## HOUSE BILL NO. 435

INTRODUCED BY DOZIER

## BY REQUEST OF THE DERARTMENT OF REVENUE

IN THE HOUSE

| January 23, 1981 | Introduced and reterred to Committe on 7axation. |
| :---: | :---: |
| January 26, 1981 | Fiscal note requested. |
| January 31, 1981 | Piscal note returned. |
| Fabruary 6. 1981 | Comalttee recommend bill to pass an amended. Report adopted. |
| Pebruary 9, 1981 | Blll printed and placed on nembers' desks. |
| Pebruary 10, 1981 | Second reading, do pass. |
| Pebruary 11. 1981 | Correctly engrossed. |
| Pebruary 12, 1981 | Third reading, passect. Ayes, 78; Noes, 19. Transmited to Senate. |
| IN THE senate |  |
| rebruary 13, 1981 | Introduced and referred to Comaltec on Taxation. |
| March 17. 1981 | Comittee recommend bill be concurred in. Peport adopted. |
| March 19, 1901 | second reading, concurred in. |
| March 21, 1981 | Third reading, concurred in. Ayes, 44: Noes, 4. |

IN THE HOUSE

March 23, 1941

Returned from Sanate. Conourxed in. Sent to encol11ng.

Reported correctly enrolled.

by request df the department of revenue

A BILL for an act Entitled: "an act to ameno section 15-31-502, MCA, TO INCREASE THE IHTEREST ON DELINGUENT corpidate license tax frou 9 percent a year to 15 percent a YEAR; PRGVIDINE AN APPLICABILITY DATE AND AN IMMEDIATE Effective batcem
$3 E$ IT enacted by the legislature of the state of montana: Section 1. Section 15-31-532, MCA, is amended to read: "15-31-502. Assessment and payment of tax, penalty, and interest. All taxpayers shall compute the amount of tax payable under this chapter and shall remit such amount to the department of revenue on or before the 15 th day of the 5th month following the close of the taxable period. If the tax is not paid on or before the due date, there shall be assessed a penalty of $10 \%$ of the amount of the tax unless it is shown that the failure was due to reasonable cause and not due to neglect. If any tax due under this chapter is not paid when due, by reason of extension granted or ctherwise. interest shall be added thereto at the rate of 9 需 $15 \%$ per ヨnnus: from the due date until paiden
Section 2. Applicability. This act applies to

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corporate taxes under Title 15, chapter 31, that become due
on or after May 15, 1981, or that become due prior to May
15. 1981, and remain unpaid on or after May 15, 1981. The
15% rate is applied to unpaid tax commencing on May 15.
1981.
Section 3. Effective date. Inis act is effective on passage and approval.
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-End-
-2- INTRODUCED BILL HB435-

## STATE OF MONTANA

REQUEST NO. . 220-81
FISCAL NOTE

In compliance with a written request received $\qquad$ 19 -81, there is hereby submitted a Fiscal Note for HOUSE BILI 435 $\qquad$ 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: $|-3|-8 \mid$

## Approved by Committee on Taxation

## HJUSE BILL NO. 435

## INTRODUCED BY DOLIER

ay request of the department of revenue
a oill for an act entitled: man act to amend section 15-31-50c, mCA, to INCREASE THE INTEREST ON DELINQUENT Corpgrate license tax from 9 percent a year io $\mathbf{t j} \mathbf{k} \mathbf{2}$ percent a year; providing an applicability date and an lmmediate EFFECTIVE DATE*'
be it enacted gy the legislature of the state jf muntana:
Section 1. Section 15-31-502, MCA, is amended to read:
"15-31-502. Assessment and payment of tax, penalty,
and interest. All texpoyers shall compute the amount of tax payable under this chapter and shall remit such amount to the aepartament of revenue on or before the 15 th day of the 5 th month following the cluse of the taxable period. If the tax is not paid on or before the due date, there shall de assessed a benalty of $10 \%$ of the amount of the tax unless it is shown that the failure was due to reasonable cause and not due to neglect. If any tax due under this chapter is not paid when due, dy reason of extension granted or otherwise.
 per annum from the due date until paid."
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 unpaia on or after may 15, 1981. The |
| 4 | t5* 122 rate is applied to unpaid tax commencing on may 15. |
| 5 | 1981. |
| 6 | Section 3. Effective date. This act is effective on | passage and approval.

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HuUSE BILL NO. 435
NTRODUCEC BY DOLIER
by REquest of the department jf revenue
A oill for an act entitleo: "AN act id ameno sectiun 15-3l-50C, PACA, TO INCREASE IHE INTEREST ON DEIINQUEMT
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be if enacteu by the legislafure of the state jf muniaina: Section 1. Section 15-31-502. MCA, is amended to read: "15-31-502. Assessment and payment of tax, feneity, and interest. All taxpayers shall compute the amount of tox payable under this chapter and shall remit such amount to the department of revenue on or before the lijtin day of the 5th month following the cluse af the taxable period. if tho tax is not paid on or before the due date, there shall be assessed a penalty of \(10 \%\) of the amount of the tax unless it is shown that the failure was due to reasonable cause and not due to neglect. If any tax due under this chapter is not paid when due, dy reason of extension granted or jtherwise,
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``` per annum from the due date until paid."
Section 2. Applicability* This set applies eo
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corporate taxes under Title 15 , chapter 31 , that become due on or after May 15,1981 , or that become due prior to Moy 15. 1981. and remain unpaia on or after May 15, 1901. The t5* 12* rate is applied to unpaid tax commencing on May 15, 1981 .

Section 3. Effective date. This act is effective on passage and approval.
HOUSE BILL NO. 435
INTRODUCED BY DOLIER
by request of the oepartment of revenue
a bill for an act entitled: man act to amend section 15-31-502. MCA, TO INCREASE THE INTEREST ON JELINOUENT CORPORATE LICENSE TAX FROM 9 PERCENT A YEAR TO 4512 PERCENT a year: provioing an applicability date ano an immediate effective dare." be it enacted by the legislature of the state of montana:
Section 1. Section 15-31-502. MCA, is amended to read:
M15-3i-502. Assessment and payment of tax, penalty, and interest. All taxpayers shall compute the amount of tax payable under this chapter and shall remit such amount to the department of revenue on or before the 15 th day of the 5th month following the close of the taxable period. If the tax is not paid on or before the due date, there shall be assessed a penalty of $10 \%$ of the amount of the tax unless it is shown that the failure was due to reasonable cause and not due to neglect. If any tax due under this chapter is not paid when due, by reason of extension granted or otherwise, interest shall be added thereto at the rate of 9* $\pm 5$ 畨 $12 \%$ per annum from the due date until paid.n
Section 2. Applicability. This act applies to

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Corporate taxes under Title 15, chapter 31, that become due
on or after May 15, 1981, or that become due prior to May
15, 1981, and remain umpaid on or after May 15, 1981. The
t5* l2% rate is applied to unpaid tax commencing on May l5,
1901.
Section 3. Effective date. This act is effective on
passage and approval.
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-End-

