

House Bill 354

In The House

January 20, 1981

Introduced and referred
to Committee on Local
Government.

January 21, 1981

Rereferred to Committee
on Taxation.

February 13, 1981

Committee recommend bill
do not pass.

HOUSE BILL NO. 354

INTRODUCED BY Kesler

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE ALTERNATIVE SOURCES OF REVENUE FOR LOCAL GOVERNMENTS; AMENDING SECTION 7-6-4401, MCA."

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

Section 1. Section 7-6-4401, MCA, is amended to read:

"7-6-4401. General taxing power of municipalities. (1)

The city or town council has power to levy and collect taxes for general and special purposes on all property within the town or city subject to taxation under the laws of the state.

(2) The governing body of a city or town, by a resolution approved by the governing body, may place on the ballot for voter approval at a general or special city election one or more proposals to implement any of the taxes authorized in subsection (3). If a majority of the voters casting ballots at such election vote in favor of such a proposal, the city or town council may enact the necessary ordinances to implement the tax.

(3) A city or town, after obtaining voter approval, may implement any of the following taxes:

(a) a motel and hotel excise tax not to exceed \$1 per

room per night. A multiunit structure that rents a majority of its units for 30 days or more at a time to the same tenant is not a motel or hotel for purposes of this subsection.

(b) a payroll or work privilege tax not to exceed \$1 a month per employee who works primarily within the city or town, to be imposed on an employee whose employer has his principal place of business or business office located within the city or town. The department of revenue is responsible for collecting this tax from the employer in the same manner that it collects state income tax revenues. The department shall distribute the proceeds to the city or town from which the tax was collected on a quarterly basis. The department may retain up to 5% of the total proceeds collected to defray administrative costs associated with collection of this tax.

(c) a city or town income tax not to exceed 1% of the total state income tax collected from an individual or business. The income tax may be imposed on a business that has its principal place of business or business office located within the city or town and on its employees who work primarily within the city or town. The department of revenue is responsible for collecting this tax from the employer in the same manner that it collects state income tax revenues. The department shall distribute the proceeds

1 to the city or town from which the tax was collected on a
2 quarterly basis. The department may retain up to 5% of the
3 total proceeds collected to defray the administrative costs
4 associated with collection of this tax.

5 (d) (i) a motor fuel excise tax not to exceed 2% of
6 the wholesale per gallon price of the gasoline.

7 (ii) this excise tax shall be collected by the gasoline
8 distributor and paid to the city or town government on or
9 before the first day of each new calendar quarter.

10 (iii) the term "gasoline" has the meaning ascribed in
11 15-70-201.

12 (iv) a city or town imposing a motor fuel excise tax
13 pursuant to subsection (3)(d) shall provide a refund to a
14 person who has paid the excise tax but who can substantiate
15 that the motor fuel was purchased for a use other than on
16 public highways, streets, and roads within the state.
17 Revenue derived from the motor fuel excise tax may be used
18 only for construction, reconstruction, maintenance, and
19 repair of public streets and roads.

20 (4) Any increase in a tax authorized pursuant to this
21 section must be approved by a majority of the voters casting
22 ballots at an election in which the voter is asked to
23 approve such an increase."

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