

House Bill 119

In The House

January 8, 1981	Introduced and referred to Committee on Taxation.
January 12, 1981	Fiscal note requested.
January 16, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 HOUSE BILL NO. 119
 2 INTRODUCED BY *Harrington, Brown, Carlson, Lulewicz, DeJ, Brown, Kerkbeck, Jackson, Hamming, Stutz, Nedy, J. Carlson*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TAX AUTOMOBILES,

5 BUSES, AND TRUCKS WEIGHING 1 1/2 TONS OR LESS AS CLASS EIGHT
 6 INSTEAD OF CLASS NINE PROPERTY, THEREBY REDUCING THE TAX
 7 FROM 13% TO 11%; AMENDING SECTIONS 15-6-138 AND 15-6-139,
 8 MCA."

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

11 Section 1. Section 15-6-138, MCA, is amended to read:
 12 "15-6-138. Class eight property -- description --
 13 taxable percentage. (1) Class eight property includes:

- 14 (a) all agricultural implements and equipment;
- 15 (b) all mining machinery, fixtures, equipment, tools,
 16 and supplies except:
- 17 (i) those included in class five; and
- 18 (ii) coal and ore haulers;
- 19 (c) all manufacturing machinery, fixtures, equipment,
 20 tools, and supplies except those included in class five;
- 21 ~~(d) automobiles, buses, and trucks weighing 1 1/2 tons~~
 22 or less:
- 23 ~~(d)(e)~~ motorcycles;
- 24 ~~(e)(f)~~ watercraft;
- 25 ~~(f)(g)~~ light utility and boat trailers;

- 1 ~~(g)(h)~~ aircraft;
- 2 ~~(h)(i)~~ snowmobiles and all-terrain vehicles;
- 3 ~~(i)(j)~~ harness, saddlery, and other tack equipment;
- 4 and
- 5 ~~(j)(k)~~ all other machinery except that specifically
 6 included in another class.
- 7 (2) Class eight property is taxed at 11% of its market
 8 value."
- 9 Section 2. Section 15-6-139, MCA, is amended to read:
 10 "15-6-139. Class nine property -- description --
 11 taxable percentage. (1) Class nine property includes:
- 12 ~~(a) --automobiles, buses, and trucks weighing 1 1/2 tons~~
 13 ~~or less:~~
- 14 ~~(b)(a)~~ stock, camping, and travel trailers;
- 15 ~~(c)(b)~~ truck campers and toppers weighing more than
 16 300 pounds, except those included in class five;
- 17 ~~(d)(c)~~ motor homes except those included in class
 18 five;
- 19 ~~(e)(d)~~ furniture, fixtures, and equipment, except that
 20 specifically included in another class, used in commercial
 21 establishments as defined in this section;
- 22 ~~(f)(e)~~ x-ray and medical and dental equipment; and
- 23 ~~(g)(f)~~ citizens' band radios and mobile telephones.
- 24 (2) "Commercial establishment" includes any hotel;
 25 motel; office; petroleum marketing station; or service,

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- 1 wholesale, retail, or food-handling business.
- 2 (3) Class nine property is taxed at 13% of its market
- 3 value."

-End-

STATE OF MONTANA

REQUEST NO. 73-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 14, , 19 81 , there is hereby submitted a Fiscal Note for House Bill 119 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

An act to tax automobiles, buses, and trucks weighing 1½ tons or less as class eight instead of class nine property, thereby reducing the tax from 13% to 11%.

ASSUMPTIONS

- (1) Property tax on these types of vehicles remains through tax year 1982.
- (2) Assessed value of these vehicles, in tax year 1980 - \$850,179,732.
- (3) Valuation remains constant through tax year 1982.
- (4) Effective date - January 1, 1982. No effect in FY 82.
- (5) Tax rate reduced from 13% to 11%.
- (6) University levy - 6 mills.
- (7) Average statewide levy - 220 mills.

FISCAL IMPACT

University Levy	FY 82	FY 83
Under current law		\$663,000
Under proposed law		<u>561,000</u>
Estimated Decrease	NO EFFECT	(\$102,000)

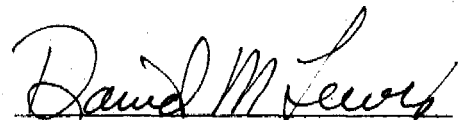
EFFECT ON LOCAL REVENUE

In fiscal year 1983 the statewide revenue loss would be about \$3.7 million.

LONG RANGE EFFECTS

The legislation would decrease revenues to the university fund by at least \$100,000 per year, and approximately \$3.7 million to local governments statewide.

PREPARED BY THE DEPARTMENT OF REVENUE.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____