

HOUSE BILL NO. 435

INTRODUCED BY DOZIER

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

January 23, 1981	Introduced and referred to Committee on Taxation.
January 26, 1981	Fiscal note requested.
January 31, 1981	Fiscal note returned.
February 6, 1981	Committee recommend bill do pass as amended. Report adopted.
February 9, 1981	Bill printed and placed on members' desks.
February 10, 1981	Second reading, do pass.
February 11, 1981	Correctly engrossed.
February 12, 1981	Third reading, passed. Ayes, 78; Noes, 19. Transmitted to Senate.

IN THE SENATE

February 13, 1981	Introduced and referred to Committee on Taxation.
March 17, 1981	Committee recommend bill be concurred in. Report adopted.
March 19, 1981	Second reading, concurred in.
March 21, 1981	Third reading, concurred in. Ayes, 44; Noes, 4.

IN THE HOUSE

March 23, 1981

Returned from Senate.
Concurred in. Sent to
enrolling.

Reported correctly enrolled.

STATE OF MONTANA

REQUEST NO. 220-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 435 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 increase the interest on delinquent corporate license tax from 9 percent a year to 15 percent a year, providing an applicability date and immediate effective date.

FISCAL IMPACT

This proposal is designed to decrease the number of corporation tax delinquencies. The actual fiscal impact should be insignificant. The most important impact of the bill would be to encourage prompt payment of corporation taxes. This past year, for example, approximately \$6-8 million in corporation tax payments were delayed until the 6 month extension period had lapsed. This time lapse prevents the state from investing the tax revenue, and places the state in a money lending role.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-31-81

Approved by Committee
on Taxation

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
6 15-31-502, MCA, TO INCREASE THE INTEREST ON DELINQUENT
7 CORPORATE LICENSE TAX FROM 9 PERCENT A YEAR TO ~~±5~~ 12 PERCENT
8 A YEAR; PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE
9 EFFECTIVE DATE."

10

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

12 Section 1. Section 15-31-502, MCA, is amended to read:
13 "15-31-502. Assessment and payment of tax, penalty,
14 and interest. All taxpayers shall compute the amount of tax
15 payable under this chapter and shall remit such amount to
16 the department of revenue on or before the 15th day of the
17 5th month following the close of the taxable period. If the
18 tax is not paid on or before the due date, there shall be
19 assessed a penalty of 10% of the amount of the tax unless it
20 is shown that the failure was due to reasonable cause and
21 not due to neglect. If any tax due under this chapter is not
22 paid when due, by reason of extension granted or otherwise,
23 interest shall be added thereto at the rate of 9% ~~±5~~ 12
24 per annum from the due date until paid."

25 Section 2. Applicability. This act applies to

1 corporate taxes under Title 15, chapter 31, that become due
2 on or after May 15, 1981, or that become due prior to May
3 15, 1981, and remain unpaid on or after May 15, 1981. The
4 ~~±5~~ 12% rate is applied to unpaid tax commencing on May 15,
5 1981.

6 Section 3. Effective date. This act is effective on
7 passage and approval.

-End-

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