

CHAPTER NO. 610

SENATE BILL NO. 181

INTRODUCED BY HAZELBAKER, TURNAGE

IN THE SENATE

January 19, 1979	Introduced and referred to Committee on Taxation.
January 25, 1979	Committee recommend bill do pass and be placed on Consent Calendar. Report adopted.
January 26, 1979	Printed and placed on members' desks.
January 27, 1979	Consent Calendar discussion.
January 29, 1979	Consent Calendar, do pass. Transmitted to second house.

IN THE HOUSE

January 30, 1979	Introduced and referred to Committee on Taxation.
April 11, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 12, 1979	Second reading, concurred in.
April 17, 1979	Third reading, concurred in as amended.

IN THE SENATE

April 17, 1979	Returned from second house. Concurred in as amended.
April 18, 1979	Second reading, amendments adopted.
	On motion rules suspended. Bill placed on Calendar for third reading this day.

April 18, 1979

Third reading, amendments  
adopted. Sent to enrolling.

Reported correctly enrolled.

1 *Sen. Steve* BILL NO. *181*  
 2 INTRODUCED BY *Robert Turnage*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 5 15-70-322, MCA, TO PROVIDE THAT THE UNITED STATES AND THE  
 6 STATE ARE EXEMPT FROM THE PAYMENTS OF TAX ON SPECIAL FUEL."

7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 15-70-322, MCA, is amended to read:

10 "15-70-322. Tax on use of special fuels. There is  
 11 hereby levied and imposed a tax on the use of each and every  
 12 gallon of special fuel in any motor vehicle while operated  
 13 upon the highways equivalent to the lawful tax levied on  
 14 motor fuel under 15-70-321. Said tax, with respect to all  
 15 special fuel delivered by a special fuel dealer into supply  
 16 tanks of motor vehicles in this state, shall attach at the  
 17 time of such delivery and shall be collected by such special  
 18 fuel dealer from the special fuel user and shall be paid  
 19 over to the department as hereinafter provided. Said tax,  
 20 with respect to special fuel acquired by any special fuel  
 21 user in any manner other than by delivery by a special fuel  
 22 dealer into a fuel supply tank of a motor vehicle, shall  
 23 attach at the time of the consumption of such fuel in the  
 24 propulsion of a motor vehicle upon the highways of the state  
 25 and shall be paid over to the department by the special fuel

1 user as hereinafter provided. The ~~various United States, the~~  
 2 ~~state, and the~~ counties, incorporated cities and towns, and  
 3 school districts of this state ~~shall be~~ are exempt from the  
 4 levy and imposition of this tax."

-End-

## FISCAL NOTE

Form BD-15

In compliance with a written request received March 15, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 181 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 amends section 15-70-322, MCA, to provide that the United States and the State are exempt from the payments of tax on special fuel.

## ASSUMPTIONS:

1. The tax on use of special fuels has never been levied against the United States Government.
2. The tax on use of special fuels levied against the State of Montana amounted to approximately \$1,450 in FY78.
3. The revenues paid by the State of Montana for the tax on special fuels will amount to approximately \$1,500 for FY80 and FY81.

## FISCAL IMPACT:

	<u>FY80</u>	<u>FY81</u>
Effect of Proposed Legislation on Special Fuel Tax Revenues		
Estimated Decrease	<u>(\$1,500)</u>	<u>(\$1,500)</u>

## FUND INFORMATION:

Earmarked Revenue Fund		
Estimated Decrease	<u>(\$1,500)</u>	<u>(\$1,500)</u>

## EFFECT ON LOCAL GOVERNMENT:

Revenues to local governments for street and road purposes will be decreased by a certain percentage of \$1,500 for each fiscal year.

## LONG-RANGE EFFECTS:

Revenues will be decreased by at least \$1,500 for each and every year the legislation is in effect.

*Richard L. Franzen*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3/17/79

Approved by Committee  
on Taxation

1 Sen. Jack BILL NO. 181  
2 INTRODUCED BY Waylon Turnage

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13 upon the highways equivalent to the lawful tax levied on  
14 motor fuel under 15-70-321. Said tax, with respect to all  
15 special fuel delivered by a special fuel dealer into supply  
16 tanks of motor vehicles in this state, shall attach at the  
17 time of such delivery and shall be collected by such special  
18 fuel dealer from the special fuel user and shall be paid  
19 over to the department as hereinafter provided. Said tax,  
20 with respect to special fuel acquired by any special fuel  
21 user in any manner other than by delivery by a special fuel  
22 dealer into a fuel supply tank of a motor vehicle, shall  
23 attach at the time of the consumption of such fuel in the  
24 propulsion of a motor vehicle upon the highways of the state  
25 and shall be paid over to the department by the special fuel

1 user as hereinafter provided. The ~~various~~ United States, the  
2 state, and the counties, incorporated cities and towns, and  
3 school districts of this state ~~shall be~~ are exempt from the  
4 levy and imposition of this tax."

-End-

1 SENATE BILL NO. 181

2 INTRODUCED BY HAZELBAKER, TURNAGE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
5 15-70-322, MCA, TO PROVIDE THAT THE UNITED STATES, AND THE  
6 STATE, AND OTHER STATES ARE EXEMPT FROM THE PAYMENTS OF TAX  
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24 attach at the time of the consumption of such fuel in the  
25 propulsion of a motor vehicle upon the highways of the state

1 and shall be paid over to the department by the special fuel  
2 user as hereinafter provided. The various United States, the  
3 state MONTANA AND ALL OTHER STATES, and the counties,  
4 incorporated cities and towns, and school districts of this  
5 state ~~shall~~ are exempt from the levy and imposition of  
6 this tax."

-End-

Committee on Taxation Amendments to Senate Bill No. 181, third reading copy,  
as follows:

1. Title, line 5.

Following: "STATES"

Strike: "AND"

Insert: ", "

2. Title, line 6.

Following: "STATE"

Insert: ", AND OTHER STATES"

3. Page 2, lines 1 and 2.

Following: "States,"

Strike: "the state"

Insert: "Montana and all other states"

AND AS AMENDED  
BE CONCURRED IN