

House Bill 499

In The House

January 27, 1981	Introudced and referred to Committee on Taxation.
January 29, 1981	Fiscal note requested.
February 4, 1981	Fiscal note returned.
March 28, 1981	Committee recommend bill do pass. Bill printed and placed on members' desks. Motion pass consideration to the 71st legislative day.
March 30, 1981	On motion rules suspended to allow bill to be transmitted to the 75th legislative day.
April 4, 1981	Transmittal date extended to the 76th legislative day.
April 6, 1981	Second reading do pass as amended. On motion rules suspended and bill placed on third reading this day. Third reading not passed Motion adopted to reconsider our action and put back on third reading this day. Third reading passed.

In The Senate

April 7, 1981	By motion and consent bill allowed to be received and considered this session. Introduced and referred to Committee on Taxation.
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April 22, 1981

On motion taken from Taxation
and referred to second reading
this legislative day. Motion
adopted.

Second reading concurred.

April 23, 1981

Third reading not concurred.

In The House

April 23, 1981

Returned from Senate
not concurred.

1 HOUSE BILL NO. 499
2 INTRODUCED BY *Olney*

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
5 GASOLINE LICENSE TAX, THE TAX ON DIESEL FUEL AND VOLATILE
6 LIQUIDS, AND THE TAX ON SPECIAL FUELS BY 3 CENTS AND TO
7 REPEAL THE TEMPORARY ADDITIONAL TAX OF 1 CENT; AMENDING
8 SECTIONS 15-70-204 AND 15-70-321, MCA; AND REPEALING CHAPTER
9 632, LAWS OF 1979."

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

12 Section 1. Section 15-70-204, MCA, is amended to read:

13 "15-70-204. Gasoline license tax -- rate. (1) Every
14 distributor shall pay to the department of revenue a license
15 tax for the privilege of engaging in and carrying on
16 business in this state in an amount equal to 1 cent for each
17 gallon of aviation gasoline, which shall be allocated to the
18 department of community affairs as provided by 67-1-301, as
19 amended, and 8 11 cents for each gallon of all other
20 gasoline distributed by him within the state and upon which
21 the gasoline license tax has not been paid by any other
22 distributor.

23 (2) Gasoline exported or sold for export out of the
24 state shall not be included in the measure of the
25 distributor's license tax.

1 (3) Gasohol shall be subject to gasoline license taxes
2 in accordance with the following schedule:

3 (a) beginning April 1, 1979, gasohol shall be taxed at
4 the rate of 2 cents per gallon;

5 (b) beginning April 1, 1985, gasohol shall be taxed at
6 the rate of 4 cents per gallon;

7 (c) beginning April 1, 1987, gasohol shall be taxed at
8 the rate of 6 cents per gallon.

9 (4) If at any time the gasoline license tax is lower
10 than the current applicable tax on gasohol, the lower tax
11 rate shall be adopted for gasohol."

12 Section 2. Section 15-70-321, MCA, is amended to read:

13 "15-70-321. Tax on diesel fuel and volatile liquids.
14 The department shall, under the provisions of rules issued
15 by it, collect or cause to be collected from the owners or
16 operators of motor vehicles a tax in an amount equal to 18
17 13 cents for each gallon of diesel fuel or other volatile
18 liquid, except liquid petroleum gas, of less than 46 degrees
19 A.P.I. (American petroleum institute) gravity test when
20 actually sold or used to produce motor power to propel motor
21 vehicles upon the public highways or streets within the
22 state or used in motor vehicles, motorized equipment, and
23 the internal combustion of any and all engines, including
24 stationary engines, used in connection with any and all work
25 performed under any and all contracts pertaining to the

-2- INTRODUCED BILL
HB 499

LC 0850/01

1 construction, reconstruction, or improvement of any highway
2 or street and their appurtenances awarded by any and all
3 public agencies, including federal, state, county,
4 municipal, or other political subdivisions."

5 Section 3. Repealer. Chapter 632, Laws of 1979, is
6 repealed.

-End-

STATE OF MONTANA

REQUEST NO. 245-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 499 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 gasoline license tax, the tax on diesel fuels and volatile liquids, and the tax on special fuels by 3 cents and to repeal the temporary additional tax of 1 cent.

ASSUMPTIONS

1. The expected net revenue of the gasoline license tax is \$34,972,000 for each fiscal year.
2. The expected net revenue of the special fuels license tax is \$11,942,000 and \$12,519,000 for FY 82 and FY 83, respectively.
3. The proposal would increase special fuels license tax revenue by 18.18% and gasoline license tax revenue by 22.22%.

FISCAL IMPACT

Gasoline License Tax	FY 82	FY 83
Under current law	\$34,972,000	\$34,972,000
Under proposed law	<u>42,742,778</u>	<u>42,742,778</u>
Estimated Increase	\$ 7,770,778	\$ 7,770,778
Special Fuels License Tax		
Under current law	\$11,942,000	\$12,519,000
Under proposed law	<u>14,113,056</u>	<u>14,794,954</u>
Estimated Increase	\$ 2,171,056	\$ 2,275,954

Increase goes to Earmarked Revenue Fund.

COMMENTS

Under Governor Schwinden's budget, the Highway Patrol and the Travel Promotion Program are to be funded with general fund money. As a result, 2¢ of the proposed increase will not be needed.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-3-81

Approved by Committee
on Taxation

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6 LIQUIDS, AND THE TAX ON SPECIAL FUELS BY 3 CENTS AND TO
7 REPEAL THE TEMPORARY ADDITIONAL TAX OF 1 CENT; AMENDING
8 SECTIONS 15-70-204 AND 15-70-321, MCA; AND REPEALING CHAPTER
9 632, LAWS OF 1979."

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14 distributor shall pay to the department of revenue a license
15 tax for the privilege of engaging in and carrying on
16 business in this state in an amount equal to 1 cent for each
17 gallon of aviation gasoline, which shall be allocated to the
18 department of community affairs as provided by 67-1-301, as
19 amended, and 11 cents for each gallon of all other
20 gasoline distributed by him within the state and upon which
21 the gasoline license tax has not been paid by any other
22 distributor.

23 (2) Gasoline exported or sold for export out of the
24 state shall not be included in the measure of the
25 distributor's license tax.

1 (3) Gasohol shall be subject to gasoline license taxes
2 in accordance with the following schedule:

3 (a) beginning April 1, 1979, gasohol shall be taxed at
4 the rate of 2 cents per gallon;

5 (b) beginning April 1, 1985, gasohol shall be taxed at
6 the rate of 4 cents per gallon;

7 (c) beginning April 1, 1987, gasohol shall be taxed at
8 the rate of 5 cents per gallon.

9 (4) If at any time the gasoline license tax is lower
10 than the current applicable tax on gasohol, the lower tax
11 rate shall be adopted for gasohol."

12 Section 2. Section 15-70-321, MCA, is amended to read:

13 "15-70-321. Tax on diesel fuel and volatile liquids.
14 The department shall, under the provisions of rules issued
15 by it, collect or cause to be collected from the owners or
16 operators of motor vehicles a tax in an amount equal to ~~10~~
17 13 cents for each gallon of diesel fuel or other volatile
18 liquid, except liquid petroleum gas, of less than 46 degrees
19 A.P.I. (American petroleum institute) gravity test when
20 actually sold or used to produce motor power to propel motor
21 vehicles upon the public highways or streets within the
22 state or used in motor vehicles, motorized equipment, and
23 the internal combustion of any and all engines, including
24 stationary engines, used in connection with any and all work
25 performed under any and all contracts pertaining to the

LC 0850/01

1 construction, reconstruction, or improvement of any highway
2 or street and their appurtenances awarded by any and all
3 public agencies, including federal, state, county,
4 municipal, or other political subdivisions."

5 Section 3. Repealer. Chapter 632, Laws of 1979, is
6 repealed.

-End-

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5 GASOLINE LICENSE TAX, THE TAX ON DIESEL FUEL AND VOLATILE
6 LIQUIDS, AND THE TAX ON SPECIAL FUELS BY 3 CENTS AND TO
7 REPEAL THE TEMPORARY ADDITIONAL TAX OF 1 CENT; AMENDING
8 SECTIONS 15-70-204 AND 15-70-321, MCA; AND REPEALING CHAPTER
9 632, LAWS OF 1979; AND PROVIDING AN EFFECTIVE DATE."

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

12 Section 1. Section 15-70-204, MCA, is amended to read:

13 "15-70-204. Gasoline license tax -- rate. (1) Every
14 distributor shall pay to the department of revenue a license
15 tax for the privilege of engaging in and carrying on
16 business in this state in an amount equal to 1 cent for each
17 gallon of aviation gasoline, which shall be allocated to the
18 department of community affairs as provided by 67-1-301, as
19 amended, and 8 11 cents JULY 1, 1981, AND 13 CENTS JULY 1,
20 1982, for each gallon of all other gasoline distributed by
21 him within the state and upon which the gasoline license tax
22 has not been paid by any other distributor.

23 (2) Gasoline exported or sold for export out of the
24 state shall not be included in the measure of the
25 distributor's license tax.

1 (3) Gasohol shall be subject to gasoline license taxes
2 in accordance with the following schedule:

3 (a) beginning April 1, 1979, gasohol shall be taxed at
4 the rate of 2 cents per gallon;

5 (b) beginning April 1, 1985, gasohol shall be taxed at
6 the rate of 4 cents per gallon;

7 (c) beginning April 1, 1987, gasohol shall be taxed at
8 the rate of 6 cents per gallon.

9 (4) If at any time the gasoline license tax is lower
10 than the current applicable tax on gasohol, the lower tax
11 rate shall be adopted for gasohol."

12 Section 2. Section 15-70-321, MCA, is amended to read:

13 "15-70-321. Tax on diesel fuel and volatile liquids.
14 The department shall, under the provisions of rules issued
15 by it, collect or cause to be collected from the owners or
16 operators of motor vehicles a tax in an amount equal to 10
17 13 cents for each gallon of diesel fuel JULY 1, 1981, AND 16
18 CENTS JULY 1, 1982, or other volatile liquid, except liquid
19 petroleum gas, of less than 46 degrees A.P.I. (American
20 petroleum institute) gravity test when actually sold or used
21 to produce motor power to propel motor vehicles upon the
22 public highways or streets within the state or used in motor
23 vehicles, motorized equipment, and the internal combustion
24 of any and all engines, including stationary engines, used
25 in connection with any and all work performed under any and

HB 0499/02

1 all contracts pertaining to the construction,
2 reconstruction, or improvement of any highway or street and
3 their appurtenances awarded by any and all public agencies,
4 including federal, state, county, municipal, or other
5 political subdivisions."

6 Section 3. Repealer. Chapter 632, Laws of 1979, is
7 repealed.

8 SECTION 4. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
9 PASSAGE AND APPROVAL.

-End-