

SENATE BILL 402

IN THE SENATE

February 7, 1979	Introduced and referred to Committee on Taxation.
February 8, 1979	Fiscal note requested.
February 13, 1979	Fiscal note returned.
April 20, 1979	Died in Committee.

1 *Senete* BILL NO. *402*  
 2 INTRODUCED BY *Mr. Lawrence Hager Thiessen*  
 3 *Blaylock Four*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO RAISE THE GASOLINE  
 5 LICENSE TAX BY 2 CENTS A GALLON AND TO APPORTION THE REVENUE  
 6 DERIVED AMONG THE MUNICIPALITIES AND COUNTIES OF THE STATE  
 7 FOR CONSTRUCTION AND MAINTENANCE OF STREETS, ALLEYS, AND  
 8 ROADS; AMENDING SECTION 15-70-204, MCA."

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

11 Section 1. Section 15-70-204, MCA, is amended to read:

12 "15-70-204. Gasoline license tax -- rate. (1) Every  
 13 distributor shall pay to the department of revenue a license  
 14 tax for the privilege of engaging in and carrying on  
 15 business in this state in an amount equal to 1 cent for each  
 16 gallon of aviation gasoline, which shall be allocated to the  
 17 department of community affairs as provided by 67-1-301, as  
 18 amended, and 8 10 cents for each gallon of all other  
 19 gasoline distributed by him within the state and upon which  
 20 the gasoline license tax has not been paid by any other  
 21 distributor.

22 (2) Gasoline exported or sold for export out of the  
 23 state shall not be included in the measure of the  
 24 distributor's license tax."

25 NEW SECTION. Section 2. Additional gasoline tax

1 allocation to municipalities and counties. (1) In addition  
 2 to any funds allocated to municipalities and counties by  
 3 15-70-101, revenue derived from 2 cents of the tax levied  
 4 under 15-70-204 shall be distributed as follows:

5 (a) 50% to the municipalities to be apportioned in the  
 6 ratio that the population within the municipality bears to  
 7 the total population within corporate limits of all the  
 8 municipalities in Montana; and

9 (b) 50% to the counties in proportion to the ratio  
 10 that the rural population in each county outside  
 11 incorporated cities and towns bears to the total rural  
 12 population in the state outside cities and towns.

13 (2) Money received by local governments under this  
 14 section may be used only for the purposes and under the  
 15 conditions specified in 15-70-101.

-End-

-2- SB 402  
 INTRODUCED BILL

## STATE OF MONTANA

REQUEST NO. 277-79

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 402 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This proposed bill raises the gasoline license tax by 2 cents a gallon and to apportion the revenue derived among the municipalities and counties of the state for construction and maintenance of streets, alleys, and roads.

ASSUMPTIONS

1) Taxable gallons of gasoline will grow 3%-4% per year

	<u>FY 78 (actual)</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
3%	514.4 M	529.8 M	545.7 M	562.1 M
4%	514.4 M	535.0 M	556.4 M	578.6 M

2) Effective tax on gasoline

current law - 7.88¢/gallon

proposed law - 9.88¢/gallon

3) Administrative costs will remain unchanged.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Gasoline License Tax		
under current law	\$43.0 to 43.8 M	\$44.3 to 45.6 M
under proposed law	53.9 to 55.0 M	55.5 to 57.2 M
Estimated Increase	<u>\$10.9 to 11.2 M</u>	<u>\$11.2 to 11.6 M</u>

FUND INFORMATION

Earmarked Revenue Fund		
Estimated Increase	<u>\$10.9 to 11.2 M</u>	<u>\$11.2 to 11.6 M</u>

EFFECT ON LOCAL GOVERNMENTS

The increased revenues from this legislation will be allocated to local governments for construction and maintenance of streets, alleys, and roads.

LONG-RANGE EFFECTS

Assuming no other changes, revenues should be increased by about \$11.5 M per year for the next few years.

*Richard L. Drayton*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/10/79

PREPARED BY DEPARTMENT OF REVENUE