

CHAPTER NO. 681.

HOUSE BILL NO. 916

INTRODUCED BY TAXATION COMMITTEE

IN THE HOUSE

March 20, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill do pass as amended. Report adopted.
March 26, 1979	Printed and placed on members' desks.
March 27, 1979	Second reading, do pass.
	Considered correctly engrossed.
	Third reading, passed. Transmitted to second house.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 7, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 9, 1979	Second reading, concurred in.
April 11, 1979	Third reading, concurred in as amended.

IN THE HOUSE

April 12, 1979	Returned from second house. Concurred in as amended.
April 13, 1979	Second reading, amendments rejected.
	On motion Free Joint Conference Committee requested.
April 16, 1979	Free Joint Conference Committee appointed.

April 18, 1979

Free Joint Conference Committee
reported.

Second reading, adopted.

Third reading, adopted.

April 19, 1979

Adopted by second house.

April 20, 1979

Sent to enrolling.

Reported correctly enrolled.

House BILL NO. 916

1 INTRODUCED BY Tankattou

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 15-30-203, MCA, TO MAKE OFFICERS OF CORPORATIONS JOINTLY AND
6 SEVERALLY LIABLE WITH THE CORPORATION FOR PAYMENT OF TAX
7 WITHHELD FROM EMPLOYEES."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-30-203, MCA, is amended to read:
11 "15-30-203. Employer liable for withholding. 111 Every
12 employer shall be liable for the amounts hereinbefore
13 required to be deducted and withheld, and such amounts shall
14 be considered as a tax, and with respect thereto the
15 employer shall be considered a taxpayer.

16 (2) If the employer is a corporation, an officer
17 thereof who is required to account for and pay to the state
18 amounts withheld from the corporation's employees is jointly
19 and severally liable with the corporation for payment to the
20 state of amounts so withheld and for the amount of penalty
21 and interest due with respect thereto.

22 131 If the employer fails to deduct and withhold the
23 amounts specified in 15-30-202 and thereafter the tax
24 against which such deducted and withheld amounts would have
25 been credited is paid, the amounts so required hereby to be

1 deducted and withheld shall not be collected from the
2 employer."

3 Section 2. Effective date. This act is effective on
4 its passage and approval and applies with respect to amounts
5 deducted and withheld for the quarters beginning after
6 December 31, 1978.

-End-

Approved by Committee
on Taxation

1 HOUSE BILL NO. 916

2 INTRODUCED BY TAXATION COMMITTEE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 15-30-203, MCA, TO MAKE CHIEF EXECUTIVE OFFICERS OF
6 CORPORATIONS ~~JOINTLY~~--AND--SEVERALLY LIABLE WITH--THE
7 CORPORATION FOR PAYMENT OF TAX WITHHELD BY A CORPORATION
8 FROM EMPLOYEES ~~IE THE ASSETS OF THE CORPORATION ARE~~
9 ~~INSUFFICIENT TO PAY THE AMOUNT OWED THE STATE.~~"

10

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

12 Section 1. Section 15-30-203, MCA, is amended to read:

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14 employer shall be liable for the amounts hereinbefore
15 required to be deducted and withheld, and such amounts shall
16 be considered as a tax, and with respect thereto the
17 employer shall be considered a taxpayer.

18 ~~121~~ ~~If the employer is a corporation and officer
19 thereof who is required to account for and pay to the
20 state amounts withheld from the corporation's employees in
21 jointly and severally, THE CHIEF EXECUTIVE OFFICERS OF THE
22 CORPORATION ARE liable with the corporation for payment to
23 the state of amounts so withheld BY THE CORPORATION and for
24 the amount of penalty and interest due with respect thereto
25 ~~IE THE ASSETS OF THE CORPORATION ARE INSUFFICIENT TO PAY THE~~~~

1 AMOUNT OWED THE STATE.

2 ~~131~~ If the employer fails to deduct and withhold the
3 amounts specified in 15-30-202 and thereafter the tax
4 against which such deducted and withheld amounts would have
5 been credited is paid, the amounts so required hereby to be
6 deducted and withheld shall not be collected from the
7 employer."

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11 December 31, 1978.

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14 employer shall be liable for the amounts hereinbefore

15 required to be deducted and withheld, and such amounts shall

16 be considered as a tax, and with respect thereto the

17 employer shall be considered a taxpayer.

18 (2) If the employer is a corporation--an officer
19 thereof who IHAI is required to account for and pay to the
20 state amounts withheld from the corporation's employees is
21 jointly and severally. THE CHIEF EXECUTIVE OFFICERS OF THE
22 CORPORATION ARE liable with the corporation for payment to
23 the state of amounts so withheld BY THE CORPORATION and for
24 the amount of penalty and interest due with respect thereto
25 IF THE ASSETS OF THE CORPORATION ARE INSUFFICIENT TO PAY THE

1 AMOUNTS OWED THE STATE
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4 against which such deducted and withheld amounts would have
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7 employer."

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9 its passage and approval and applies with respect to amounts
10 deducted and withheld for the quarters beginning after
11 December 31, 1978.

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

12 Section 1. Section 15-30-203, MCA, is amended to read:

13 "15-30-203. Employer liable for withholding. All Every

14 employer shall be liable for the amounts hereinbefore

15 required to be deducted and withheld, and such amounts PLUS

16 INTEREST DUE THEREON shall be considered as a tax, and with

17 respect thereto the employer shall be considered a taxpayer.

18 ~~if--if--the--employer--is--a--corporation--an--officer~~
19 ~~thereof--who--IS--required--to--account--for--and--pay--to--the~~
20 ~~state--amounts--withheld--from--the--corporation's--employees--is~~
21 ~~jointly--and--severally--THE--CHIEF--EXECUTIVE--OFFICERS--OF--THE~~
22 ~~CORPORATION--ARE--table--with--the--corporation--for--payment--to~~
23 ~~the--state--of--amounts--so--withheld--BY--THE--CORPORATION--and--for~~
24 ~~the--amount--of--penalty--and--interest--due--with--respect--thereto~~
25 ~~IF--THE--ASSETS--OF--THE--CORPORATION--ARE--INSUFFICIENT--TO--PAY--THE~~

1 AMOUNT OWED THE STATE

2 (2) THE OFFICER OR EMPLOYEE OF A CORPORATION WHOSE

3 DUTY IT IS TO COLLECT, TRUTHFULLY ACCOUNT FOR, AND PAY OVER

4 TO THE STATE AMOUNTS WITHHELD FROM THE CORPORATION'S

5 EMPLOYEES AND WHO WILLFULLY FAILS TO PAY OVER THE

6 WITHHOLDINGS IS LIABLE TO THE STATE FOR AMOUNTS SO WITHHELD

7 AND THE AMOUNT OF PENALTY AND INTEREST DUE THEREON.

8 (3) If the employer fails to deduct and withhold the

9 amounts specified in 15-30-202 and thereafter the tax

10 against which such deducted and withheld amounts would have

11 been credited is paid, the amounts so required hereby to be

12 deducted and withheld shall not be collected from the

13 employer."

14 Section 2. Effective date. This act is effective on

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16 deducted and withheld for the quarters beginning after

17 December 31, 1978.

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5 15-30-203, MCA, TO MAKE ~~SHIEF~~ EXECUTIVE OFFICERS AND
6 EMPLOYEES OF CORPORATIONS JOINTLY AND SEVERALLY LIABLE WITH
7 THE CORPORATION FOR PAYMENT OF TAX WITHHELD BY A CORPORATION
8 FROM EMPLOYEES ~~IF THE ASSETS OF THE CORPORATION ARE~~
9 ~~INSUFFICIENT TO PAY THE AMOUNT OWED THE STATE."~~

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16 INTEREST DUE THEREON shall be considered as a tax, and with

17 respect thereto the employer shall be considered a taxpayer.

1 AMOUNT ON THE STATE

2 (2) THE OFFICER OR EMPLOYEE OF A CORPORATION WHOSE
3 DUTY IT IS TO COLLECT, TRUTHFULLY ACCOUNT FOR, AND PAY OVER
4 TO THE STATE AMOUNTS WITHHELD FROM THE CORPORATION'S
5 EMPLOYEES AND WHO WILLFULLY FAILS TO PAY OVER THE
6 WITHHOLDINGS IS LIABLE TO THE STATE FOR AMOUNTS SO WITHHELD
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13 employer."

14 Section 2. Effective date. This act is effective on
15 its passage and approval and applies with respect to amounts
16 deducted and withheld for the quarters beginning after
17 December 31, 1978.

-End-

April 7, 1979

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 916, third reading bill, be amended as follows:

1. Title, line 5.

Following: "MAKE"

Strike: "CHIEF EXECUTIVE"

Following: "OFFICERS"

Insert: "AND EMPLOYEES"

2. Page 1, line 15.

Following: "amounts"

Insert: "plus interest due thereon"

3. Page 1, line 17.

Following: line 17

Strike: subsection 2 in its entirety

Insert: "(2) The officer or employee of a corporation whose duty it is to collect, truthfully account for, and pay over to the state amounts withheld from the corporation's employees and who willfully fails to pay over the withholdings is liable to the state for amounts so withheld and the amount of penalty and interest due thereon."