as approved by the state." |
| 15 | Section 2. Repealer. Section 16-1-405, MCA, is |
| 16 | repealed. |

-End-

STATE OF MONTANA

REQUEST NO. 354-79

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>February 13</u>, 19 79, there is hereby submitted a Fiscal Note for <u>House Bill 724</u> 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 distribution of the license tax on liquor.

ASSUMPTIONS

- (a) It is assumed that the Department of Revenue's estimate of anticipated liquor license tax receipts for the 80-81 biennium is correct.
- (b) All local governments receiving a share of the liquor license tax under the proposed law will have approved programs for the treatment, rehabilitation and prevention of alcoholism (see technical note).

EV 01

TTV 00

FISCAL IMPACT

| | <u>FY 80</u> | <u>FY 81</u> | |
|---------------------------|-----------------------|-----------------------|--|
| Liquor License Tax | - | | |
| under current law | \$3,769,000 | \$3,946,000 | |
| under proposed law | 3,769,000 | 3,946,000 | |
| Estimated Impact | \$ 0 | \$ 0 | |
| Estimated impact | <u> </u> | <u> </u> | |
| FUND INFORMATION | | | |
| Counties' Alcohol | | | |
| Treatment Program | | | |
| under current law | \$1,076,857 | \$1,127,429 | |
| | | | |
| under proposed law | 2,153,714 | 2,254,857 | |
| Estimated Increase | \$1,076,857 | <u>\$1,127,428</u> | |
| Counties' Law Enforcement | | | |
| under current law | \$ 179,476 | \$ 187,905 | |
| | φ 1/3, 4/0 | φ 107,905 Ο | |
| under proposed law | | | |
| Estimated Decrease | (<u>\$ 179,476</u>) | (<u>\$ 187,905</u>) | |
| Cities' & Towns' Alcohol | | | |
| | | | |
| Treatment Program | È O | ė O | |
| under current law | \$ 0 | \$ 0 | |
| under proposed law | 358,952 | 375,810 | |
| Estimated Increase | \$ 358,952 | <u>\$ 375,810</u> | |
| | | | |

(CONTINUED ON PAGE 2)

Richard L. Frangfor BUDGET DIRECTOR

Office of Budget and Program Planning Date: ______///////