

House Bill 65

In The House

January 6, 1981	Introduced and referred to Committee on Taxation.
January 7, 1981	Fiscal note requested.
January 9, 1981	Fiscal note returned.
February 16, 1981	Committee recommend bill do not pass.

1 HOUSE BILL NO. 65
2 INTRODUCED BY BRIGGS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE GRADUATED
5 TAXATION OF CERTAIN TELEPHONE COMMUNICATION PROPERTIES;
6 AMENDING SECTION 15-6-137, MCA."

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

9 Section 1. Section 15-6-137, MCA, is amended to read:
10 "15-6-137. Class seven property -- description --

11 taxable percentage. (1) Class seven property includes:

12 (a) livestock, poultry, and unprocessed products of
13 both;

14 (b) all property used and owned by persons, firms,
15 corporations, or other organizations that are engaged in the
16 business of furnishing telephone communications exclusively
17 to rural areas or to rural areas and cities and towns of 900
18 persons or less;

19 (c) all property owned by cooperative rural electrical
20 and cooperative rural telephone associations that serve less
21 than 95% of the electricity consumers or telephone users
22 within the incorporated limits of a city or town;

23 (d) electric transformers and meters; electric light
24 and power substation machinery; natural gas measuring and
25 regulating station equipment, meters, and compressor station

1 machinery owned by centrally assessed public utilities; and
2 tools used in the repair and maintenance of this property;
3 and

4 (e) tools, implements, and machinery used to repair and
5 maintain machinery not used for manufacturing and mining
6 purposes.

7 (2) To qualify for this classification, the average
8 circuit miles for each station on the telephone
9 communication system described in subsection (1)(b) must be
10 more than ~~1-1/4 miles~~ one-fourth mile.

11 (3) Class seven property is taxed ~~at 8% of its market~~
12 value as follows:

13 (a) Property described in subsection (1)(b) above is
14 taxed at the following percentages of its market value:

15 (i) 6% when the average circuit miles for each station
16 are more than 1 3/4 miles;

17 (ii) 7% when the average circuit miles for each station
18 are more than 1 1/2 miles but less than or equal to 1 3/4
19 miles;

20 (iii) 8% when the average circuit miles for each station
21 are more than 1 1/4 miles but less than or equal to 1 1/2
22 miles;

23 (iv) 9% when the average circuit miles for each station
24 are more than 1 mile but less than or equal to 1 1/4 miles;

25 (v) 10% when the average circuit miles for each station

HB 65

1 are more than 3/4 mile but less than or equal to 1 mile;
2 (vi) 11% when the average circuit miles for each station
3 are more than 1/2 mile but less than or equal to 3/4 mile;
4 (vii) 12% when the average circuit miles for each
5 station are more than 1/4 mile but less than or equal to 1/2
6 mile.
7 (b) Property described in subsection (1)(a) and
8 subsections (1)(c) through (1)(e) is taxed at 8% of its
9 market value."

-End-

STATE OF MONTANA

REQUEST NO. 47-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 19 81, there is hereby submitted a Fiscal Note for House Bill 65 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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.

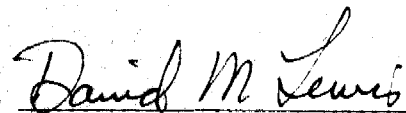
DESCRIPTION

An act to provide graduated taxation of certain telephone communication properties.

FISCAL IMPACT

The fiscal impact of the proposed legislation cannot be estimated at this time with the information available. The impact should be minimal due to the small number of rural telephone companies that would be assessed under this classification. Administrative costs would be increased due to the graduated taxation schedule.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____
