

HOUSE BILL 909

IN THE HOUSE

March 14, 1979

Introduced and referred to
Committee on Taxation.

1 House BILL NO. 909
 2 INTRODUCED BY Taxation Committee

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE RATE OF
 5 THE CORPORATION LICENSE TAX AND THE CORPORATION INCOME TAX;
 6 AMENDING SECTIONS 15-31-121 AND 15-31-403, MCA; PROVIDING AN
 7 EFFECTIVE DATE."

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

10 Section 1. Section 15-31-121, MCA, is amended to read:

11 "15-31-121. Rate of tax -- minimum tax. (1) The
 12 percentage of net income to be paid under 15-31-101 shall be
 13 ~~6-3/4%~~ 1% of all net income for the taxable period. The rate
 14 set forth in this part shall be effective for all taxable
 15 years ending on or after February 28, ~~1971~~ 1972. This rate
 16 is retroactive to and effective for all taxable years ending
 17 on or after February 28, ~~1971~~ 1972.

18 (2) Every corporation subject to taxation under this
 19 part shall, in any event, pay a minimum tax of not less than
 20 \$50."

21 Section 2. Section 15-31-403, MCA, is amended to read:

22 "15-31-403. Rate of tax imposed -- income from sources
 23 within state defined -- alternative tax. (1) There is hereby
 24 imposed upon every corporation for each taxable year an
 25 income tax at the rate specified in 15-31-121 and 15-31-122

1 upon its net income derived from sources within this state
 2 for taxable years beginning after ~~December-31-1970~~ February
 3 28, 1972, other than income for any period for which the
 4 corporation is subject to taxation under part 1 of this
 5 chapter, according to or measured by its net income.

6 (2) Income from sources within this state includes
 7 income from tangible or intangible property located in or
 8 having a situs in this state and income from any activities
 9 carried on in this state, regardless of whether carried on
 10 in intrastate, interstate, or foreign commerce, but does not
 11 include interest paid on loans held by out-of-state
 12 financial institutions recognized as such in the state of
 13 their domicile, secured by mortgages, trust indentures, or
 14 other security interests on real or personal property
 15 located within the state, if the loan is originated by a
 16 lender doing business in Montana and assigned out-of-state
 17 and there is no activity conducted by the out-of-state
 18 lender in Montana except periodic inspection of the
 19 security.

20 (3) Pursuant to Article III, section 2, of the
 21 Multistate Tax Compact, any corporation required to file a
 22 return under this part and whose only activity in Montana
 23 consists of making sales and which does not own or rent real
 24 estate or tangible personal property within Montana and
 25 whose annual gross volume of sales made in Montana does not

1 exceed \$100,000 may elect to pay a tax of 1/2 of 1% of gross
2 sales made in Montana during the taxable year. Such tax
3 shall be in lieu of the tax otherwise imposed under this
4 section. The gross volume of sales made in Montana during
5 the taxable year shall be determined according to Article
6 IV, sections 16 and 17, of the Multistate Tax Compact."
7 Section 3. Effective date. This act is effective on
8 passage and approval.

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