

SENATE BILL 184

IN THE SENATE

January 14, 1979	Introduced and referred to Committee on Taxation.
January 22, 1979	Fiscal note requested.
January 26, 1979	Fiscal note returned.
March 10, 1979	Committee recommend bill, as amended.
	Statement of Intent adopted.
March 13, 1979	Printed and placed on members' desks.
March 14, 1979	Second reading, as amended.
March 16, 1979	Considered correctly engrossed.
March 17, 1979	Third reading, passed.

IN THE HOUSE

March 19, 1979	Introduced and referred to Committee on Taxation.
April 6, 1979	Committee recommend bill, as amended, not concurred.
April 6, 1979	Report adopted.

IN THE SENATE

April 10, 1979	Returned from House, not concurred, as amended.
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Senate BILL NO. 184
 INTRODUCED BY Markus Turnage Walt Gardner
 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE Don

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A FEE IN LIEU OF PROPERTY TAX FOR AUTOMOBILES, LIGHT TRUCKS, MOTOR HOMES, TRAVEL TRAILERS, CAMPERS, MOTORCYCLES, AND SNOWMOBILES; AMENDING SECTIONS 10-2-301, 15-6-101, 15-6-110, 15-6-111, 15-6-113, 15-6-201, 15-8-201, 15-8-202, 15-30-121, 15-31-114, 15-31-406, 15-50-207, 23-2-611, 23-2-612, 23-2-616, 23-2-617, 23-2-618, 23-2-642, 61-1-102, 61-3-303, 61-3-317, 61-3-322, 61-3-441, 61-3-442, 61-3-501, 61-3-502, 61-3-503, 61-3-504, 61-3-506, 61-3-509, 61-3-601, 61-3-606, AND 61-3-701, MCA; AND REPEALING SECTIONS 15-6-121 AND 15-8-203, MCA."

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

NEW SECTION. Section 1. Light truck. "Light truck" means a truck with a manufacturer's rated capacity of three-quarters of a ton or less.

NEW SECTION. Section 2. Motor home. "Motor home" means a self-propelled motor vehicle originally designed or permanently altered to provide facilities for human habitation.

NEW SECTION. Section 3. Travel trailer. "Travel

trailer" means a trailer 32 feet or less in length and 8 feet or less in width designed or permanently altered to provide facilities for human habitation.

NEW SECTION. Section 4. Vehicle age. The age of a vehicle is determined by subtracting the manufacturer's designated model year from the current calendar year.

NEW SECTION. Section 5. Fee in lieu of property tax for certain vehicles. There is a fee in lieu of personal property taxes imposed on automobiles, light trucks, motor homes, travel trailers, campers, and motorcycles. The fee imposed is in addition to annual registration fees.

NEW SECTION. Section 6. Schedule of fees for automobiles, light trucks, motor homes, travel trailers, and campers weighing 3,000 pounds or less. (1) The owner of an automobile, light truck, or motor home weighing 3,000 pounds or less, manufacturer's shipping weight, shall pay a fee based on the age of the vehicle according to the following schedule:

less than 2 years old	\$165
2 years old and less than 3 years old	145
3 years old and less than 4 years old	115
4 years old and less than 5 years old	85
5 years old and less than 6 years old	70
6 years old and less than 7 years old	50
7 years old and less than 8 years old	40

1	8 years old and less than 9 years old	30
2	9 years old and less than 10 years old	20
3	10 years old and less than 11 years old	15
4	11 years old and less than 12 years old	10
5	12 years old and older	5
6	(2) The owner of a travel trailer or camper weighing	
7	3,000 pounds or less shall pay a fee of one-half of the	
8	amount required for the age of the trailer or camper under	
9	the schedule in subsection (1).	
10	<u>NEW SECTION.</u> Section 7. Schedule of fees for	
11	automobiles, light trucks, motor homes, travel trailers, and	
12	campers weighing more than 3,000 pounds. (1) The owner of an	
13	automobile, light truck, or motor home weighing more than	
14	3,000 pounds, manufacturer's shipping weight, shall pay a	
15	fee based on the age of the vehicle according to the	
16	following schedule:	
17	less than 2 years old	\$105
18	2 years old and less than 3 years old	185
19	3 years old and less than 4 years old	150
20	4 years old and less than 5 years old	115
21	5 years old and less than 6 years old	90
22	6 years old and less than 7 years old	70
23	7 years old and less than 8 years old	50
24	8 years old and less than 9 years old	40
25	9 years old and less than 10 years old	30

1	10 years old and less than 11 years old	20
2	11 years old and less than 12 years old	15
3	12 years old and older	10
4	(2) The owner of a travel trailer or camper weighing	
5	more than 3,000 pounds shall pay a fee of one-half of the	
6	amount required for the age of the trailer or camper under	
7	the schedule in subsection (1).	
8	<u>NEW SECTION.</u> Section 8. Schedule of fees for	
9	motorcycles. (1) Except as provided in 15-6-201, the owner	
10	of a motorcycle with a piston displacement of more than 100	
11	cubic centimeters shall pay a fee based on the age of the	
12	motorcycle according to the following schedule:	
13	less than 3 years old	\$30
14	3 years old and less than 4 years old	25
15	4 years old and less than 6 years old	15
16	6 years old and less than 7 years old	10
17	7 years old and older	5
18	(2) Except as provided in 15-6-201, the owner of a	
19	motorcycle with a piston displacement of 100 cubic	
20	centimeters or less shall pay a fee of one-half of the	
21	amount required for the age of the motorcycle under the	
22	schedule in subsection (1) except that the minimum fee for a	
23	motorcycle under this subsection is \$5.	
24	<u>NEW SECTION.</u> Section 9. Dealers exempt from fee. (1)	
25	The fee in lieu of property tax shall not be paid by a dealer	

1 for automobiles, light trucks, motor homes, travel trailers,
 2 campers, or motorcycles held for sale or used in the dealer's
 3 business in selling or demonstrating the vehicles. Vehicles
 4 exempt under this section may not be used for the personal
 5 use of the dealer, his family, or employees or for any use
 6 not necessary in the pursuit of business.

7 (2) The department of revenue or the county treasurer
 8 may investigate the status of any vehicle for which an
 9 exemption is claimed under subsection (1). If it is
 10 determined that the vehicle is not exempt the department or
 11 the county treasurer may require payment of the fee in lieu
 12 of tax.

13 NEW SECTION. Section 10. Fee in lieu of property tax
 14 for snowmobiles. (1) There is a fee in lieu of personal
 15 property taxes imposed on snowmobiles.

16 (2) The owner of a snowmobile shall pay a fee based on
 17 the age of the snowmobile according to the following
 18 schedule:

19	less than 2 years old	\$30
20	2 years old and less than 3 years old	25
21	3 years old and less than 4 years old	20
22	4 years old and less than 7 years old	15
23	7 years old and less than 10 years old	10
24	10 years old and older	5
25	(3) The age of a snowmobile is determined by	

1 subtracting the manufacturer's designated model year from
 2 the current calendar year.

3 (4) The fee in lieu of property tax need not be paid
 4 by a dealer of snowmobiles for snowmobiles that constitute
 5 inventory of the dealership.

6 Section 11. Section 61-3-509, MCA, is amended to read:

7 "61-3-509. Disposition of taxes and fees in lieu of
 8 tax. The county treasurer shall credit all taxes and fees in
 9 lieu of tax collected on motor vehicles ~~so--collected~~ to a
 10 motor vehicle suspense fund. ~~and--~~

11 ~~(2)~~ At some time between March 1 and March 10 of each
 12 year and every 60 days thereafter, the county treasurer
 13 shall distribute the ~~some~~ money in the motor vehicle
 14 suspense fund in the relative proportions required by the
 15 levies for state, county, school district, and municipal
 16 purposes in the same manner as other personal property taxes
 17 are distributed."

18 NEW SECTION. Section 12. Disposition of fees in lieu
 19 of tax on snowmobiles. The county treasurer shall credit all
 20 fees in lieu of tax collected on snowmobiles to the county
 21 motor vehicle suspense fund provided for in 61-3-509.

22 Section 13. Section 61-3-441, MCA, is amended to read:

23 "61-3-441. ~~Fee-paid~~ Fee-paid decal required on camper
 24 -- application for decal -- application fee -- issuance. (1)
 25 ~~No campers subject to taxation in Montana shall be operated~~

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1 ~~by any person may operate a camper in the state of Montana~~
 2 ~~on the public highways or streets in Montana~~ unless there is
 3 displayed in a conspicuous place thereon a decal as visual
 4 proof that ~~Montana person's property taxes have~~ the fee in
 5 lieu of property tax has been paid thereon for the current
 6 year.

7 (2) Application for the issuance of ~~such tax-paid~~ the
 8 decal shall be made to the department of revenue or the
 9 county treasurer upon forms to be furnished for this
 10 purpose, which may be obtained from the department or at the
 11 county ~~assessor's~~ treasurer's office in the county wherein
 12 the owner resides, and is to provide for substantially the
 13 following information:

- 14 (a) name of owner;
 - 15 (b) address;
 - 16 (c) name of manufacturer;
 - 17 (d) model number;
 - 18 (e) make;
 - 19 (f) year of manufacture;
 - 20 (g) statement evidencing ~~assessment and~~ payment of
 21 ~~property tax~~ the fee in lieu of property tax; and
 - 22 (h) such other information as the department may
 23 require.
- 24 (3) ~~Said~~ The application shall ~~must~~ be signed by the
 25 county treasurer and transmitted by him to the department

1 accompanied by ~~an~~ an application fee of \$1. Upon receipt of
 2 the application in approved form the department or county
 3 treasurer shall issue to the applicant a decal in the style
 4 and design prescribed by the department and of a different
 5 color than the preceding year, numbered numerically."

6 Section 14. Section 61-3-606, MCA, is amended to read:
 7 "61-3-606. Penalty for violation of camper decal
 8 requirement. Operation of a camper ~~in violation of 61-3-442~~
 9 ~~without a fee-paid decal~~ is a misdemeanor punishable by a
 10 fine not to exceed \$50."

11 Section 15. Section 61-3-442, MCA, is amended to read:
 12 "61-3-442. Annual application for decals. Application
 13 may be made to the department of revenue or county treasurer
 14 for the issuance of ~~tax-paid~~ camper decals annually when the
 15 motor vehicle to which the camper is customarily attached is
 16 registered."

17 Section 16. Section 61-3-303, MCA, is amended to read:
 18 "61-3-303. Application for registration. (1) Every
 19 owner of a motor vehicle operated or driven upon the public
 20 highways of this state shall for each motor vehicle owned,
 21 except as herein otherwise expressly provided, file or cause
 22 to be filed in the office of the county treasurer where the
 23 motor vehicle is owned or taxable an application for
 24 registration or reregistration upon a blank form to be
 25 prepared and furnished by the division. The application

1 shall contain:

2 (a) name and address of owner, giving county, school
3 district, and town or city within whose corporate limits the
4 motor vehicle is taxable;

5 (b) name and address of conditional sales vendor,
6 mortgagee, or holder of other lien against the motor
7 vehicle, with statement of amount owing under such contract
8 or lien;

9 (c) description of motor vehicle, including make, year
10 model, engine or serial number, manufacturer's model or
11 letter, gross weight, type of body, and if truck, the rated
12 capacity;

13 (d) in case of reregistration, the license number for
14 the preceding year; and

15 (e) such other information as the division may
16 require.

17 (2) A person who files an application for registration
18 or reregistration of a motor vehicle, except of a mobile
19 home as defined in 15-1-101(1), shall upon the filing of the
20 application pay to the county treasurer:

21 (a) ~~pay to the county treasurer~~ the registration fee,
22 as provided in 61-3-311 and 61-3-321; and

23 (b) the new truck sales tax if required by 61-3-502;
24 and

25 ~~(b)(c)~~ pay the personal property taxes assessed or the

1 ~~new-motor-vehicle-sales-tax-against-the-vehicle the fee in~~
2 ~~lieu of property tax whichever is applicable to the vehicle~~
3 ~~being registered or reregistered~~ for the current year of
4 registration, unless the same shall have been theretofore
5 paid for the year, before the application for registration
6 or reregistration may be accepted by the county treasurer.
7 (3) The county treasurer may make full and complete
8 investigation of the tax status of the vehicle. Any
9 applicant for registration or reregistration must submit
10 proof from the tax records of the proper county at the
11 request of the county treasurer."

12 Section 17. Section 61-3-322, MCA, is amended to read:

13 "61-3-322. Certificates of registration -- issuance.

14 (1) Upon completion of the application for registration, on
15 forms furnished by the division, the county treasurer shall
16 file one copy in his office and issue to the applicant two
17 copies of the application marked "Owner's Certificate of
18 Registration and Tax Receipt", one of which shall be marked
19 "file copy".

20 (2) The certificate of registration shall contain upon
21 the face thereof:

22 (a) the date issued;

23 (b) the registration number assigned to the owner and
24 the vehicle;

25 (c) the name and complete address of the owner, or the

1 names and addresses of joint owners;

2 (d) the name and complete address of any conditional

3 sales vendor, and also the name and address of any other

4 lienor as shown by said application;

5 (e) a description of the registered vehicle including

6 the year built and serial number, if any;

7 (f) any lien against such motor vehicle and the amount

8 due at the date of registration; and

9 (g) such other statement of facts as may be determined

10 by the division.

11 (3) Every owner, upon receiving a registration receipt

12 shall write his signature thereon with pen and ink in the

13 space provided. Every such registration receipt or a

14 notarized photostatic copy thereof or a duplicate thereof

15 furnished by the division shall at all times be carried in

16 the vehicle to which it refers or shall be carried by the

17 person driving or in control of such vehicle, who shall

18 display the same upon demand of a police officer or any

19 officer or employee of the division or the highway

20 department.

21 ~~(4) Upon receipt of application for registration, in~~

22 ~~quintuplicate, and payment of license fees and taxes as herein~~

23 ~~provided, the county treasurer shall:~~

24 ~~(a) file one copy of said application in his office;~~

25 ~~(b) issue to the applicant two copies of the~~

1 ~~application entitled "Owner's Certificate of Registration~~

2 ~~and Tax Receipt" one of which shall be marked "file copy";~~

3 ~~and~~

4 ~~(c) forward one copy to the county clerk and recorder;~~

5 ~~(5)(4) The county treasurer shall daily forward to the~~

6 ~~division one copy of the application all applications for~~

7 ~~registration received that day.~~

8 ~~(6)(5) It shall not be necessary for the county~~

9 ~~treasurer, in said receipt, to segregate the amount of said~~

10 ~~taxes for state, county, school district, and municipal~~

11 ~~purposes."~~

12 Section 18. Section 61-3-317, MCA, is amended to read:

13 "61-3-317. New registration required for transferred

14 vehicle -- grace period -- penalty -- display of proof of

15 purchase. (1) Except as otherwise provided herein, the new

16 owner of the a transferred motor vehicle shall have the a

17 grace period of 20 calendar days from the date of purchase

18 to make application and pay the taxes as provided by part 5

19 of this chapter or the fee in lieu of property tax as

20 provided by [section 5 of this act] unless the tax or fee

21 had been paid for the year, as if the same was being

22 registered for the first time in that registration year. If

23 the motor vehicle was not purchased from a duly licensed

24 motor vehicle dealer as provided in this chapter, it shall

25 not be a violation of this chapter or any other law for the

1 purchaser to operate the vehicle upon the streets and
 2 highways of this state without a certificate of registration
 3 during the 20-day period; provided, that at all times during
 4 that period a bill of sale or other proof of purchase
 5 reciting the date of purchase shall be clearly displayed in
 6 the rear window of the motor vehicle. Registration and
 7 license fees collected under 61-3-321 are not required to be
 8 paid when a license plate is transferred under this section
 9 and 61-3-335. Failure to make application within the time
 10 provided herein shall subject the purchaser to a penalty of
 11 \$10. The penalty shall be collected by the county treasurer
 12 at the time of registration, and shall be in addition to the
 13 fees otherwise provided by law.

14 (2) Any purchaser of a new or used motor vehicle from
 15 a duly licensed motor vehicle dealer shall have the a grace
 16 period of 20 calendar days from the date of purchase to make
 17 application for registration and to obtain registration
 18 plates, and it shall not be a violation of this chapter or
 19 any other law for such purchaser to operate such vehicle
 20 upon the streets and highways of this state without a
 21 certificate of registration and registration plates during
 22 the 20-day period; provided that at all times during said
 23 period the sticker issued by the dealer at the time of
 24 purchase shall remain affixed to said vehicle as provided in
 25 61-4-111. Failure to make such application within the time

1 provided herein subjects the purchaser to a penalty of \$10.
 2 The penalty is to be collected by the county treasurer at
 3 the time of registration and is in addition to the fees
 4 otherwise provided by law."

5 Section 19. Section 10-2-301, MCA, is amended to read:
 6 "10-2-301. Free license plates to disabled veterans.
 7 Any person who is a veteran of the armed service of the
 8 United States and 100% disabled because of an injury which
 9 that has been determined by the veterans administration to
 10 be service connected and who is a citizen and resident of
 11 the state of Montana and who is the owner of a passenger
 12 automobile or ~~of a~~ truck up to and including three-quarter
 13 ton GVW-rated capacity ~~shall be provided with~~ is entitled to
 14 receive free license plates ~~upon payment of personal~~
 15 ~~property tax equal to 1% of the taxable value for such~~
 16 ~~automobile or truck and~~ upon proof of 100% service-connected
 17 disability."

18 Section 20. Section 61-1-102, MCA, is amended to read:
 19 "61-1-102. Motor vehicle. (1) "Motor vehicle" means
 20 every vehicle which is self-propelled and every vehicle
 21 which is propelled by electric power obtained from overhead
 22 trolley wires but not operated upon rails, excluding
 23 motorcycles.

24 (2) For 61-10-101 through 61-10-110, the term "motor
 25 vehicle" is defined in subsection (3).

1 (3) "Motor vehicle" means every vehicle which is
2 self-propelled and every vehicle which is propelled by
3 electric power obtained from overhead trolley wires but not
4 operated upon rails.

5 ~~{4}--The word "motor vehicle" as used in 61-3-502 means~~
6 ~~automobiles, auto trucks, and motorcycles, propelled by~~
7 ~~their own power, used upon the public highways of the state.~~

8 {5}{4} The term "motor vehicle" as used in part 4 of
9 chapter 4 shall mean every self-propelled vehicle moving
10 over the highways of this state, whether patented or
11 unpatented.

12 {6}{5} "Motor vehicle" means a self-propelled vehicle
13 including without limitation an automobile, motorbus,
14 motorcycle, truck, and truck tractor.

15 {7}{6} The word "motor vehicle" as used in [this
16 title] shall include trailers, semitrailers, automobiles,
17 auto trucks, motorcycles, cycle motors, and all other
18 vehicles propelled by their own power, used upon the public
19 highways of the state, excepting steam or gas tractors, or
20 self-propelled wheelchairs or similar vehicles operated by
21 invalids.

22 {8}{7} The term "motor vehicle" as used in 61-3-20?
23 and 61-3-322 includes automobile, truck, motorcycle-type
24 vehicle, and semitrailer, trailer and housetrailer.

25 {9}{8} The words "motor vehicle" as used in chapters 3

1 and 4 shall include all vehicles which are self-propelled,
2 except road rollers, traction engines, and railroad cars,
3 farm tractors, and motorcars run upon stationary rails or
4 tracks.

5 {10}{9} "Motor vehicle", as used in part 1, chapter 6,
6 means every self-propelled vehicle which is designed for use
7 upon a highway, including trailers and semitrailers designed
8 for use with such vehicles (except traction engines, road
9 rollers, farm tractors, tractor cranes, power shovels, and
10 well drillers) and every vehicle which is propelled by
11 electric power obtained from overhead wires but not operated
12 upon rails.

13 {11}{10} "Motor vehicle", as used in 61-3-711 through
14 61-3-733, means every vehicle which is self-propelled and
15 every vehicle which is propelled by electric power obtained
16 from overhead trolley wires, but not operated upon rails."

17 Section 21. Section 61-3-501, MCA, is amended to read
18 "61-3-501. When vehicle property tax, new truck tax
19 and fee in lieu of tax is due. (1) Property taxes, the fee
20 in lieu of property tax, and new car truck taxes shall be
21 paid on the date of registration or reregistration of the
22 vehicle.

23 (2) If the anniversary date for reregistration of a
24 vehicle ~~shall pass~~ passes while the vehicle is owned and
25 held for sale by a licensed new used car dealer property

1 taxes or the fee in lieu of property tax shall abate on such
 2 vehicle properly reported with the department of revenue
 3 until the vehicle is sold and thereafter the purchaser shall
 4 pay the pro rata balance of the taxes or the fee in lieu of
 5 property tax due and owing on the vehicle.

6 (3) In the event a vehicle's registration period is
 7 changed under 61-3-315, all taxes, the fee in lieu of
 8 property tax, and other fees due thereon shall be prorated
 9 and paid from the last day of the old period until the first
 10 day of the new period in which the vehicle shall be
 11 registered. Thereafter taxes, the fee in lieu of property
 12 tax, and other fees must be paid from the first day of the
 13 new period for a minimum period of 1 year. When the change
 14 is to a later registration period, taxes and fees shall be
 15 prorated and paid based on the same tax year as the original
 16 registration period. Thereafter, during the appropriate
 17 anniversary registration period, each vehicle shall again
 18 register or reregister and shall pay all taxes and fees due
 19 thereon for a 12-month period."

20 Section 22. Section 61-3-502, MCA, is amended to read:

21 "61-3-502. Sales tax on new motor--vehicles trucks
 22 exceeding three-quarters of a ton capacity -- exemptions.

23 (1) In consideration of the right to use the highways of the
 24 state, there shall be imposed a tax upon all sales of new
 25 motor--vehicles trucks with a manufacturer's rated capacity

1 exceeding three-quarters of a ton for which a license is
 2 sought and an original application for title is made. The
 3 tax shall be paid by the purchaser when he applies for his
 4 original Montana license through the county treasurer.

5 (2) The sales tax shall be:

6 (a) 1 1/2% of the F.O.B. factory list price or F.O.B.
 7 port of entry list price, during the first quarter of the
 8 year or prorated one-twelfth for each month or part of month
 9 for a registration period other than a calendar year or
 10 calendar quarter;

11 (b) 1 1/8% of the list price during the second quarter
 12 of the year;

13 (c) 3/4 of 1% during the third quarter of the year;

14 (d) 3/8 of 1% during the fourth quarter of the year.

15 (3) If the manufacturer or importer fails to furnish
 16 the F.O.B. factory list price or F.O.B. port of entry list
 17 price, the department may use published price lists.

18 (4) The proceeds from this tax shall be remitted to
 19 the state treasurer every 30 days for credit to the state
 20 highway account of the earmarked revenue fund.

21 (5) The new vehicle truck is not subject to any other
 22 assessment or taxation or fees in lieu of tax during the
 23 calendar year in which the original application for title is
 24 made.

25 (6) (a) The applicant for original registration of any

1 wholly new and unused motor-vehicle truck with a
 2 ~~manufacturer's rated capacity exceeding three-quarters of a~~
 3 ~~ton~~ or new motor-vehicle truck with a ~~manufacturer's rated~~
 4 ~~capacity exceeding three-quarters of a ton~~ furnished without
 5 charge by the dealer to the school district for use as a
 6 traffic education motor vehicle by a school district
 7 operating a state-approved traffic education program within
 8 the state, whether or not previously licensed or titled to
 9 the school district, ~~except a mobile home as defined in~~
 10 ~~15-1-101(1)~~, acquired by original contract after January 1
 11 of any year shall be required, whenever such vehicle truck
 12 has not been otherwise assessed, to pay the motor-vehicle
 13 ~~new truck~~ sales tax provided by this section irrespective of
 14 whether the vehicle truck was in the state of Montana on
 15 January 1 of the year.

16 (b) No such motor-vehicle truck may be registered or
 17 licensed under the provisions of this subsection unless the
 18 application for registration is accompanied by a statement
 19 of origin to be furnished by the dealer selling the vehicle
 20 truck showing that the vehicle truck has not previously been
 21 registered or owned, except as otherwise provided herein, by
 22 any person, firm, corporation, or association that is not a
 23 new motor vehicle dealer holding a franchise or distribution
 24 agreement from a new car truck manufacturer, distributor, or
 25 importer.

1 (7) Motor-vehicles Trucks operating exclusively for
 2 transportation of persons for hire within the limits of
 3 incorporated cities or towns and within 15 miles from such
 4 limits are exempt from subsection (1). Motor-vehicles Trucks
 5 brought or driven into Montana by a nonresident migratory
 6 bona fide agricultural worker temporarily employed in
 7 agricultural work in this state where those motor-vehicles
 8 trucks are used exclusively for transportation of
 9 agricultural workers are also exempt from subsection (1).
 10 Vehicles Trucks lawfully displaying a licensed dealer's
 11 plate as provided in 61-4-102 are exempt from subsection (1)
 12 when moving to or from a dealer's place of business when
 13 unladen or laden with dealer's property only, and in the
 14 case of vehicles trucks having a gross laden weight of less
 15 than 24,000 pounds, while in the process of demonstration in
 16 the course of the dealer's business.*

17 Section 23. Section 61-3-503, MCA, is amended to read
 18 "61-3-503. Assessment. (1) A person who files an
 19 application for registration or reregistration of a motor
 20 vehicle ~~except other than a vehicle subject to a fee in~~
 21 ~~lieu of property tax or~~ of a mobile home as defined in
 22 15-1-101(1), shall before filing such application with the
 23 county treasurer submit the same to the county assessor of
 24 the county. The county assessor shall enter on the
 25 application in a space to be provided for that purpose the

1 market value and taxable value of the vehicle for the year
2 for which the application for registration is made.

3 (2) Except as provided in subsection (3) motor
4 vehicles--except other than vehicles subject to the fee in
5 lieu of property tax and mobile homes as defined in
6 15-1-101(1), are assessed for taxes on January 1 in each
7 year irrespective of the time fixed by law for the
8 assessment of other classes of personal property and
9 irrespective of whether the levy and tax may be a lien upon
10 real property within the state. In no event may any motor
11 vehicle be subject to assessment, levy, and taxation more
12 than once in each year.

13 (3) Vehicles subject to the provisions of 61-3-313
14 through 61-3-316 shall be assessed as of the first day of
15 the year in which the registration period occurs and a lien
16 for taxes and fees due thereon shall occur on the
17 anniversary date of the registration and shall continue
18 thereafter until such fees and taxes shall have been paid."

19 Section 24. Section 61-3-504, MCA, is amended to read:

20 "61-3-504. Computation of tax. The amount of taxes ~~tax~~
21 ~~on the a motor vehicle--except other than a vehicle subject~~
22 ~~to a fee in lieu of property tax or~~ a mobile home as defined
23 in 15-1-101(1), is computed and determined by the county
24 treasurer on the basis of the levy of the year preceding the
25 current year of application for registration or

1 reregistration. The determination is entered on the
2 application form in a space provided therefor."

3 Section 25. Section 61-3-506, MCA, is amended to read:

4 "61-3-506. Rules. (1) The department of revenue shall
5 adopt rules for the payment of property taxes and the
6 department of highways shall adopt rules for the payment of
7 new ~~car truck~~ taxes under the provisions of 61-3-313 through
8 61-3-316 and 61-3-501. The department of revenue may adopt
9 regulations for the proration of taxes for the
10 implementation and administration of 61-3-313 through
11 61-3-316 and 61-3-501, but shall specifically provide that
12 new ~~car truck~~ taxes shall be for a full registration period
13 of not less than 11 months and not more than 13 months.

14 ~~(2) The department of revenue shall adopt rules for~~
15 ~~the payment of fees in lieu of property tax for automobiles,~~
16 ~~light trucks, motor homes, travel trailers, campers, and~~
17 ~~motorcycles."~~

18 Section 26. Section 61-3-701, MCA, is amended to read:

19 "61-3-701. Foreign vehicles used in gainful occupation
20 to be registered -- reciprocity. (1) Before any foreign
21 licensed motor vehicle shall ~~may~~ be operated on the highways
22 of this state for hire, compensation, or profit, or before
23 the owner ~~and/or~~ user thereof uses the vehicle if such owner
24 ~~and/or~~ user is engaged in gainful occupation or business
25 enterprise in the state, including highway work, the owner

1 of such vehicle shall make application to a county treasurer
 2 for registration upon an application form furnished by the
 3 division. Upon satisfactory evidence of ownership submitted
 4 to such ~~the~~ county treasurer and the payment of property
 5 taxes as ~~is~~ required by 15-8-201 through ~~15-8-203~~ ~~1~~
 6 ~~15-8-202, or 15-24-301 or the fee in lieu of property tax as~~
 7 ~~required by [section 5 of this act], whichever is applicable~~
 8 ~~to the vehicle being registered,~~ the treasurer shall accept
 9 the application for registration and shall collect the
 10 regular license fee required for the vehicle.

11 (2) The treasurer shall thereupon issue to the
 12 applicant a copy of the application entitled "Owner's
 13 Certificate of Registration Receipt" and forward a duplicate
 14 copy of certificate of registration to the division. The
 15 treasurer shall at the same time issue to the applicant the
 16 proper license plates or other identification markers, which
 17 shall at all times be displayed upon such vehicle when
 18 operated or driven upon roads and highways of this state
 19 during the period of the life of such license.

20 (3) The registration receipt ~~shall~~ ~~does~~ not constitute
 21 evidence of ownership, but shall only be used for
 22 registration purposes. No Montana certificate of title ~~shall~~
 23 ~~may~~ be issued for this type of registration.

24 (4) This section ~~shall~~ ~~is~~ not be applicable to any
 25 vehicle covered by a valid and existing reciprocal agreement

1 or declaration entered into under the provisions of the laws
 2 of Montana."

3 Section 27. Section 61-3-601, MCA, is amended to read:
 4 "61-3-601. Penalty for violations. The violation of
 5 any of the provisions of 61-3-101, 61-3-201, 61-3-202,
 6 61-3-301, 61-3-302, 61-3-303, ~~as amended,~~ 61-3-311,
 7 61-3-312, 61-3-322, ~~as amended,~~ 61-3-331, 61-3-332,
 8 61-3-333, 61-3-411, 61-3-421, 61-3-425, 61-3-503, ~~as~~
 9 ~~amended,~~ 61-3-504, ~~as amended,~~ 61-3-505, or 61-3-509, ~~as~~
 10 ~~amended~~ shall constitute a misdemeanor and shall be
 11 punishable by a fine not exceeding \$25. Nothing herein
 12 contained shall prevent the prosecution of a person for an
 13 offense committed under any other law."

14 Section 28. Section 15-6-101, MCA, is amended to read:
 15 "15-6-101. Property subject to taxation --
 16 classification. (1) All property in this state is subject to
 17 taxation, except as provided otherwise.

18 (2) For the purpose of taxation, the taxable property,
 19 in the state shall be classified in accordance with 15-6-102
 20 through ~~15-6-121~~ ~~15-6-120.~~"

21 Section 29. Section 15-6-110, MCA, is amended to read:
 22 "15-6-110. Class nine property -- description --
 23 taxable percentage. (1) Class nine property includes:

24 (a) ~~automobiles, motor trucks, and other power-driven~~
 25 ~~cars and vehicles of all kinds except mobile homes,~~

1 ~~motorcycles, aircraft, camper trailers, and truck campers~~
2 ~~trucks exceeding three-quarters of a ton manufacturer's~~
3 ~~rated capacity; and~~

4 (b) furniture and fixtures used in commercial, office,
5 and hotel activities, except improvements included in class
6 thirteen.

7 (2) Class nine property is taxed at 13.3% of its
8 market value."

9 Section 30. Section 15-6-113, MCA, is amended to read:

10 "15-6-113. Class twelve property -- description --
11 taxable percentage. (1) Class twelve property includes:

12 (a) boats and all watercraft;

13 (b) aircraft; and

14 ~~(c) motorcycles; and~~

15 ~~(d) large farm machinery valued in the official~~
16 ~~guide tractors and farm implements and department valuation~~
17 ~~schedules.~~

18 (2) Class twelve property is taxed at 11% of its
19 market value."

20 Section 31. Section 15-6-111, MCA, is amended to read:

21 "15-6-111. Class ten property -- description --
22 taxable percentage. (1) Class ten property includes:

23 (a) aerial, surface, and portable ski lifts and ski
24 tows, including the towers, cables, ropes, sheave
25 assemblies, conveying devices, power units, and all

1 accessories; and

2 (b) manufacturing and mining machinery, fixtures, and
3 supplies, except those included in class eighteenth and

4 ~~(c) camper trailers and truck campers valued in the~~
5 ~~"New Montana Recreational Vehicle Appraisal Guide".~~

6 (2) Class ten property is taxed at 12% of market
7 value."

8 Section 32. Section 15-6-201, MCA, is amended to read:

9 "15-6-201. Exempt categories. (1) (a) The property of

10 the United States, the state, counties, cities, towns,
11 school districts, irrigation districts organized under the
12 laws of Montana and not operating for profit, municipal

13 corporations, public libraries; buildings, with land they
14 occupy and furnishings therein, owned by a church and used
15 for actual religious worship and for residences of the

16 clergy, together with adjacent land reasonably necessary for
17 convenient use of such buildings owned by a church; such
18 other property as is used exclusively for agricultural and

19 horticultural societies, for educational purposes,
20 hospitals, and all property, both real and personal, without
21 limitation as to amount except that real property owned

22 shall not exceed 640 acres, owned and held by any
23 association or corporation organized under Title 35, chapter
24 20 or 21, cemeteries, provided such cemeteries and any land

25 claimed to be exempt are not maintained and operated for

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1 private or corporate profit; institutions of purely public
 2 charity; evidence of debt secured by mortgages of record
 3 upon real or personal property in the state of Montana; and
 4 public art galleries and public observatories not used or
 5 held for private or corporate profit are exempt from
 6 taxation, but no more land than is necessary for such
 7 purpose is exempt.

8 (b) As used in this subsection, the term "institutions
 9 of purely public charity" includes organizations owning and
 10 operating facilities for the care of the retired or aged or
 11 chronically ill, which are not operated for gain or profit,
 12 and the terms "public art galleries" and "public
 13 observatories" mean only such art galleries and
 14 observatories, whether of public or private ownership, as
 15 are open to the public without charge or fee at all
 16 reasonable hours and are used for the purpose of education
 17 only.

18 (2) All household goods and furniture, including
 19 clocks, musical instruments, sewing machines, and wearing
 20 apparel of members of the family, used by the owner for
 21 personal and domestic purposes or for furnishing or
 22 equipping the family residence are exempt from taxation.

23 (3) A truck canopy cover or topper weighing less than
 24 300 pounds and having no accommodations attached is exempt
 25 from taxation and the fee in lieu of tax.

1 (4) A motorcycle rated at 7 horsepower or less is
 2 exempt from taxation and the fee in lieu of tax."

3 Section 33. Section 15-8-201, MCA, is amended to read:

4 "15-8-201. General assessment day. (1) The department
 5 of revenue or its agent must, between January 1 and the
 6 second Monday of July in each year, ascertain the names of
 7 all taxable inhabitants and assess all property subject to
 8 taxation in each county. The department or its agent must
 9 assess property to the person by whom it was owned or
 10 claimed or in whose possession or control it was at midnight
 11 of January 1 next preceding. It must also ascertain and
 12 assess all mobile homes arriving in the county after
 13 midnight of January 1 next preceding. No mistake in the name
 14 of the owner or supposed owner of real property, however,
 15 renders the assessment invalid.

16 (2) The procedure provided by this section may not
 17 apply to:

18 (a) motor vehicles that are required by 15-8-202 to be
 19 assessed on January 1 or upon their anniversary registration
 20 date or vehicles subject to the fee in lieu of property tax;

21 (b) livestock which are required by 15-24-908 to be
 22 assessed on an average inventory basis in each county;

23 (c) property defined in 61-1-104(2) as "special mobile
 24 equipment" that is subject to assessment for personal
 25 property taxes on the date that application is made for a
 26

1 special mobile equipment plate; and

2 (d) mobile homes held by a distributor or dealer of
3 mobile homes as a part of his stock-in-trade; and

4 ~~(e) snowmobiles that are required by 15-8-203 to be~~
5 ~~assessed as of July 1.~~

6 (3) Credits must be assessed as provided in
7 15-1-101(1)(b)."

8 Section 34. Section 15-8-202, MCA, is amended to read:

9 "15-8-202. Motor vehicle assessment. (1) (a) The
10 department or its agent must, in each year, ascertain and
11 assess all motor vehicles except other than vehicles subject
12 to a fee in lieu of property tax and mobile homes in each
13 county subject to taxation as of January 1 or as of the
14 anniversary registration date of those vehicles subject to
15 61-3-313 through 61-3-316 and 61-3-501. The motor vehicles
16 shall be assessed in each year to the persons by whom owned
17 or claimed or in whose possession or control they were at
18 midnight of January 1 or the anniversary registration date
19 thereof, whichever is applicable.

20 ~~(b) A camper which is customarily attached to a motor~~
21 ~~vehicle shall be assessed at the time the vehicle is~~
22 ~~assessed.~~

23 ~~(c)~~ (b) No tax may be assessed against motor vehicles
24 that constitute inventory of motor vehicle dealers as of
25 January 1. These vehicles and all other motor vehicles

1 brought into the state subsequent to January 1 as motor
2 vehicle dealers' inventories shall be assessed to their
3 respective purchasers as of the dates the vehicles are
4 registered by the purchasers.

5 ~~(c)~~ (c) "Purchasers" includes dealers who apply for
6 registration or reregistration of motor vehicles, except as
7 otherwise provided by 61-3-502.

8 ~~(d)~~ (d) Goods, wares, and merchandise of motor vehicle
9 dealers, other than new motor vehicles and new mobile homes,
10 shall be assessed at market value as of January 1.

11 (2) In all cases where taxes or a fee in lieu of tax
12 were required to be paid, the applicant for registration or
13 reregistration of a motor vehicle, other than a mobile home,
14 is not relieved of the duty of paying taxes or the fee in
15 lieu of taxes if the taxes they have not been paid by a
16 prior applicant or owner."

17 Section 35. Section 23-2-611, MCA, is amended to read:

18 "23-2-611. Certificate of ownership. (1) No snowmobile
19 may be operated upon any public lands, trails, easements,
20 lakes, rivers, streams, roadways or shoulders of roadways,
21 streets, or highways, unless a certificate of ownership has
22 first been obtained from the division of motor vehicles in
23 accordance with the laws of this state.

24 (2) ~~Before such certificate may be obtained, the~~ The
25 owner of a snowmobile shall ~~make application~~ apply for a

1 certificate of ownership with the county treasurer of the
 2 county in which the owner resides, upon forms to be
 3 furnished for this purpose ~~which shall~~ that must require the
 4 following information:

- 5 (a) name of owner;
- 6 (b) residence by town and county;
- 7 (c) business or home mail address;
- 8 (d) name and address of lien holder;
- 9 (e) amount due under contract or lien;
- 10 (f) name and address of manufacturer;
- 11 (g) model number or name;
- 12 (h) serial number; and
- 13 (i) name and address of dealer or other person from
 14 whom acquired.

15 (3) The application ~~shall~~ must be signed by at least
 16 one owner or by a properly authorized officer or
 17 representative of the owner.

18 (4) If a certificate of ownership for a snowmobile has
 19 previously been issued under the provisions of this part,
 20 the application for a new certificate must be accompanied by
 21 the immediately previous certificate or by an affidavit upon
 22 a prescribed form stating under oath that the vehicle had
 23 not been operated during the immediately previous year. This
 24 subsection does not apply to snowmobiles that are purchased
 25 as new and unused machines or that were operated when the

1 provisions of this part were not in force and effect.

2 (5) Upon completion of the application in
 3 quintuplicate on forms furnished by the division of motor
 4 vehicles, the county treasurer shall issue to the applicant
 5 two copies of the application, one of which shall be marked
 6 "file copy", and forward one copy and the original
 7 application to the division, which shall cause to be entered
 8 the information contained in the application upon the
 9 corresponding records of its office, and shall furnish the
 10 applicant a certificate of ownership which shall contain the
 11 information found on the application and a permanent
 12 ownership number. The certificate of ownership is not
 13 required to be renewed annually and is valid as long as the
 14 person holding it owns the snowmobile.

15 (6) The owner shall at all times retain possession of
 16 the certificate of ownership, except when the same is being
 17 transmitted to and from the division for endorsement or
 18 cancellation. The owner of a snowmobile shall display his
 19 certificate of ownership number on both sides of the cowlings
 20 of the snowmobile and shall maintain the number in legible
 21 condition at all times. The number shall read from left to
 22 right and be marked in Arabic numerals, in block characters
 23 of good proportion, and shall be a minimum of 3 inches in
 24 height, excluding border or trim, and of a color that
 25 contrasts with the color of the background.

1 (7) Upon application for a certificate of ownership, a
2 fee of \$3 shall be paid to the county treasurer, one-half of
3 which fee shall be forwarded by the county treasurer to the
4 division of motor vehicles.

5 (8) Before a ~~tax-paid~~ decal indicating that the fee in
6 lieu of property tax has been paid on a snowmobile for the
7 current year may be applied for pursuant to the laws of this
8 state, the owner must present the certificate of ownership
9 or copy of completed application therefor as a prerequisite
10 to completing the application for the ~~tax-paid~~ decal."

11 Section 36. Section ~~23-2-612~~, MCA, is amended to read:

12 *23-2-612. Transfer of interest. (1) Except as
13 provided in subsection (3), upon a transfer of any
14 certificate of ownership to a snowmobile registered as
15 required under the provisions of this part, the person whose
16 title or interest is to be transferred shall write his
17 signature with pen and ink upon the certificate of ownership
18 issued for the snowmobile in the appropriate space provided
19 upon the reverse side of the certificate, and such signature
20 shall be acknowledged before a notary public.

21 (2) Within 20 calendar days thereafter, the transferee
22 shall forward the certificate of ownership so endorsed,
23 together with the information required under this part, to
24 the division of motor vehicles, which shall file the same
25 upon receipt thereof. No certificate of ownership may be

1 issued by the division until the outstanding certificates
2 are surrendered to that office or their loss established to
3 its reasonable satisfaction. The division shall collect a
4 fee of \$3 for each application for transfer of ownership.

5 (3) A purchaser of a new or used snowmobile from a
6 licensed snowmobile dealer has a grace period of 20 calendar
7 days from the date of purchase to make application for a
8 certificate of ownership and to obtain a ~~tax-paid~~ decal
9 indicating that the fee in lieu of property tax has been
10 paid on the snowmobile for the current year. It is not a
11 violation of this part or any other law for the purchaser to
12 operate such a snowmobile without a certificate of ownership
13 and a ~~tax-paid~~ decal during the 20-day period. During this
14 period the sticker, provided for in subsection (4), shall
15 remain affixed to the snowmobile.

16 (4) Prior to the delivery of the snowmobile to the
17 purchaser, the dealer shall issue and affix to the
18 snowmobile a sticker (in a form to be prescribed by the
19 division of motor vehicles). The sticker shall contain the
20 name and address of the purchaser, the date of sale, the
21 name and address of the dealer, and a description of the
22 snowmobile, including its serial number. The dealer shall
23 keep a copy of the sticker for his records and shall send a
24 copy of the sticker to the division.

25 (5) The provisions of subsection (2) of this section,

1 requiring a transferee to forward the certificate of
 2 ownership after endorsement to the division, do not apply in
 3 the event of the transfer of a snowmobile to a duly licensed
 4 snowmobile dealer intending to resell the snowmobile and who
 5 operates it only for demonstration purposes, but every such
 6 dealer, upon transferring such interest, shall deliver the
 7 certificate of ownership with an application for a new
 8 certificate executed by the new owner in accordance with the
 9 provisions of this part. The division, upon receipt of the
 10 certificate of ownership and application for a new
 11 certificate, together with the conditional sales contract or
 12 other lien, if any, shall issue a new certificate of
 13 ownership together with a statement of any conditional sales
 14 contract, mortgage, or other lien."

15 Section 37. Section 23-2-616, MCA, is amended to read:

16 "23-2-616. Display of ~~tax-paid~~ decals -- application
 17 and issuance -- use of fees. (1) No snowmobile may be
 18 operated by any person in ~~the state of~~ Montana unless there
 19 is displayed in a conspicuous place on it a decal as visual
 20 proof that ~~Montana personal property taxes~~ the fee in lieu
 21 of property tax ~~have~~ has been paid on it for the current
 22 year.

23 (2) Application for the ~~tax-paid~~ decal shall be made
 24 to the county treasurer upon forms to be furnished for this
 25 purpose, which may be obtained from the division of motor

1 vehicles or at the county ~~assessor's~~ treasurer's office in
 2 the county where the owner resides. The application shall
 3 contain the following information:

- 4 (a) name of owner;
- 5 (b) address;
- 6 (c) certificate of ownership number;
- 7 (d) name of manufacturer;
- 8 (e) model number;
- 9 (f) make;
- 10 (g) horsepower;
- 11 (h) year of manufacture;
- 12 (i) statement evidencing ~~assessment--and~~ payment of
- 13 ~~property taxes~~ the fee in lieu of property tax; and
- 14 (j) such other information as the division of motor
- 15 vehicles may require.

16 (3) The application shall be signed by the county
 17 treasurer and transmitted by him to the division of motor
 18 vehicles accompanied by a fee of \$2. Upon receipt of the
 19 application in approved form, the division of motor vehicles
 20 or county treasurer shall issue to the applicant a decal in
 21 the style and design prescribed by the division and of a
 22 different color than the preceding year, numbered in
 23 sequence.

24 ~~Before filing the application with the county~~
 25 ~~treasurer, the applicant shall submit it to the county~~

~~assessor--of--the--county--and--the--county--assessor--shall--enter
on--the--application--in--a--place--provided--for--that--purpose--the
market--value--and--taxable--value--of--the--snowmobile--for--the
year--for--which--the--application--is--made~~

~~(5)(4)~~ The applicant shall pay the county treasurer the application fee and the ~~personal property taxes~~ fee in lieu of property tax assessed against the snowmobile for the current year before the application may be accepted by the county treasurer.

~~(6)(5)~~ All moneys collected from payment of the application fees and all interest accruing from use of these moneys shall be turned over to the state treasurer and placed in the earmarked revenue fund to the credit of the department, with \$1 designated for use in enforcing the purposes of this part and \$1 designated for use in the development, maintenance, and operation of snowmobile facilities."

Section 38. Section 23-2-617, MCA, is amended to read:

"23-2-617. Duplicate decal. In the event any ~~a~~ tax-paid decal indicating that the fee in lieu of property tax has been paid on a snowmobile for the current year is lost, mutilated, or becomes illegible, the person to whom the same was issued shall immediately make application for and may obtain a duplicate thereof, upon payment of a fee of \$1 to the county treasurer."

Section 39. Section 23-2-618, MCA, is amended to read:
"23-2-618. Application to be made annually -- grace period -- proof of purchase. (1) Application must be made annually to the county treasurer for the issuance of ~~tax-paid decals~~ annually a decal indicating that the fee in lieu of property tax has been paid for the current year. All ~~tax-paid~~ decals expire on June 30 of each year.

(2) An owner of a newly purchased snowmobile shall have a grace period of 20 calendar days from the date of purchase to make application for a current ~~tax-paid~~ decal, provided that at all times during that period a bill of sale or other proof of purchase reciting the date of purchase shall be carried by the operator or with the snowmobile. An owner or operator of such a snowmobile being operated after the 20-day grace period without a current ~~tax-paid~~ decal displayed on the snowmobile shall be subject to the penalties of 23-2-642(1), as amended."

Section 40. Section 23-2-642, MCA, is amended to read:

"23-2-642. Penalties. (1) The failure to display a current ~~tax-paid~~ decal indicating that the fee in lieu of property tax has been paid during the time provided in this part is a misdemeanor, punishable by a fine of not less than \$10 or more than \$50.

(2) A person who violates any other provision of this part or a rule adopted pursuant thereto shall pay a civil

1 penalty of not less than \$15 or more than \$500 for each
2 separate violation.

3 (3) A person who willfully violates any other
4 provision of this part or a rule adopted pursuant thereto
5 shall pay a civil penalty of not less than \$50 or more than
6 \$1,000 for each separate violation.

7 (4) A manufacturer who certifies that a new snowmobile
8 can meet the sound-level limitations imposed by this part
9 shall be subject to the penalty provisions of subsections
10 (2) and (3) if any machine so certified does not meet the
11 appropriate sound level limitation. For the purposes of
12 this section, every sale of a new snowmobile that does not
13 meet the sound-level limitations imposed by this part
14 constitutes a separate violation."

15 Section 41. Section 15-30-121, MCA, is amended to
16 read:

17 "15-30-121. Deductions allowed in computing net
18 income. In computing net income, there are allowed as
19 deductions:

20 (1) the items referred to in sections 161 and 211 of
21 the Internal Revenue Code of 1954, or as sections 161 and
22 211 shall be labeled or amended, subject to the following
23 exceptions which are not deductible:

- 24 (a) items provided for in 15-30-123;
25 (b) state income tax paid;

1 (2) federal income tax paid within the taxable year;

2 (3) child and dependent care expenses determined in
3 accordance with the provisions of section 214 of the
4 Internal Revenue Code of 1954 that were in effect for the
5 taxable year that began January 1, 1974;

6 (4) that portion of an energy-related investment
7 allowed as a deduction under 15-32-103;

8 ~~(5) fees in lieu of property tax paid for automobiles,
9 light trucks, motor homes, travel trailers, campers,
10 motorcycles, and snowmobiles."~~

11 Section 42. Section 15-31-114, MCA, is amended to
12 read:

13 "15-31-114. Deductions allowed in computing income. In
14 computing the net income, the following deductions shall be
15 allowed from the gross income received by such corporation
16 within the year from all sources:

17 (1) All the ordinary and necessary expenses paid or
18 incurred during the taxable year in the maintenance and
19 operation of its business and properties, including
20 reasonable allowance for salaries for personal services
21 actually rendered, subject to the limitation hereinafter
22 contained, rentals or other payments required to be made as
23 a condition to the continued use or possession of property
24 to which the corporation has not taken or is not taking
25 title or in which it has no equity. No deduction shall be

1 allowed for salaries paid upon which the recipient thereof
 2 has not paid Montana state income tax; provided, however,
 3 that where domestic corporations are taxed on income derived
 4 from without the state, salaries of officers paid in
 5 connection with securing such income shall be deductible.

6 (2) (a) All losses actually sustained and charged off
 7 within the year and not compensated by insurance or
 8 otherwise, including a reasonable allowance for the wear and
 9 tear and obsolescence of property used in the trade or
 10 business, such allowance to be determined according to the
 11 provisions of section 167 of the Internal Revenue Code in
 12 effect with respect to the taxable year. All elections for
 13 depreciation shall be the same as the elections made for
 14 federal income tax purposes. No deduction shall be allowed
 15 for any amount paid out for any buildings, permanent
 16 improvements, or betterments made to increase the value of
 17 any property or estate, and no deduction shall be made for
 18 any amount of expense of restoring property or making good
 19 the exhaustion thereof for which an allowance is or has been
 20 made.

21 (b) (i) There shall be allowed as a deduction for the
 22 taxable period a net operating loss deduction determined
 23 according to the provisions of this subsection. The net
 24 operating loss deduction is the aggregate of net operating
 25 loss carryovers to such taxable period plus the net

1 operating loss carrybacks to such taxable period. The term
 2 "net operating loss" means the excess of the deductions
 3 allowed by this section, 15-31-114, over the gross income,
 4 with the modifications specified in (ii) of this subsection.
 5 If for any taxable period beginning after December 31, 1970,
 6 a net operating loss is sustained, such loss shall be a net
 7 operating loss carryback to each of the three taxable
 8 periods preceding the taxable period of such loss and shall
 9 be a net operating loss carryover to each of the five
 10 taxable periods following the taxable period of such loss. A
 11 net operating loss for any taxable period ending after
 12 December 31, 1975, in addition to being a net operating loss
 13 carryback to each of the three preceding taxable periods,
 14 shall be a net operating loss carryover to each of the seven
 15 taxable periods following the taxable period of such loss.
 16 The portion of such loss which shall be carried to each of
 17 the other taxable years shall be the excess, if any, of the
 18 amount of such loss over the sum of the net income for each
 19 of the prior taxable periods to which such loss was carried.
 20 For purposes of the preceding sentence, the net income for
 21 such prior taxable period shall be computed with the
 22 modifications specified in (ii)(B) of this subsection and by
 23 determining the amount of the net operating loss deduction
 24 without regard to the net operating loss for the loss period
 25 or any taxable period thereafter, and the net income so

1 computed shall not be considered to be less than zero.

2 (ii) The modifications referred to in (i) of this
3 subsection shall be as follows:

4 (A) No net operating loss deduction shall be allowed.

5 (B) The deduction for depletion shall not exceed the
6 amount which would be allowable if computed under the cost
7 method.

8 (iii) A net operating loss deduction shall be allowed
9 only with regard to losses attributable to the business
10 carried on within the state of Montana.

11 (iv) In the case of a merger of corporations, the
12 surviving corporation shall not be allowed a net operating
13 loss deduction for net operating losses sustained by the
14 merged corporations prior to the date of merger. In the case
15 of a consolidation of corporations, the new corporate entity
16 shall not be allowed a deduction for net operating losses
17 sustained by the consolidated corporations prior to the date
18 of consolidation.

19 (v) Notwithstanding the provisions of 15-31-531,
20 interest shall not be paid with respect to a refund of tax
21 resulting from a net operating loss carryback or carryover.

22 (vi) The net operating loss deduction shall not be
23 allowed with respect to taxable periods which ended on or
24 before December 31, 1970, but shall be allowed only with
25 respect to taxable periods beginning on or after January 1,

1 1971.

2 (3) In the case of mines, other natural deposits, oil
3 and gas wells, and timber, a reasonable allowance for
4 depletion and for depreciation of improvements; such
5 reasonable allowance to be determined according to the
6 provisions of the Internal Revenue Code in effect for the
7 taxable year. All elections made under the Internal Revenue
8 Code with respect to capitalizing or expensing exploration
9 and development costs and intangible drilling expenses for
10 corporation license tax purposes shall be the same as the
11 elections made for federal income tax purposes.

12 (4) The amount of interest paid within the year on its
13 indebtedness incurred in the operation of the business from
14 which its income is derived; but no interest shall be
15 allowed as a deduction if paid on an indebtedness created
16 for the purchase, maintenance, or improvement of property or
17 for the conduct of business unless the income from such
18 property or business would be taxable under this part.

19 (5) Interest income from obligations of the state or
20 any political subdivision or municipality of the state.

21 (6) (a) Taxes paid within the year except the
22 following:

23 (i) Taxes imposed by this part.

24 (ii) Taxes assessed against local benefits of a kind
25 tending to increase the value of the property assessed.

1 (iii) Taxes on or according to or measured by net
2 income or profits imposed by authority of the government of
3 the United States.

4 (iv) Taxes imposed by any other state or country upon
5 or measured by net income or profits.

6 (b) Taxes deductible under this part shall be
7 construed to include taxes imposed by any county, school
8 district, or municipality of this state.

9 (7) Fees paid in lieu of property tax on automobiles,
10 light trucks, mobile homes, travel trailers, campers,
11 motorcycles, and snowmobiles.

12 ~~(7)(B)~~ That portion of an energy-related investment
13 allowed as a deduction under 15-32-103."

14 Section 43. Section 15-31-406, MCA, is amended to
15 read:

16 "15-31-406. License tax sections incorporated by
17 reference. The provisions of the following sections of this
18 chapter are incorporated into this part by reference and
19 made a part hereof:

20 (1) that part of 15-31-101 which defines the term
21 "corporation" and 15-31-102, which specifies the classes of
22 organizations whose income shall not be taxed;

23 (2) sections 15-31-111 through 15-31-114, as amended;
24 15-31-141 and 15-31-142; 15-31-301 through 15-31-313;
25 15-31-501 through 15-31-509; 15-31-525 through 15-31-527;

1 15-31-531 and 15-31-532; and 15-31-541 through 15-31-543,
2 except that the term "gross income" shall be construed as
3 excluding the net amount of interest income from valid
4 obligations of the United States and except that wherever
5 the words "tax", "license tax", "license fee", "corporation
6 excise tax", or like words appear, referring to the tax
7 imposed under part 1 of this chapter, there shall be
8 substituted the words "income tax".

9 Section 44. Section 15-50-207, MCA, is amended to
10 read:

11 "15-50-207. Credit against other taxes -- credit for
12 personal property taxes and fees in lieu of property tax.
13 (1) The additional license fees withheld or otherwise paid
14 as provided herein may be used as a credit on the
15 contractor's corporation license tax provided for in chapter
16 31 of this title or on the contractor's income tax provided
17 for in chapter 30, depending upon the type of tax the
18 contractor is required to pay under the laws of the state.

19 (2) Personal property taxes or fees in lieu of
20 property tax paid in Montana on any personal property of the
21 contractor which that is used in the business of the
22 contractor and is located within this state may be credited
23 against the license fees required under this chapter.
24 However, in computing the tax credit allowed by this section
25 against the contractor's corporation license tax or income

1 tax, the personal property tax or fee in lieu of property
2 tax credit against the license fees herein required ~~shall~~
3 ~~may~~ not be considered as license fees paid for the purpose
4 of such ~~income~~ tax or corporation license tax credit."

5 Section 45. Applicability. This act applies to
6 automobiles, light trucks, mobile homes, travel trailers,
7 campers, motorcycles, and snowmobiles registered during and
8 after 1980.

9 Section 46. Repealer. Sections 15-6-121 and 15-8-203,
10 MCA, are repealed.

-End-

STATE OF MONTANA

Request No. 76-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 1979, there is hereby submitted a Fiscal Note for Senate Bill 184 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 bill provides a fee in lieu of property tax for automobiles, light trucks, motor homes, travel trailers, campers, motorcycles, and snowmobiles.

ASSUMPTIONS

This bill will have a neutral effect on revenues at the state government level. The overall revenue to local governments is approximately the same, but there is slight variation when looking at individual counties. (See attached table which is copied from a report prepared by the Revenue Oversight Committee.)

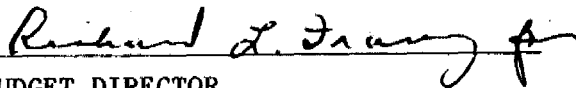

BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1/24/79

TABLE 1

COMPARISON BETWEEN THE PROPERTY TAX
COLLECTED IN 1978 ON CARS AND THE AMOUNT TO BE
COLLECTED UNDER THE PROPOSED FEE SYSTEM

License Plate No.	County	Collection Under Current System	Collection Under Proposed System	Difference
1	Silverbow	\$ 844,772	\$ 778,560	-\$ 66,212
2	Cascade	1,781,718	1,522,560	- 259,158
3	Yellowstone	2,320,272	2,307,160	- 13,112
4	Missoula	1,652,131	1,413,860	- 238,271
5	Lewis & Clark	938,595	886,325	- 52,270
6	Gallatin	787,446	780,195	- 7,251
7	Flathead	864,043	968,470	+ 104,427
8	Fergus	243,043	257,870	+ 14,827
9	Powder River	35,311	69,395	+ 34,084
10	Carbon	144,727	172,055	+ 18,014
11	Phillips	77,630	94,190	+ 16,560
12	Hill	393,179	374,870	- 18,309
13	Ravalli	297,351	343,810	+ 46,458
14	Custer	295,247	281,845	- 13,402
15	Lake	235,891	287,795	+ 51,903
16	Dawson	264,286	257,445	- 6,841
17	Roosevelt	164,406	173,905	+ 9,498
18	Beaverhead	119,387	147,240	+ 27,852
19	Chouteau	133,177	161,540	+ 28,362
20	Valley	241,460	213,980	- 27,479
21	Toole	123,349	131,440	+ 8,090
22	Big Horn	86,412	145,940	+ 59,527
23	Musselshell	52,015	91,615	+ 39,600
24	Blaine	95,371	111,385	+ 16,013
25	Madison	86,583	108,675	+ 22,091
26	Pondera	128,652	148,585	+ 19,932
27	Richland	188,805	244,115	+ 55,309
28	Powell	118,936	136,160	+ 17,223
29	Rosebud	81,205	138,180	+ 56,974
30	Deer Lodge	347,347	273,630	- 73,717
31	Teton	136,359	154,790	+ 18,430
32	Stillwater	87,604	106,575	+ 18,971
33	Treasure	15,227	21,955	+ 6,727
34	Sheridan	106,550	138,370	+ 31,819
35	Sanders	110,117	135,380	+ 25,262
36	Judith Basin	48,094	61,440	+ 13,345
37	Daniels	72,692	66,575	- 6,117
38	Glacier	132,262	155,290	+ 23,027
39	Fallon	63,172	90,440	+ 27,267
40	Sweet Grass	50,801	61,470	+ 10,669
41	McCone	59,960	68,470	+ 8,509
42	Carter	25,846	35,535	+ 9,688
43	Broadwater	54,146	65,610	+ 11,463

44	Wheatland	36,043	44,815	+	8,771
45	Prairie	33,121	41,355	+	8,233
46	Granite	44,640	52,770	+	8,129
47	Meagher	31,674	34,655	+	2,980
48	Liberty	49,948	59,780	+	9,831
49	Park	242,605	254,000	+	11,394
50	Garfield	21,940	32,175	+	10,234
51	Jefferson	120,448	119,730	-	718
52	Wibaux	23,835	32,365	+	8,529
53	Golden Valley	16,052	22,145	+	6,093
54	Mineral	66,570	59,175	-	7,395
55	Petroleum	7,811	11,010	+	3,199
56	Lincoln	235,332	293,835	+	58,499
STATEWIDE		\$15,035,611	\$15,241,545	+	\$205,934

Data presented by the
Property Assessment
Division, Department of
Revenue, July 21, 1978

NOTE: The new car sales tax revenues are not included in these figures. The new car sales tax is replaced by the first year vehicle fee under this proposal. The revenues to each county should increase over those presented on this table. This is especially true in the larger urban counties.

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 1979, there is hereby submitted a Fiscal Note for Senate Bill 184 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.

REASON FOR AMENDMENT:

This fiscal note is being amended to include the fiscal impact on the Department of Highways which was not addressed on the original fiscal note and to provide an estimate of additional revenues to counties resulting from a fee in lieu of new car sales taxes.

DESCRIPTION OF PROPOSED LEGISLATION:

This bill provides a fee in lieu of property tax for automobiles, light trucks, motor homes, travel trailers, campers, motorcycles, and snowmobiles.

FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Department of Highways sales tax collections		
Under current law	\$4.4 M	4.4 M
Under proposed law	<u>0.4 M</u>	<u>0.4 M</u>
Decrease in revenue to Highways Earmarked Revenue Account	<u>4.0 M</u>	<u>4.0 M</u>

Individual income tax collections will also decrease by an undeterminable amount due to the higher fees in lieu of taxes being allowed as a deduction in computing net income.

LOCAL IMPACT:

Revenue to local governments will increase in total approximately \$8.1 million per year. The increase is due to the following:

Fees in lieu of new car sales taxes	\$7.9 M
Fees in lieu of property taxes (see attached)	<u>0.2 M</u>
	<u>\$8.1 M</u>

Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/30/79

TABLE 1

COMPARISON BETWEEN THE PROPERTY TAX
COLLECTED IN 1978 ON CARS AND THE AMOUNT TO BE
COLLECTED UNDER THE PROPOSED FEE SYSTEM

License Plate No.	County	Collection Under Current System	Collection Under Proposed System	Difference
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Property Assessment
Division, Department of
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NOTE: The new car sales tax revenues are not included in these figures. The new car sales tax is replaced by the first year vehicle fee under this proposal. The revenues to each county should increase over those presented on this table. This is especially true in the larger urban counties.

1 STATEMENT OF INTENT RE: SB 184
2
3

4 The Senate Committee on Taxation intends that the fee
5 in lieu of property tax on automobiles, light trucks, motor
6 homes, travel trailers, campers and motorcycles shall be
7 collected by the county treasurer of each county and
8 distributed to each taxing jurisdiction in proportion to its
9 mill levies.

10 The department of revenue may adopt rules defining and
11 enumerating the taxing jurisdictions eligible for
12 distribution of proceeds from this fee in lieu of property
13 tax.

SB 184

Approved by Committee on Taxation

SENATE BILL NO. 184

INTRODUCED BY MATHERS, TURNAGE, WATT,

GOODOVER, TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A FEE IN LIEU OF PROPERTY TAX FOR AUTOMOBILES, LIGHT TRUCKS, MOTOR HOMES, TRAVEL TRAILERS, CAMPERS, MOTORCYCLES, AND SNOWMOBILES; AMENDING SECTIONS 10-2-301, 15-6-101, 15-6-110, 15-6-111, 15-6-113, 15-6-201, 15-8-201, 15-8-202, 15-30-121, 15-31-114, 15-31-406, 15-50-207, 23-2-611, 23-2-612, 23-2-616, 23-2-617, 23-2-618, 23-2-642, 61-1-102, 61-3-303, 61-3-317, 61-3-322, 61-3-441, 61-3-442, 61-3-501, 61-3-502, 61-3-503, 61-3-504, 61-3-506, 61-3-509, 61-3-601, 61-3-606, AND 61-3-701, MCA; AND REPEALING SECTIONS 15-6-121 AND 15-8-203, MCA."

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

NEW SECTION. Section 1. Light truck. "Light truck" means a truck with a manufacturer's rated capacity of three-quarters of a ton or less.

NEW SECTION. Section 2. Motor home. "Motor home" means a self-propelled motor vehicle originally designed or permanently altered to provide facilities for human habitation.

NEW SECTION. Section 3. Travel trailer. "Travel trailer" means a trailer 32 feet or less in length and 8 feet or less in width designed or permanently altered to provide facilities for human habitation.

NEW SECTION. Section 4. Vehicle age. The age of a vehicle is determined by subtracting the manufacturer's designated model year from the current calendar year.

NEW SECTION. Section 5. Fee in lieu of property tax for certain vehicles. There is a fee in lieu of personal property taxes imposed on automobiles, light trucks, motor homes, travel trailers, campers, and motorcycles. The fee imposed is in addition to annual registration fees. THIS FEE SHALL BE CONSIDERED A TAX FOR ALL PURPOSES.

NEW SECTION. Section 6. Schedule of fees for automobiles, light trucks, motor homes, travel trailers, and campers weighing 3,000 pounds or less. (1) The owner of an automobile, light truck, or motor home weighing 3,000 pounds or less, manufacturer's shipping weight, shall pay a fee based on the age of the vehicle according to the following schedule:

less than 2 years old	\$165	\$115
2 years old and less than 3 years old	\$45	100
3 years old and less than 4 years old	\$15	85
4 years old and less than 5 years old	85	70
5 years old and less than 6 years old	70	55

1	6 years old and less than 7 years old	50	40
2	7 years old and less than 8 years old	40	25
3	8 years old and less than 9 years old OLDER	30	15
4	9 years old and less than 10 years old-----	20	
5	10 years old and less than 11 years old-----	15	
6	11 years old and less than 12 years old-----	10	
7	12 years old and older-----	5	

(2) The owner of a travel trailer or camper weighing 3,000 pounds or less shall pay a fee of one-half of the amount required for the age of the trailer or camper under the schedule in subsection (1).

NEW SECTION. Section 7. Schedule of fees for automobiles, light trucks, motor homes, travel trailers, and campers weighing more than 3,000 pounds. (1) The owner of an automobile, light truck, or motor home weighing more than 3,000 pounds, manufacturer's shipping weight, shall pay a fee based on the age of the vehicle according to the following schedule:

19	less than 2 years old	\$295	\$125
20	2 years old and less than 3 years old	185	110
21	3 years old and less than 4 years old	150	95
22	4 years old and less than 5 years old	115	80
23	5 years old and less than 6 years old	90	65
24	6 years old and less than 7 years old	70	50
25	7 years old and less than 8 years old	50	35

1	8 years old and less than 9 years old	40	20
2	9 years old and less than 10 years old OLDER	30	15
3	10 years old and less than 11 years old-----	20	
4	11 years old and less than 12 years old-----	15	
5	12 years old and older-----	10	

(2) The owner of a travel trailer or camper weighing more than 3,000 pounds shall pay a fee of one-half of the amount required for the age of the trailer or camper under the schedule in subsection (1).

NEW SECTION. Section 8. Schedule of fees for motorcycles. (1) Except as provided in 15-6-201, the owner of a motorcycle with a piston displacement of more than 100 cubic centimeters shall pay a fee based on the age of the motorcycle according to the following schedule:

15	less than 3 years old	\$30	\$25
16	3 years old and less than 4 years old	25	20
17	4 years old and less than 6 years old	15	10
18	6 years old and less than 7 years old OLDER	10	5
19	7 years old and older-----	5	

(2) Except as provided in 15-6-201, the owner of a motorcycle with a piston displacement of 100 cubic centimeters or less shall pay a fee of one-half of the amount required for the age of the motorcycle under the schedule in subsection (1) except that the minimum fee for a motorcycle under this subsection is \$5.

1 ~~NEW SECTION.~~ Section 9. Dealers exempt from fee. (1)
 2 The fee in lieu of property tax need not be paid by a dealer
 3 for automobiles, light trucks, motor homes, travel trailers,
 4 campers, or motorcycles held for sale or used in the dealer's
 5 business in selling or demonstrating the vehicles. Vehicles
 6 exempt under this section may not be used for the personal
 7 use of the dealer, his family, or employees or for any use
 8 not necessary in the pursuit of business.

9 (2) The department of revenue or the county treasurer
 10 may investigate the status of any vehicle for which an
 11 exemption is claimed under subsection (1). If it is
 12 determined that the vehicle is not exempt the department or
 13 the county treasurer may require payment of the fee in lieu
 14 of tax.

15 ~~NEW SECTION.~~ Section 10. Fee in lieu of property tax
 16 for snowmobiles. (1) There is a fee in lieu of personal
 17 property taxes imposed on snowmobiles.

18 (2) The owner of a snowmobile shall pay a fee based on
 19 the age of the snowmobile according to the following
 20 schedule:

21 less than 2 years old	\$30 25
22 2 years old and less than 3 years old	25 20
23 3 years old and less than 4 years old	20 15
24 4 years old and less than 7 years old	15 10
25 7 years old and less than 10 years old OLDER	10 5

1 ~~10-years-old-and-older-----5~~
 2 (3) The age of a snowmobile is determined by
 3 subtracting the manufacturer's designated model year from
 4 the current calendar year.

5 (4) The fee in lieu of property tax need not be paid
 6 by a dealer of snowmobiles for snowmobiles that constitute
 7 inventory of the dealership.

8 Section 11. Section 61-3-509, MCA, is amended to read:

9 "61-3-509. Disposition of taxes and fees in lieu of
 10 tax. The county treasurer shall credit all taxes and fees in
 11 lieu of tax collected on motor vehicles so-collected to a
 12 motor vehicle suspense fund, and-~~at~~

13 ~~(2) At some time between March 1 and March 10 of each~~
 14 year and every 60 days thereafter, the county treasurer
 15 shall distribute the ~~same money in the motor vehicle~~
 16 suspense fund in ~~the~~ relative proportions required by the
 17 levies for state, county, school district, and municipal
 18 purposes in the same manner as other personal property taxes
 19 are distributed."

20 ~~NEW SECTION.~~ Section 12. Disposition of fees in lieu
 21 of tax on snowmobiles. The county treasurer shall credit all
 22 fees in lieu of tax collected on snowmobiles to the county
 23 motor vehicle suspense fund provided for in 61-3-509.

24 Section 13. Section 61-3-441, MCA, is amended to read:

25 "61-3-441. Tax-paid ~~Fee-paid~~ decal required on camper

1 -- application for decal -- application fee -- issuance.
 2 (1) ~~No camper--subject--to--taxation--in--Montana--shall--be~~
 3 ~~operated--by--any person may operate a camper in the state--of~~
 4 ~~Montana~~ on the public highways or streets in Montana unless
 5 there is displayed in a conspicuous place thereon a decal as
 6 visual proof that ~~Montana-personal-property-taxes--have~~ the
 7 fee in lieu of property tax has been paid thereon for the
 8 current year.

9 (2) Application for the issuance of ~~such-tax-paid~~ the
 10 decal shall be made to the department of revenue or the
 11 county treasurer upon forms to be furnished for this
 12 purpose, which may be obtained from the department or at the
 13 county assessor's ~~treasurer's~~ office in the county wherein
 14 the owner resides, and is to provide for substantially the
 15 following information:

- 16 (a) name of owner;
- 17 (b) address;
- 18 (c) name of manufacturer;
- 19 (d) model number;
- 20 (e) make;
- 21 (f) year of manufacture;
- 22 (g) statement evidencing ~~assessment--and~~ payment of
 23 ~~property-tax~~ the fee in lieu of property tax; and
- 24 (h) such other information as the department may
 25 require.

1 (3) ~~Said~~ The application ~~shall~~ must be signed by the
 2 county treasurer and transmitted by him to the department
 3 accompanied by a an application fee of \$1. Upon receipt of
 4 the application in approved form the department or county
 5 treasurer shall issue to the applicant a decal in the style
 6 and design prescribed by the department and of a different
 7 color than the preceding year, numbered numerically."

8 Section 14. Section 61-3-606, MCA, is amended to read:
 9 "61-3-606. Penalty for violation of camper decal
 10 requirement. Operation of a camper ~~in violation of--61-3-441~~
 11 ~~without a fee-paid decal~~ is a misdemeanor punishable by a
 12 fine not to exceed \$50."

13 Section 15. Section 61-3-442, MCA, is amended to read:
 14 "61-3-442. Annual application for decals. Application
 15 may be made to the department of revenue or county treasurer
 16 for the issuance of ~~tax-paid camper~~ decals annually when the
 17 motor vehicle to which the camper is customarily attached is
 18 registered."

19 Section 16. Section 61-3-303, MCA, is amended to read:
 20 "61-3-303. Application for registration. (1) Every
 21 owner of a motor vehicle operated or driven upon the public
 22 highways of this state shall for each motor vehicle owned,
 23 except as herein otherwise expressly provided, file or cause
 24 to be filed in the office of the county treasurer where the
 25 motor vehicle is owned or taxable an application for

1 registration or reregistration upon a blank form to be
2 prepared and furnished by the division. The application
3 shall contain:

4 (a) name and address of owner, giving county, school
5 district, and town or city within whose corporate limits the
6 motor vehicle is taxable;

7 (b) name and address of conditional sales vendor,
8 mortgagee, or holder of other lien against the motor
9 vehicle, with statement of amount owing under such contract
10 or lien;

11 (c) description of motor vehicle, including make, year
12 model, engine or serial number, manufacturer's model or
13 letter, gross weight, type of body, and if truck, the rated
14 capacity;

15 (d) in case of reregistration, the license number for
16 the preceding year; and

17 (e) such other information as the division may
18 require.

19 (2) A person who files an application for registration
20 or reregistration of a motor vehicle, except of a mobile
21 home as defined in 15-1-101(1), shall upon the filing of the
22 application pay to the county treasurer:

23 (a) ~~pay--to-the-county-treasurer~~ the registration fee,
24 as provided in 61-3-311 and 61-3-321; and ~~AND~~

25 ~~(b)--the-new-truck-sales-tax-if-required--by--61-3-3021~~

1 ~~and~~

2 ~~(b)(1) pay the personal property taxes assessed on,~~
3 ~~THE NEW MOTOR VEHICLE SALES TAX AGAINST THE VEHICLE, OR the~~
4 ~~new-motor-vehicle-sales-tax-against-the-vehicle the fee in~~
5 ~~lieu of property tax whichever is applicable to the vehicle~~
6 ~~being registered or reregistered~~ for the current year of
7 registration, unless the same shall have been theretofore
8 paid for the year, before the application for registration
9 or reregistration may be accepted by the county treasurer.

10 (3) The county treasurer may make full and complete
11 investigation of the tax status of the vehicle. Any
12 applicant for registration or reregistration must submit
13 proof from the tax records of the proper county at the
14 request of the county treasurer."

15 Section 17. Section 61-3-322, MCA, is amended to read:

16 "61-3-322. Certificates of registration -- issuance.

17 (1) Upon completion of the application for registration, on
18 forms furnished by the division, the county treasurer shall
19 file one copy in his office and issue to the applicant two
20 copies of the application marked "Owner's Certificate of
21 Registration and Tax Receipt", one of which shall be marked
22 "file copy".

23 (2) The certificate of registration shall contain upon
24 the face thereof:

25 (a) the date issued;

1 (a) the date issued;

2 (b) the registration number assigned to the owner and
3 the vehicle;

4 (c) the name and complete address of the owner, or the
5 names and addresses of joint owners;

6 (d) the name and complete address of any conditional
7 sales vendor, and also the name and address of any other
8 lienor as shown by said application;

9 (e) a description of the registered vehicle including
10 the year built and serial number, if any;

11 (f) any lien against such motor vehicle and the amount
12 due at the date of registration; and

13 (g) such other statement of facts as may be determined
14 by the division.

15 (3) Every owner, upon receiving a registration receipt
16 shall write his signature thereon with pen and ink in the
17 space provided. Every such registration receipt or a
18 notarized photostatic copy thereof or a duplicate thereof
19 furnished by the division shall at all times be carried in
20 the vehicle to which it refers or shall be carried by the
21 person driving or in control of such vehicle, who shall
22 display the same upon demand of a police officer or any
23 officer or employee of the division or the highway
24 department.

25 ~~(4) Upon receipt of application for registration, in~~

1 ~~quintuplet, and payment of license fees and taxes as herein~~
2 ~~provided, the county treasurer shall:~~

3 ~~(a) file one copy of said application in his office;~~
4 ~~(b) issue to the applicant two copies of the~~
5 ~~application entitled "Owner's Certificate of Registration~~
6 ~~and Tax Receipt" one of which shall be marked "file copy";~~
7 ~~and~~
8 ~~(c) forward one copy to the county clerk and recorder;~~

9 ~~(5) (4) The county treasurer shall daily forward to the~~
10 ~~division one copy of the application all applications for~~
11 ~~registration received that day.~~

12 ~~(6) (5) It shall not be necessary for the county~~
13 ~~treasurer, in said receipt, to segregate the amount of said~~
14 ~~taxes for state, county, school district, and municipal~~
15 ~~purposes."~~

16 Section 18. Section 61-3-317, MCA, is amended to read:
17 "61-3-317. New registration required for transferred
18 vehicle -- grace period -- penalty -- display of proof of
19 purchase. (1) Except as otherwise provided herein, the new
20 owner of the a transferred motor vehicle shall have the a
21 grace period of 20 calendar days from the date of purchase
22 to make application and pay the taxes as provided by part 5
23 of this chapter or the fee in lieu of property tax as
24 provided by (section 5 of this act) unless the tax or fee
25 had been paid for the year, as if the same was being

1 registered for the first time in that registration year. If
 2 the motor vehicle was not purchased from a duly licensed
 3 motor vehicle dealer as provided in this chapter, it shall
 4 not be a violation of this chapter or any other law for the
 5 purchaser to operate the vehicle upon the streets and
 6 highways of this state without a certificate of registration
 7 during the 20-day period; provided, that at all times during
 8 that period a bill of sale or other proof of purchase
 9 reciting the date of purchase shall be clearly displayed in
 10 the rear window of the motor vehicle. Registration and
 11 license fees collected under 61-3-321 are not required to be
 12 paid when a license plate is transferred under this section
 13 and 61-3-335. Failure to make application within the time
 14 provided herein shall subject the purchaser to a penalty of
 15 \$10. The penalty shall be collected by the county treasurer
 16 at the time of registration, and shall be in addition to the
 17 fees otherwise provided by law.

18 (2) Any purchaser of a new or used motor vehicle from
 19 a duly licensed motor vehicle dealer shall have the a grace
 20 period of 20 calendar days from the date of purchase to make
 21 application for registration and to obtain registration
 22 plates, and it shall not be a violation of this chapter or
 23 any other law for such purchaser to operate such vehicle
 24 upon the streets and highways of this state without a
 25 certificate of registration and registration plates during

1 the 20-day period; provided that at all times during said
 2 period the sticker issued by the dealer at the time of
 3 purchase shall remain affixed to said vehicle as provided in
 4 61-4-111. Failure to make such application within the time
 5 provided herein subjects the purchaser to a penalty of \$10.
 6 The penalty is to be collected by the county treasurer at
 7 the time of registration and is in addition to the fees
 8 otherwise provided by law."

9 Section 19. Section 10-2-301, MCA, is amended to read:

10 "10-2-301. Free license plates to disabled veterans.
 11 Any person who is a veteran of the armed service of the
 12 United States and 100% disabled because of an injury which
 13 ~~that~~ has been determined by the veterans administration to
 14 be service connected and who is a citizen and resident of
 15 the state of Montana and who is the owner of a passenger
 16 automobile or of a truck up to and including three-quarter
 17 ton GVW-rated capacity ~~shall be provided with is entitled to~~
 18 ~~RECEIVE~~ free license plates ~~upon payment of person's~~
 19 ~~property tax equal to 1% of the taxable value for such~~
 20 ~~automobile or truck and~~ upon proof of 100% service-connected
 21 disability."

22 Section 20. Section 61-1-102, MCA, is amended to read:

23 "61-1-102. Motor vehicle. (1) "Motor vehicle" means
 24 every vehicle which is self-propelled and every vehicle
 25 which is propelled by electric power obtained from overhead

1 trolley wires but not operated upon rails, excluding
2 motorcycles.

3 (2) For 61-10-101 through 61-10-110, the term "motor
4 vehicle" is defined in subsection (3).

5 (3) "Motor vehicle" means every vehicle which is
6 self-propelled and every vehicle which is propelled by
7 electric power obtained from overhead trolley wires but not
8 operated upon rails.

9 ~~(4) The word "motor vehicle" as used in 61-3-502 means~~
10 ~~automobiles, auto trucks, and motorcycles, propelled by~~
11 ~~their own power, used upon the public highways of the state.~~

12 (4) THE WORD "MOTOR VEHICLE" AS USED IN 61-3-502 MEANS
13 AUTOMOBILES, AUTO TRUCKS, AND MOTORCYCLES, PROPELLED BY
14 THEIR OWN POWER, USED UPON THE PUBLIC HIGHWAYS OF THE STATE.

15 (5) (4) (5) The term "motor vehicle" as used in part 4
16 of chapter 4 shall mean every self-propelled vehicle moving
17 over the highways of this state, whether patented or
18 unpatented.

19 (6) (5) (6) "Motor vehicle" means a self-propelled
20 vehicle including without limitation an automobile,
21 motorbus, motorcycle, truck, and truck tractor.

22 (7) (6) (7) The word "motor vehicle" as used in [this
23 title] shall include trailers, semitrailers, automobiles,
24 auto trucks, motorcycles, cycle motors, and all other
25 vehicles propelled by their own power, used upon the public

1 highways of the state, excepting steam or gas tractors, or
2 self-propelled wheelchairs or similar vehicles operated by
3 invalids.

4 (8) (7) (8) The term "motor vehicle" as used in 61-3-202
5 and 61-3-322 includes automobile, truck, motorcycle-type
6 vehicle, and semitrailer, trailer and housetrailer.

7 (9) (8) (9) The words "motor vehicle" as used in
8 chapters 3 and 4 shall include all vehicles which are
9 self-propelled, except road rollers, traction engines, and
10 railroad cars, farm tractors, and motorcars run upon
11 stationary rails or tracks.

12 (10) (9) (10) "Motor vehicle", as used in part 1, chapter
13 6, means every self-propelled vehicle which is designed for
14 use upon a highway, including trailers and semitrailers
15 designed for use with such vehicles (except traction
16 engines, road rollers, farm tractors, tractor cranes, power
17 shovels, and well drillers) and every vehicle which is
18 propelled by electric power obtained from overhead wires but
19 not operated upon rails.

20 (11) (10) (11) "Motor vehicle", as used in 61-3-711
21 through 61-3-733, means every vehicle which is
22 self-propelled and every vehicle which is propelled by
23 electric power obtained from overhead trolley wires, but not
24 operated upon rails."

25 Section 21. Section 61-3-501, MCA, is amended to read:

1 "61-3-501. When vehicle property taxes, ~~new truck~~
2 ~~VEHICLE tax, and fee in lieu of tax~~ is due. (1) Property
3 taxes, ~~the fee in lieu of property tax,~~ and new car ~~truck~~
4 ~~VEHICLE~~ taxes shall be paid on the date of registration or
5 reregistration of the vehicle.

6 (2) If the anniversary date for reregistration of a
7 vehicle ~~shall pass~~ passes while the vehicle is owned and
8 held for sale by a licensed new or used car dealer, property
9 taxes ~~or the fee in lieu of property tax~~ shall abate on such
10 vehicle properly reported with the department of revenue
11 until the vehicle is sold and thereafter the purchaser shall
12 pay the pro rata balance of the taxes ~~or the fee in lieu of~~
13 ~~property tax~~ due and owing on the vehicle.

14 (3) In the event a vehicle's registration period is
15 changed under 61-3-315, all taxes, ~~the fee in lieu of~~
16 ~~property tax,~~ and other fees due thereon shall be prorated
17 and paid from the last day of the old period until the first
18 day of the new period in which the vehicle shall be
19 registered. Thereafter taxes, ~~the fee in lieu of property~~
20 ~~tax,~~ and other fees must be paid from the first day of the
21 new period for a minimum period of 1 year. When the change
22 is to a later registration period, taxes and fees shall be
23 prorated and paid based on the same tax year as the original
24 registration period. Thereafter, during the appropriate
25 anniversary registration period, each vehicle shall again

1 register or reregister and shall pay all taxes and fees due
2 thereon for a 12-month period."

3 Section 22. Section 61-3-502, MCA, is amended to read:

4 "61-3-502. Sales tax on new motor ~~vehicles trucks~~
5 ~~exceeding three-quarters-of-a-ton-capacity~~ MOTOR VEHICLES --
6 exemptions. (1) In consideration of the right to use the
7 highways of the state, there shall be imposed a tax upon all
8 sales of new motor-vehicles ~~trucks--with--a--manufacturer's~~
9 ~~rated--capacity--exceeding--three-quarters--of--a--ton~~ MOTOR
10 VEHICLES for which a license is sought and an original
11 application for title is made. The tax shall be paid by the
12 purchaser when he applies for his original Montana license
13 through the county treasurer.

14 (2) The sales tax shall be:

15 (a) 1 1/2% of the F.O.B. factory list price or F.O.B.
16 port of entry list price, during the first quarter of the
17 year or prorated one-twelfth for each month or part of month
18 for a registration period other than a calendar year or
19 calendar quarter;

20 (b) 1 1/8% of the list price during the second quarter
21 of the year;

22 (c) 3/4 of 1% during the third quarter of the year;

23 (d) 3/8 of 1% during the fourth quarter of the year.

24 (3) If the manufacturer or importer fails to furnish
25 the F.O.B. factory list price or F.O.B. port of entry list

1 (4) The proceeds from this tax shall be remitted to
2 the state treasurer every 30 days for credit to the state
3 highway account of the earmarked revenue fund.

4 (5) The new vehicle ~~truck is not subject to any other~~
5 ~~assessment or taxation or fee in lieu of tax~~ VEHICLE IS
6 SUBJECT TO THE FEE IN LIEU OF TAX AS WELL AS THE SALES TAX
7 IMPOSED IN THIS SECTION during the calendar year in which
8 the original application for title is made.

9 (6) (a) The applicant for original registration of any
10 wholly new and unused motor ~~vehicle truck with a~~
11 ~~manufacturer's rated capacity exceeding three quarters of a~~
12 ~~ton MOTOR VEHICLE~~ or new motor ~~vehicle truck with a~~
13 ~~manufacturer's rated capacity exceeding three quarters of a~~
14 ~~ton~~ furnished without charge by the dealer to the school
15 district for use as a traffic education motor vehicle by a
16 school district operating a state-approved traffic education
17 program within the state, whether or not previously licensed
18 or titled to the school district, ~~except a mobile home as~~
19 ~~defined in 15-1-101(1),~~ acquired by original contract after
20 January 1 of any year shall be required, whenever such
21 vehicle truck has not been otherwise assessed, to pay the
22 motor ~~vehicle~~ new truck sales tax provided by this section
23 irrespective of whether the vehicle truck was in the state
24 of Montana on January 1 of the year.

25 (b) No such motor ~~vehicle truck~~ may be registered or

1 (b) No such motor ~~vehicle truck~~ may be registered or
2 licensed under the provisions of this subsection unless the
3 application for registration is accompanied by a statement
4 of origin to be furnished by the dealer selling the vehicle
5 truck showing that the vehicle truck has not previously been
6 registered or owned, except as otherwise provided herein, by
7 any person, firm, corporation, or association that is not a
8 new motor vehicle dealer holding a franchise or distribution
9 agreement from a new car truck manufacturer, distributor, or
10 importer.

11 (7) Motor ~~vehicles~~ trucks operating exclusively for
12 transportation of persons for hire within the limits of
13 incorporated cities or towns and within 15 miles from such
14 limits are exempt from subsection (1). Motor ~~vehicles~~ trucks
15 brought or driven into Montana by a nonresident migratory
16 bona fide agricultural worker temporarily employed in
17 agricultural work in this state where those motor ~~vehicles~~
18 trucks are used exclusively for transportation of
19 agricultural workers are also exempt from subsection (1).
20 Vehicles trucks lawfully displaying a licensed dealer's
21 plate as provided in 61-4-102 are exempt from subsection (1)
22 when moving to or from a dealer's place of business when
23 unladen or laden with dealer's property only, and in the
24 case of vehicles trucks having a gross laden weight of less
25 than 24,000 pounds, while in the process of demonstration in

1 the course of the dealer's business."

2 Section 23. Section 61-3-503, MCA, is amended to read:

3 "61-3-503. Assessment. (1) A person who files an
4 application for registration or reregistration of a motor
5 vehicle--except other than a vehicle subject to a fee in
6 lieu of property tax or of a mobile home as defined in
7 15-1-101(1), shall before filing such application with the
8 county treasurer submit the same to the county assessor of
9 the county. The county assessor shall enter on the
10 application in a space to be provided for that purpose the
11 market value and taxable value of the vehicle for the year
12 for which the application for registration is made.

13 (2) Except as provided in subsection (3) motor
14 vehicles--except other than vehicles subject to the fee in
15 lieu of property tax and mobile homes as defined in
16 15-1-101(1), are assessed for taxes on January 1 in each
17 year irrespective of the time fixed by law for the
18 assessment of other classes of personal property and
19 irrespective of whether the levy and tax may be a lien upon
20 real property within the state. In no event may any motor
21 vehicle be subject to assessment, levy, and taxation more
22 than once in each year.

23 (3) Vehicles subject to the provisions of 61-3-313
24 through 61-3-316 shall be assessed as of the first day of
25 the year in which the registration period occurs and a lien

1 for taxes and fees due thereon shall occur on the
2 anniversary date of the registration and shall continue
3 thereafter until such fees and taxes shall have been paid."

4 Section 24. Section 61-3-504, MCA, is amended to read:

5 "61-3-504. Computation of tax. The amount of ~~taxes~~ tax
6 on the a motor vehicle--except other than a vehicle subject
7 to a fee in lieu of property tax or a mobile home as defined
8 in 15-1-101(1), is computed and determined by the county
9 treasurer on the basis of the levy of the year preceding the
10 current year of application for registration or
11 reregistration. The determination is entered on the
12 application form in a space provided therefor."

13 Section 25. Section 61-3-506, MCA, is amended to read:

14 "61-3-506. Rules. (1) The department of revenue shall
15 adopt rules for the payment of property taxes and the
16 department of highways shall adopt rules for the payment of
17 new car ~~truck~~ taxes under the provisions of 61-3-313 through
18 61-3-316 and 61-3-501. The department of revenue may adopt
19 regulations for the proration of taxes for the
20 implementation and administration of 61-3-313 through
21 61-3-316 and 61-3-501, but shall specifically provide that
22 new car ~~truck~~ taxes shall be for a full registration period
23 of not less than 11 months and not more than 13 months.

24 (2) The department of revenue shall adopt rules for
25 the payment of fees in lieu of property tax for automobiles.

1 ~~light trucks, motor homes, travel trailers, campers, and~~
2 ~~motorcycles."~~

3 Section 26. Section 61-3-701, MCA, is amended to read:

4 "61-3-701. Foreign vehicles used in gainful occupation
5 to be registered -- reciprocity. (1) Before any foreign
6 licensed motor vehicle ~~shall~~ may be operated on the highways
7 of this state for hire, compensation, or profit, or before
8 the owner and/or user thereof uses the vehicle if such owner
9 and/or user is engaged in gainful occupation or business
10 enterprise in the state, including highway work, the owner
11 of such vehicle shall make application to a county treasurer
12 for registration upon an application form furnished by the
13 division. Upon satisfactory evidence of ownership submitted
14 to such ~~the~~ county treasurer and the payment of property
15 taxes as ~~is~~ required by 15-8-201 through--~~15-8-203~~ ~~&~~
16 ~~15-8-202,~~ or 15-24-301 ~~or the fee in lieu of property tax as~~
17 ~~required by (section 5 of this act), whichever is applicable~~
18 ~~to the vehicle being registered,~~ the treasurer shall accept
19 the application for registration and shall collect the
20 regular license fee required for the vehicle.

21 (2) The treasurer shall thereupon issue to the
22 applicant a copy of the application entitled "Owner's
23 Certificate of Registration Receipt" and forward a duplicate
24 copy of certificate of registration to the division. The
25 treasurer shall at the same time issue to the applicant the

1 proper license plates or other identification markers, which
2 shall at all times be displayed upon such vehicle when
3 operated or driven upon roads and highways of this state
4 during the period of the life of such license.

5 (3) The registration receipt ~~shall~~ does not constitute
6 evidence of ownership, but shall only be used for
7 registration purposes. No Montana certificate of title ~~shall~~
8 may be issued for this type of registration.

9 (4) This section ~~shall~~ is not be applicable to any
10 vehicle covered by a valid and existing reciprocal agreement
11 or declaration entered into under the provisions of the laws
12 of Montana."

13 Section 27. Section 61-3-601, MCA, is amended to read:

14 "61-3-601. Penalty for violations. The violation of
15 any of the provisions of 61-3-101, 61-3-201, 61-3-202,
16 61-3-301, 61-3-302, 61-3-303, as amended, 61-3-311,
17 61-3-312, 61-3-322, as amended, 61-3-331, 61-3-332,
18 61-3-333, 61-3-411, 61-3-421, 61-3-425, 61-3-503, as
19 amended, 61-3-504, as amended, 61-3-505, or 61-3-509, as
20 amended shall constitute a misdemeanor and shall be
21 punishable by a fine not exceeding \$25. Nothing herein
22 contained shall prevent the prosecution of a person for an
23 offense committed under any other law."

24 Section 28. Section 15-6-101, MCA, is amended to read:

25 "15-6-101. Property subject to taxation --

1 classification. (1) All property in this state is subject to
2 taxation, except as provided otherwise.

3 (2) For the purpose of taxation, the taxable property
4 in the state shall be classified in accordance with 15-6-102
5 through ~~15-6-121~~ 15-6-120."

6 Section 29. Section 15-6-110, MCA, is amended to read:

7 "15-6-110. Class nine property -- description --
8 taxable percentage. (1) Class nine property includes:

9 (a) ~~automobiles, motor trucks, and other power-driven~~
10 ~~cars and vehicles of all kinds except mobile homes,~~
11 ~~motorcycles, aircraft, camper trailers, and truck campers~~
12 ~~trucks exceeding three-quarters of a ton manufacturer's~~
13 ~~rated capacity; and~~

14 (b) furniture and fixtures used in commercial, office,
15 and hotel activities, except improvements included in class
16 thirteen.

17 (2) Class nine property is taxed at 13.3% of its
18 market value."

19 Section 30. Section 15-6-113, MCA, is amended to read:

20 "15-6-113. Class twelve property -- description --
21 taxable percentage. (1) Class twelve property includes:

22 (a) boats and all watercraft;

23 (b) aircraft; ~~and~~

24 ~~(c) motorcycles; and~~

25 ~~(d) (1) large farm machinery valued in the official~~

1 guide tractors and farm implements and department valuation
2 schedules.

3 (2) Class twelve property is taxed at 11% of its
4 market value."

5 Section 31. Section 15-6-111, MCA, is amended to read:

6 "15-6-111. Class ten property -- description --
7 taxable percentage. (1) Class ten property includes:

8 (a) aerial, surface, and portable ski lifts and ski
9 tows, including the towers, cables, ropes, sheave
10 assemblies, conveying devices, power units, and all
11 accessories; ~~and~~

12 (b) manufacturing and mining machinery, fixtures, and
13 supplies, except those included in class eighteenth ~~and~~

14 ~~(c) camper trailers and truck campers valued in the~~
15 ~~"Motor Vehicle Appraisal Guide".~~

16 (2) Class ten property is taxed at 12% of market
17 value."

18 Section 32. Section 15-6-201, MCA, is amended to read:

19 "15-6-201. Exempt categories. (1) (a) The property of
20 the United States, the state, counties, cities, towns,
21 school districts, irrigation districts organized under the
22 laws of Montana and not operating for profit, municipal
23 corporations, public libraries; buildings, with land they
24 occupy and furnishings therein, owned by a church and used
25 for actual religious worship and for residences of the

1 clergy, together with adjacent land reasonably necessary for
 2 convenient use of such buildings owned by a church; such
 3 other property as is used exclusively for agricultural and
 4 horticultural societies, for educational purposes,
 5 hospitals, and all property, both real and personal, without
 6 limitation as to amount except that real property owned
 7 shall not exceed 640 acres, owned and held by any
 8 association or corporation organized under Title 35, chapter
 9 20 or 21, Cemeteries, provided such cemeteries and any land
 10 claimed to be exempt are not maintained and operated for
 11 private or corporate profit; institutions of purely public
 12 charity; evidence of debt secured by mortgages of record
 13 upon real or personal property in the state of Montana; and
 14 public art galleries and public observatories not used or
 15 held for private or corporate profit are exempt from
 16 taxation, but no more land than is necessary for such
 17 purpose is exempt.

18 (b) As used in this subsection, the term "institutions
 19 of purely public charity" includes organizations owning and
 20 operating facilities for the care of the retired or aged or
 21 chronically ill, which are not operated for gain or profit,
 22 and the terms "public art galleries" and "public
 23 observatories" mean only such art galleries and
 24 observatories, whether of public or private ownership, as
 25 are open to the public without charge or fee at all

1 reasonable hours and are used for the purpose of education
 2 only.

3 (2) All household goods and furniture, including
 4 clocks, musical instruments, sewing machines, and wearing
 5 apparel of members of the family, used by the owner for
 6 personal and domestic purposes or for furnishing or
 7 equipping the family residence are exempt from taxation.

8 (3) A truck canopy cover or topper weighing less than
 9 300 pounds and having no accommodations attached is exempt
 10 from taxation and the fee in lieu of tax.

11 ~~(4) A motorcycle rated at 2 horsepower or less is~~
 12 ~~exempt from taxation and the fee in lieu of tax."~~

13 Section 33. Section 15-8-201, MCA, is amended to read:

14 "15-8-201. General assessment day. (1) The department
 15 of revenue or its agent must, between January 1 and the
 16 second Monday of July in each year, ascertain the names of
 17 all taxable inhabitants and assess all property subject to
 18 taxation in each county. The department or its agent must
 19 assess property to the person by whom it was owned or
 20 claimed or in whose possession or control it was at midnight
 21 of January 1 next preceding. It must also ascertain and
 22 assess all mobile homes arriving in the county after
 23 midnight of January 1 next preceding. No mistake in the name
 24 of the owner or supposed owner of real property, however,
 25 renders the assessment invalid.
 26

1 (2) The procedure provided by this section may not
2 apply to:

3 (a) motor vehicles that are required by 15-8-202 to be
4 assessed on January 1 or upon their anniversary registration
5 date or vehicles subject to the fee in lieu of property tax;

6 (b) livestock which are required by 15-24-908 to be
7 assessed on an average inventory basis in each county;

8 (c) property defined in 61-1-104(2) as "special mobile
9 equipment" that is subject to assessment for personal
10 property taxes on the date that application is made for a
11 special mobile equipment plate; and

12 (d) mobile homes held by a distributor or dealer of
13 mobile homes as a part of his stock-in-trade; and

14 ~~(e) snowmobiles that are required by 15-8-203 to be~~
15 ~~assessed as of July 1;~~

16 (3) Credits must be assessed as provided in
17 15-1-101(1)(b)."

18 Section 34. Section 15-8-202, MCA, is amended to read:

19 "15-8-202. Motor vehicle assessment. (1) (a) The
20 department or its agent must, in each year, ascertain and
21 assess all motor vehicles except other than vehicles subject
22 to a fee in lieu of property tax and mobile homes in each
23 county subject to taxation as of January 1 or as of the
24 anniversary registration date of those vehicles subject to
25 61-3-313 through 61-3-316 and 61-3-501. The motor vehicles

1 shall be assessed in each year to the persons by whom owned
2 or claimed or in whose possession or control they were at
3 midnight of January 1 or the anniversary registration date
4 thereof, whichever is applicable.

5 ~~(b) A camper which is customarily attached to a motor~~
6 ~~vehicle shall be assessed at the time the vehicle is~~
7 ~~assessed.~~

8 ~~(c)(1)~~ No tax may be assessed against motor vehicles
9 that constitute inventory of motor vehicle dealers as of
10 January 1. These vehicles and all other motor vehicles
11 brought into the state subsequent to January 1 as motor
12 vehicle dealers' inventories shall be assessed to their
13 respective purchasers as of the dates the vehicles are
14 registered by the purchasers.

15 ~~(d)(1)~~ "Purchasers" includes dealers who apply for
16 registration or reregistration of motor vehicles, except as
17 otherwise provided by 61-3-502.

18 ~~(e)(1)~~ Goods, wares, and merchandise of motor vehicle
19 dealers, other than new motor vehicles and new mobile homes,
20 shall be assessed at market value as of January 1.

21 (2) In all cases where taxes or a fee in lieu of tax
22 were required to be paid, the applicant for registration or
23 reregistration of a motor vehicle, other than a mobile home,
24 is not relieved of the duty of paying taxes or the fee in
25 lieu of taxes if the taxes they have not been paid by a

1 prior applicant or owner."

2 Section 35. Section 23-2-611, MCA, is amended to read:

3 "23-2-611. Certificate of ownership. (1) No snowmobile
4 may be operated upon any public lands, trails, easements,
5 lakes, rivers, streams, roadways or shoulders of roadways,
6 streets, or highways, unless a certificate of ownership has
7 first been obtained from the division of motor vehicles in
8 accordance with the laws of this state.

9 ~~(2) Before--such--certificate--may--be--obtained--the~~ The
10 owner of a snowmobile shall ~~make--application~~ apply for a
11 certificate of ownership with the county treasurer of the
12 county in which the owner resides, upon forms to be
13 furnished for this purpose ~~which--shall~~ that must require the
14 following information:

- 15 (a) name of owner;
- 16 (b) residence by town and county;
- 17 (c) business or home mail address;
- 18 (d) name and address of lien holder;
- 19 (e) amount due under contract or lien;
- 20 (f) name and address of manufacturer;
- 21 (g) model number or name;
- 22 (h) serial number; and
- 23 (i) name and address of dealer or other person from
24 whom acquired.

25 (3) The application ~~shall~~ must be signed by at least

1 one owner or by a properly authorized officer or
2 representative of the owner.

3 (4) If a certificate of ownership for a snowmobile has
4 previously been issued under the provisions of this part,
5 the application for a new certificate must be accompanied by
6 the immediately previous certificate or by an affidavit upon
7 a prescribed form stating under oath that the vehicle had
8 not been operated during the immediately previous year. This
9 subsection does not apply to snowmobiles that are purchased
10 as new and unused machines or that were operated when the
11 provisions of this part were not in force and effect.

12 (5) Upon completion of the application in
13 quintuplicate on forms furnished by the division of motor
14 vehicles, the county treasurer shall issue to the applicant
15 two copies of the application, one of which shall be marked
16 "file copy", and forward one copy and the original
17 application to the division, which shall cause to be entered
18 the information contained in the application upon the
19 corresponding records of its office, and shall furnish the
20 applicant a certificate of ownership which shall contain the
21 information found on the application and a permanent
22 ownership number. The certificate of ownership is not
23 required to be renewed annually and is valid as long as the
24 person holding it owns the snowmobile.

25 (6) The owner shall at all times retain possession of

1 the certificate of ownership, except when the same is being
 2 transmitted to and from the division for endorsement or
 3 cancellation. The owner of a snowmobile shall display his
 4 certificate of ownership number on both sides of the cowling
 5 of the snowmobile and shall maintain the number in legible
 6 condition at all times. The number shall read from left to
 7 right and be marked in Arabic numerals, in block characters
 8 of good proportion, and shall be a minimum of 3 inches in
 9 height, excluding border or trim, and of a color that
 10 contrasts with the color of the background.

11 (7) Upon application for a certificate of ownership, a
 12 fee of \$3 shall be paid to the county treasurer, one-half of
 13 which fee shall be forwarded by the county treasurer to the
 14 division of motor vehicles.

15 (8) Before a tax-paid decal indicating that the fee in
 16 lieu of property tax has been paid on a snowmobile for the
 17 current year may be applied for pursuant to the laws of this
 18 state, the owner must present the certificate of ownership
 19 or copy of completed application therefor as a prerequisite
 20 to completing the application for the tax-paid decal."

21 Section 36. Section 23-2-612, MCA, is amended to read:

22 "23-2-612. Transfer of interest. (1) Except as
 23 provided in subsection (3), upon a transfer of any
 24 certificate of ownership to a snowmobile registered as
 25 required under the provisions of this part, the person whose

1 title or interest is to be transferred shall write his
 2 signature with pen and ink upon the certificate of ownership
 3 issued for the snowmobile in the appropriate space provided
 4 upon the reverse side of the certificate, and such signature
 5 shall be acknowledged before a notary public.

6 (2) Within 20 calendar days thereafter, the transferee
 7 shall forward the certificate of ownership so endorsed,
 8 together with the information required under this part, to
 9 the division of motor vehicles, which shall file the same
 10 upon receipt thereof. No certificate of ownership may be
 11 issued by the division until the outstanding certificates
 12 are surrendered to that office or their loss established to
 13 its reasonable satisfaction. The division shall collect a
 14 fee of \$3 for each application for transfer of ownership.

15 (3) A purchaser of a new or used snowmobile from a
 16 licensed snowmobile dealer has a grace period of 20 calendar
 17 days from the date of purchase to make application for a
 18 certificate of ownership and to obtain a tax-paid decal
 19 indicating that the fee in lieu of property tax has been
 20 paid on the snowmobile for the current year. It is not a
 21 violation of this part or any other law for the purchaser to
 22 operate such a snowmobile without a certificate of ownership
 23 and a tax-paid decal during the 20-day period. During this
 24 period the sticker, provided for in subsection (4), shall
 25 remain affixed to the snowmobile.

1 (4) Prior to the delivery of the snowmobile to the
 2 purchaser, the dealer shall issue and affix to the
 3 snowmobile a sticker (in a form to be prescribed by the
 4 division of motor vehicles). The sticker shall contain the
 5 name and address of the purchaser, the date of sale, the
 6 name and address of the dealer, and a description of the
 7 snowmobile, including its serial number. The dealer shall
 8 keep a copy of the sticker for his records and shall send a
 9 copy of the sticker to the division.

10 (5) The provisions of subsection (2) of this section,
 11 requiring a transferee to forward the certificate of
 12 ownership after endorsement to the division, do not apply in
 13 the event of the transfer of a snowmobile to a duly licensed
 14 snowmobile dealer intending to resell the snowmobile and who
 15 operates it only for demonstration purposes, but every such
 16 dealer, upon transferring such interest, shall deliver the
 17 certificate of ownership with an application for a new
 18 certificate executed by the new owner in accordance with the
 19 provisions of this part. The division, upon receipt of the
 20 certificate of ownership and application for a new
 21 certificate, together with the conditional sales contract or
 22 other lien, if any, shall issue a new certificate of
 23 ownership together with a statement of any conditional sales
 24 contract, mortgage, or other lien."

25 Section 37. Section 23-2-616, MCA, is amended to read:

1 "23-2-616. Display of tax-paid decals -- application
 2 and issuance -- use of fees. (1) No snowmobile may be
 3 operated by any person in the-state-of Montana unless there
 4 is displayed in a conspicuous place on it a decal as visual
 5 proof that Montana-personal-property-taxes the fee in lieu
 6 of property tax have ~~has~~ been paid on it for the current
 7 year.

8 (2) Application for the tax-paid decal shall be made
 9 to the county treasurer upon forms to be furnished for this
 10 purpose, which may be obtained from the division of motor
 11 vehicles or at the county assessor's ~~treasurer's~~ office in
 12 the county where the owner resides. The application shall
 13 contain the following information:

- 14 (a) name of owner;
- 15 (b) address;
- 16 (c) certificate of ownership number;
- 17 (d) name of manufacturer;
- 18 (e) model number;
- 19 (f) make;
- 20 (g) horsepower;
- 21 (h) year of manufacture;
- 22 (i) statement evidencing ~~assessment--and~~ payment of
 23 property-taxes the fee in lieu of property tax; and
- 24 (j) such other information as the division of motor
 25 vehicles may require.

1 (3) The application shall be signed by the county
 2 treasurer and transmitted by him to the division of motor
 3 vehicles accompanied by a fee of \$2. Upon receipt of the
 4 application in approved form, the division of motor vehicles
 5 or county treasurer shall issue to the applicant a decal in
 6 the style and design prescribed by the division and of a
 7 different color than the preceding year, numbered in
 8 sequence.

9 ~~(4) Before filing the application with the county~~
 10 ~~treasurer, the applicant shall submit it to the county~~
 11 ~~assessor of the county and the county assessor shall enter~~
 12 ~~on the application in a place provided for that purpose the~~
 13 ~~market value and taxable value of the snowmobile for the~~
 14 ~~year for which the application is made.~~

15 (5)(4) The applicant shall pay the county treasurer
 16 the application fee and the personal property taxes fee in
 17 lieu of property tax assessed against the snowmobile for the
 18 current year before the application may be accepted by the
 19 county treasurer.

20 (6)(5) All moneys collected from payment of the
 21 application fees and all interest accruing from use of these
 22 moneys shall be turned over to the state treasurer and
 23 placed in the earmarked revenue fund to the credit of the
 24 department, with \$1 designated for use in enforcing the
 25 purposes of this part and \$1 designated for use in the

1 development, maintenance, and operation of snowmobile
 2 facilities."

3 Section 38. Section 23-2-617, MCA, is amended to read:
 4 "23-2-617. Duplicate decal. In the event any a
 5 tax-paid decal indicating that the fee in lieu of property
 6 tax has been paid on a snowmobile for the current year is
 7 lost, mutilated, or becomes illegible, the person to whom
 8 the same was issued shall immediately make application for
 9 and may obtain a duplicate thereof, upon payment of a fee of
 10 \$1 to the county treasurer."

11 Section 39. Section 23-2-618, MCA, is amended to read:
 12 "23-2-618. Application to be made annually -- grace
 13 period -- proof of purchase. (1) Application must be made
 14 annually to the county treasurer for the issuance of
 15 tax-paid decals annually a decal indicating that the fee in
 16 lieu of property tax has been paid for the current year. All
 17 tax-paid decals expire on June 30 of each year.

18 (2) An owner of a newly purchased snowmobile shall
 19 have a grace period of 20 calendar days from the date of
 20 purchase to make application for a current tax-paid decal,
 21 provided that at all times during that period a bill of sale
 22 or other proof of purchase reciting the date of purchase
 23 shall be carried by the operator or with the snowmobile. An
 24 owner or operator of such a snowmobile being operated after
 25 the 20-day grace period without a current tax-paid decal

1 displayed on the snowmobile shall be subject to the
2 penalties of 23-2-642(1), as amended."

3 Section 40. Section 23-2-642, MCA, is amended to read:

4 "23-2-642. Penalties. (1) The failure to display a
5 current tax-paid decal ~~indicating that the fee in lieu of~~
6 ~~property tax has been paid~~ during the time provided in this
7 part is a misdemeanor, punishable by a fine of not less than
8 \$10 or more than \$50.

9 (2) A person who violates any other provision of this
10 part or a rule adopted pursuant thereto shall pay a civil
11 penalty of not less than \$15 or more than \$500 for each
12 separate violation.

13 (3) A person who willfully violates any other
14 provision of this part or a rule adopted pursuant thereto
15 shall pay a civil penalty of not less than \$50 or more than
16 \$1,000 for each separate violation.

17 (4) A manufacturer who certifies that a new snowmobile
18 can meet the sound-level limitations imposed by this part
19 shall be subject to the penalty provisions of subsections
20 (2) and (3) if any machine so certified does not meet the
21 appropriate sound level limitation. For the purposes of
22 this section, every sale of a new snowmobile that does not
23 meet the sound-level limitations imposed by this part
24 constitutes a separate violation."

25 Section 41. Section 15-30-121, MCA, is amended to

1 read:

2 "15-30-121. Deductions allowed in computing net
3 income. In computing net income, there are allowed as
4 deductions:

5 (i) the items referred to in sections 161 and 211 of
6 the Internal Revenue Code of 1954, or as sections 161 and
7 211 shall be labeled or amended, subject to the following
8 exceptions which are not deductible:

9 (a) items provided for in 15-30-123;

10 (b) state income tax paid;

11 (2) federal income tax paid within the taxable year;

12 (3) child and dependent care expenses determined in
13 accordance with the provisions of section 214 of the
14 Internal Revenue Code of 1954 that were in effect for the
15 taxable year that began January 1, 1974;

16 (4) that portion of an energy-related investment
17 allowed as a deduction under 15-32-103;

18 ~~(5) fees in lieu of property tax paid for automobiles,~~
19 ~~light trucks, motor homes, travel trailers, campers,~~
20 ~~motorcycles, and snowmobiles."~~

21 Section 42. Section 15-31-114, MCA, is amended to
22 read:

23 "15-31-114. Deductions allowed in computing income. In
24 computing the net income, the following deductions shall be
25 allowed from the gross income received by such corporation

1 within the year from all sources:

2 (1) All the ordinary and necessary expenses paid or
3 incurred during the taxable year in the maintenance and
4 operation of its business and properties, including
5 reasonable allowance for salaries for personal services
6 actually rendered, subject to the limitation hereinafter
7 contained, rentals or other payments required to be made as
8 a condition to the continued use or possession of property
9 to which the corporation has not taken or is not taking
10 title or in which it has no equity. No deduction shall be
11 allowed for salaries paid upon which the recipient thereof
12 has not paid Montana state income tax; provided, however,
13 that where domestic corporations are taxed on income derived
14 from without the state, salaries of officers paid in
15 connection with securing such income shall be deductible.

16 (2) (a) All losses actually sustained and charged off
17 within the year and not compensated by insurance or
18 otherwise, including a reasonable allowance for the wear and
19 tear and obsolescence of property used in the trade or
20 business, such allowance to be determined according to the
21 provisions of section 167 of the Internal Revenue Code in
22 effect with respect to the taxable year. All elections for
23 depreciation shall be the same as the elections made for
24 federal income tax purposes. No deduction shall be allowed
25 for any amount paid out for any buildings, permanent

1 improvements, or betterments made to increase the value of
2 any property or estate, and no deduction shall be made for
3 any amount of expense of restoring property or making good
4 the exhaustion thereof for which an allowance is or has been
5 made.

6 (b) (i) There shall be allowed as a deduction for the
7 taxable period a net operating loss deduction determined
8 according to the provisions of this subsection. The net
9 operating loss deduction is the aggregate of net operating
10 loss carryovers to such taxable period plus the net
11 operating loss carrybacks to such taxable period. The term
12 "net operating loss" means the excess of the deductions
13 allowed by this section, 15-31-114, over the gross income,
14 with the modifications specified in (ii) of this subsection.
15 If for any taxable period beginning after December 31, 1970,
16 a net operating loss is sustained, such loss shall be a net
17 operating loss carryback to each of the three taxable
18 periods preceding the taxable period of such loss and shall
19 be a net operating loss carryover to each of the five
20 taxable periods following the taxable period of such loss. A
21 net operating loss for any taxable period ending after
22 December 31, 1975, in addition to being a net operating loss
23 carryback to each of the three preceding taxable periods,
24 shall be a net operating loss carryover to each of the seven
25 taxable periods following the taxable period of such loss.

1 The portion of such loss which shall be carried to each of
 2 the other taxable years shall be the excess, if any, of the
 3 amount of such loss over the sum of the net income for each
 4 of the prior taxable periods to which such loss was carried.
 5 For purposes of the preceding sentence, the net income for
 6 such prior taxable period shall be computed with the
 7 modifications specified in (ii)(B) of this subsection and by
 8 determining the amount of the net operating loss deduction
 9 without regard to the net operating loss for the loss period
 10 or any taxable period thereafter, and the net income so
 11 computed shall not be considered to be less than zero.

12 (ii) The modifications referred to in (i) of this
 13 subsection shall be as follows:

14 (A) No net operating loss deduction shall be allowed.

15 (B) The deduction for depletion shall not exceed the
 16 amount which would be allowable if computed under the cost
 17 method.

18 (iii) A net operating loss deduction shall be allowed
 19 only with regard to losses attributable to the business
 20 carried on within the state of Montana.

21 (iv) In the case of a merger of corporations, the
 22 surviving corporation shall not be allowed a net operating
 23 loss deduction for net operating losses sustained by the
 24 merged corporations prior to the date of merger. In the case
 25 of a consolidation of corporations, the new corporate entity

1 shall not be allowed a deduction for net operating losses
 2 sustained by the consolidated corporations prior to the date
 3 of consolidation.

4 (v) Notwithstanding the provisions of 15-31-531,
 5 interest shall not be paid with respect to a refund of tax
 6 resulting from a net operating loss carryback or carryover.

7 (vi) The net operating loss deduction shall not be
 8 allowed with respect to taxable periods which ended on or
 9 before December 31, 1970, but shall be allowed only with
 10 respect to taxable periods beginning on or after January 1,
 11 1971.

12 (3) In the case of mines, other natural deposits, oil
 13 and gas wells, and timber, a reasonable allowance for
 14 depletion and for depreciation of improvements; such
 15 reasonable allowance to be determined according to the
 16 provisions of the Internal Revenue Code in effect for the
 17 taxable year. All elections made under the Internal Revenue
 18 Code with respect to capitalizing or expensing exploration
 19 and development costs and intangible drilling expenses for
 20 corporation license tax purposes shall be the same as the
 21 elections made for federal income tax purposes.

22 (4) The amount of interest paid within the year on its
 23 indebtedness incurred in the operation of the business from
 24 which its income is derived; but no interest shall be
 25 allowed as a deduction if paid on an indebtedness created

1 for the purchase, maintenance, or improvement of property or
2 for the conduct of business unless the income from such
3 property or business would be taxable under this part.

4 (5) Interest income from obligations of the state or
5 any political subdivision or municipality of the state.

6 (6) (a) Taxes paid within the year except the
7 following:

8 (i) Taxes imposed by this part.

9 (ii) Taxes assessed against local benefits of a kind
10 tending to increase the value of the property assessed.

11 (iii) Taxes on or according to or measured by net
12 income or profits imposed by authority of the government of
13 the United States.

14 (iv) Taxes imposed by any other state or country upon
15 or measured by net income or profits.

16 (b) Taxes deductible under this part shall be
17 construed to include taxes imposed by any county, school
18 district, or municipality of this state.

19 ~~(7) Fees paid in lieu of property tax on automobiles,~~
20 ~~light trucks, mobile homes, travel trailers, campers,~~
21 ~~motorcycles, and snowmobiles.~~

22 ~~(7)(B) That portion of an energy-related investment~~
23 ~~allowed as a deduction under 15-32-103."~~

24 Section 43. Section 15-31-406, MCA, is amended to
25 read:

1 "15-31-406. License tax sections incorporated by
2 reference. The provisions of the following sections of this
3 chapter are incorporated into this part by reference and
4 made a part hereof:

5 (1) that part of 15-31-101 which defines the term
6 "corporation" and 15-31-102, which specifies the classes of
7 organizations whose income shall not be taxed;

8 (2) sections 15-31-111 through 15-31-114, as amended;
9 15-31-141 and 15-31-142; 15-31-301 through 15-31-313;
10 15-31-501 through 15-31-509; 15-31-525 through 15-31-527;
11 15-31-531 and 15-31-532; and 15-31-541 through 15-31-543,
12 except that the term "gross income" shall be construed as
13 excluding the net amount of interest income from valid
14 obligations of the United States and except that wherever
15 the words "tax", "license tax", "license fee", "corporation
16 excise tax", or like words appear, referring to the tax
17 imposed under part 1 of this chapter, there shall be
18 substituted the words "income tax".

19 Section 44. Section 15-50-207, MCA, is amended to
20 read:

21 "15-50-207. Credit against other taxes -- credit for
22 personal property taxes and fees in lieu of property tax.
23 (1) The additional license fees withheld or otherwise paid
24 as provided herein may be used as a credit on the
25 contractor's corporation license tax provided for in chapter

1 31 of this title or on the contractor's income tax provided
2 for in chapter 30, depending upon the type of tax the
3 contractor is required to pay under the laws of the state.

4 (2) Personal property taxes or fees in lieu of
5 property tax paid in Montana on any personal property of the
6 contractor which ~~that~~ is used in the business of the
7 contractor and is located within this state may be credited
8 against the license fees required under this chapter.
9 However, in computing the tax credit allowed by this section
10 against the contractor's corporation license tax or income
11 tax, the personal property tax or fee in lieu of property
12 tax credit against the license fees herein required ~~shall~~
13 ~~may~~ not be considered as license fees paid for the purpose
14 of such income tax or corporation license tax credit."

15 Section 45. Applicability. This act applies to
16 automobiles, light trucks, mobile homes, travel trailers,
17 campers, motorcycles, and snowmobiles registered during and
18 after 1980.

19 Section 46. Repealer. Sections 15-6-121 and 15-8-203,
20 MCA, are repealed.

-End-

1 STATEMENT OF INTENT RE: SB 184

2
3

4 The Senate Committee on Taxation intends that the fee
5 in lieu of property tax on automobiles, light trucks, motor
6 homes, travel trailers, campers and motorcycles shall be
7 collected by the county treasurer of each county and
8 distributed to each taxing jurisdiction in proportion to its
9 mill levies.

10 The department of revenue may adopt rules defining and
11 enumerating the taxing jurisdictions eligible for
12 distribution of proceeds from this fee in lieu of property
13 tax.

SB 184

1 SENATE BILL NO. 184
 2 INTRODUCED BY MATHERS, TURNAGE, WATT,
 3 GOODOVER, TOWE
 4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A FEE IN
 7 LIEU OF PROPERTY TAX FOR AUTOMOBILES, LIGHT TRUCKS, MOTOR
 8 HOMES, TRAVEL TRAILERS, CAMPERS, MOTORCYCLES, AND
 9 SNOWMOBILES; AMENDING SECTIONS 10-2-301, 15-6-101, 15-6-110,
 10 15-6-111, 15-6-113, 15-6-201, 15-8-201, 15-8-202, 15-30-121,
 11 15-31-114, 15-31-406, 15-50-207, 23-2-611, 23-2-612,
 12 23-2-616, 23-2-617, 23-2-618, 23-2-642, 61-1-102, 61-3-303,
 13 61-3-317, 61-3-322, 61-3-441, 61-3-442, 61-3-501, 61-3-502,
 14 61-3-503, 61-3-504, 61-3-506, 61-3-509, 61-3-601, 61-3-606,
 15 AND 61-3-701, MCA; AND REPEALING SECTIONS 15-6-121 AND
 16 15-8-203, MCA."

17
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 19 NEW_SECTION. Section 1. Light truck. "Light truck"
 20 means a truck with a manufacturer's rated capacity of
 21 three-quarters of a ton or less.
 22 NEW_SECTION. Section 2. Motor home. "Motor home"
 23 means a self-propelled motor vehicle originally designed or
 24 permanently altered to provide facilities for human
 25 habitation.

The change in S.B.184 is on page 47
 Please refer to yellow copy for complete text.

1 NEW_SECTION. Section 3. Travel trailer. "Travel
 2 trailer" means a trailer 32 feet or less in length and 8
 3 feet or less in width designed or permanently altered to
 4 provide facilities for human habitation.
 5 NEW_SECTION. Section 4. Vehicle age. The age of a
 6 vehicle is determined by subtracting the manufacturer's
 7 designated model year from the current calendar year.
 8 NEW_SECTION. Section 5. Fee in lieu of property tax
 9 for certain vehicles. There is a fee in lieu of personal
 10 property taxes imposed on automobiles, light trucks, motor
 11 homes, travel trailers, campers, and motorcycles. The fee
 12 imposed is in addition to annual registration fees. THIS FEE
 13 SHALL BE CONSIDERED A TAX FOR ALL PURPOSES.
 14 NEW_SECTION. Section 6. Schedule of fees for
 15 automobiles, light trucks, motor homes, travel trailers, and
 16 campers weighing 3,000 pounds or less. (1) The owner of an
 17 automobile, light truck, or motor home weighing 3,000 pounds
 18 or less, manufacturer's shipping weight, shall pay a fee
 19 based on the age of the vehicle according to the following
 20 schedule:
 21 less than 2 years old \$165 115
 22 2 years old and less than 3 years old 145 100
 23 3 years old and less than 4 years old 115 85
 24 4 years old and less than 5 years old 85 70
 25 5 years old and less than 6 years old 70 55

1 for in chapter 30, depending upon the type of tax the
2 contractor is required to pay under the laws of the state.

3 (2) Personal property taxes or fees in lieu of
4 property tax paid in Montana on any personal property of the
5 contractor which ~~that~~ is used in the business of the
6 contractor and is located within this state may be credited
7 against the license fees required under this chapter.
8 However, in computing the tax credit allowed by this section
9 against the contractor's corporation license tax or income
10 tax, the personal property tax or fee in lieu of property
11 tax credit against the license fees herein required ~~shall~~
12 ~~may~~ not be considered as license fees paid for the purpose
13 of such income tax or corporation license tax credit."

14 SECTION 45. THERE IS A NEW MCA SECTION THAT READS:

15 Taxable value to be used in determining county
16 salaries. That portion of a county's taxable value
17 represented by the taxable value of automobiles, light
18 trucks, mobile homes, travel trailers, campers, motorcycles,
19 and snowmobiles registered in the county during calendar
20 year 1979 shall remain in the county's taxable value for the
21 sole purpose of determining county officers' salaries under
22 the provisions of 7-4-2503.

23 Section 46. Applicability. This act applies to
24 automobiles, light trucks, mobile homes, travel trailers,
25 campers, motorcycles, and snowmobiles registered during and

1 after 1980.

2 Section 47. Repealer. Sections 15-6-121 and 15-8-203,
3 MCA, are repealed.

-End-