

SENATE BILL 430

IN THE SENATE

February 9, 1979	Introduced and referred to Committee on taxation.
February 13, 1979	Fiscal note requested.
February 16, 1979	Fiscal note returned.
April 20, 1979	Died in Committee.

1 *Smith* BILL NO. 430  
 2 INTRODUCED BY *Har*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A REFUND OF  
 5 THE GASOLINE LICENSE TAX PAID ON GASOLINE USED FOR THE  
 6 OPERATION OF TAXICABS; AMENDING SECTIONS 15-70-201 AND  
 7 15-70-221, MCA."

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

10 Section 1. Section 15-70-201, MCA, is amended to read:

11 "15-70-201. Definitions. As used in this part, the  
 12 following definitions shall apply:

13 (1) "Aviation dealer" means any person in this state  
 14 engaged in the business of selling aviation gasoline, either  
 15 from a wholesale or retail outlet, on which the license tax  
 16 has been paid to a licensed distributor as herein provided  
 17 for.

18 (2) "Aviation gasoline" means gasoline or any other  
 19 liquid fuel by whatsoever name such liquid fuel may be known  
 20 or sold, compounded for use in and sold for use in aircraft,  
 21 including but not limited to any and all such gasoline or  
 22 liquid fuel meeting or exceeding the minimum specifications  
 23 prescribed by the United States for use by its military  
 24 forces in aircraft.

25 (3) (a) Gasoline refined, produced, manufactured, or

1 compounded in this state and placed in tanks thereat or  
 2 gasoline transferred from a refinery or pipeline terminal in  
 3 this state and placed in tanks thereat or gasoline imported  
 4 into this state and placed in storage at refineries or  
 5 pipeline terminals shall be deemed to be "distributed", for  
 6 the purpose of this part, at the time the gasoline is  
 7 withdrawn from such tanks, refinery, or terminal storage for  
 8 sale or use in this state or for the transportation to  
 9 destinations in this state other than by pipeline to another  
 10 refinery or pipeline terminal in this state. When withdrawn  
 11 from such tanks, refinery, or terminal, such gasoline may be  
 12 distributed only by a person who is the holder of a valid  
 13 distributor's license.

14 (b) Gasoline imported into this state, other than that  
 15 gasoline placed in storage at refineries or pipeline  
 16 terminals, shall be deemed to be "distributed" after it has  
 17 arrived in and is brought to rest in this state.

18 (4) "Distributor" means:

19 (a) any person who engages in the business in this  
 20 state of producing, refining, manufacturing, or compounding  
 21 gasoline for sale, use, or distribution;

22 (b) any person who imports gasoline for sale, use, or  
 23 distribution;

24 (c) any dealer licensed as of January 1, 1969, except  
 25 a dealer at an established airport.

1 (5) "Gasoline" includes all products commonly or  
 2 commercially known or sold as gasolines, including  
 3 casinghead gasoline, natural gasoline, aviation gasoline,  
 4 and all flammable liquids composed of a mixture of selected  
 5 hydrocarbons expressly manufactured and blended for the  
 6 purpose of effectively and efficiently operating internal  
 7 combustion engines. Gasoline does not include special fuels  
 8 as defined in 15-70-301(6).

9 (6) "Import" shall include and mean to receive into  
 10 any person's possession or custody first after its arrival  
 11 and coming to rest at destination within the state of any  
 12 gasoline shipped or transported into this state from point  
 13 of origin without this state other than in the fuel supply  
 14 tank of a motor vehicle.

15 (7) "Motor vehicle" means all vehicles operated or  
 16 propelled upon the public highways or streets of this state  
 17 in whole or in part by the combustion of gasoline.

18 (8) "Person" means any person, firm, association,  
 19 joint-stock company, syndicate, or corporation.

20 (9) "Taxicab" means a motor vehicle that is:  
 21 (a) designed to carry no more than seven persons,  
 22 including the driver;

23 (b) held out to the public for hire and is regulated  
 24 by the public service commission under a Class 9 certificate  
 25 under 69-12-301 and 69-12-312;

1 (c) not operated over a fixed route; and  
 2 (d) part of a commercial enterprise in the business of  
 3 providing taxicab service.

4 ~~(9)(10)~~ "Use" shall include and mean the operation of  
 5 motor vehicles upon the public roads or highways of the  
 6 state or of any political subdivision thereof."

7 Section 2. Section 15-70-221, MCA, is amended to read:

8 "15-70-221. Refund authorized. (1) Any person who  
 9 shall purchase and use any gasoline on which the Montana  
 10 gasoline license tax has been paid for operating or  
 11 propelling stationary gasoline engines, tractors used off  
 12 the public highways and streets, motorboats, ~~taxicabs~~ or  
 13 for cleaning or dyeing or for any commercial use other than  
 14 propelling vehicles upon any of the public highways or  
 15 streets of this state shall be allowed a refund of the  
 16 amount of tax paid directly or indirectly on the gasoline so  
 17 used. Such refund or drawback should in no instance exceed  
 18 the tax paid or to be paid to the state and no refund shall  
 19 be allowed of that portion of the tax per gallon upon  
 20 aviation gasoline allocated to the department of community  
 21 affairs by 67-1-301.

22 (2) Any distributor paying the gasoline license tax to  
 23 this state erroneously shall be allowed a credit or refund  
 24 of the amount of tax so paid."

## STATE OF MONTANA

REQUEST NO. 317-79

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 430 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 allows a refund of the gasoline license tax paid on gasoline used for the operation of taxicabs.

ASSUMPTIONS

- 1) The Public Service Commission issued 63 "stamps of operation" to taxicabs for FY 79 revenue purposes. There will be about 65 taxicabs operating in FY 80 & FY 81.
- 2) A taxicab will average 100 miles per day.
- 3) The average miles per gallon will be 10.
- 4) The gasoline license tax will be 8 cents/gallon, which will be refunded for the operation of a taxicab.
- 5) The gasoline license tax refund to taxicabs will be made in the same fiscal year that is originally paid.
- 6) Administrative costs will remain unchanged.

FISCAL IMPACT

	<u>FY80</u>	<u>FY81</u>
Gasoline License Tax (Effect of refund to taxicabs) Estimated Decrease	<u>(\$ 19,000)</u>	<u>(\$ 19,000)</u>

FUND INFORMATION

Earmarked Revenue Fund	<u>(\$ 19,000)</u>	<u>(\$ 19,000)</u>
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EFFECT ON LOCAL GOVERNMENT

Revenues to local governments for road purposes will be decreased slightly.

LONG-RANGE EFFECT

The proposed legislation will decrease revenues to the earmarked revenue fund by at least \$ 19,000 per year.

(Prepared by the Department of Revenue)

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BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/16/79