

House Bill 548

In The House

January 28, 1981	Introduced and referred to Committee on Taxation.
January 31, 1981	Fiscal note requested.
February 5, 1981	Fiscal note returned.
March 5, 1981	Committee recommend bill do pass.
March 6, 1981	Bill printed and placed on members' desks.
March 9, 1981	Second reading do pass.
March 10, 1981	Considered correctly engrossed.
March 11, 1981	Third reading passed.

In The Senate

March 12, 1981	Introduced and referred to Committee on Taxation.
April 23, 1981	Died in Committee.

1 *House* BILL NO. *548*
 2 INTRODUCED BY *Senator Schultz, Hancock*
 3 *Kolstad, Rasmussen, Burnett, Manuel*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE TO 2 CENTS
 5 A GALLON THE LICENSE TAX ON AVIATION FUEL AND TO REQUIRE THE
 6 DEPARTMENT TO USE THE 1-CENT INCREASE IN THE TAX TO PROVIDE
 7 FOR LOANS, GRANTS, AND NAVIGATIONAL AIDS TO LOCAL AND STATE
 8 GOVERNMENT FOR AERONAUTICAL PURPOSES; AMENDING SECTIONS
 9 15-70-201, 15-70-204, 15-70-205, 15-70-221, 15-70-231, AND
 10 67-1-301, MCA."

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

12 Section 1. Section 67-1-301, MCA, is amended to read:

13 "67-1-301. Moneys -- receipt and disbursement. (1) All
 14 costs and expenses of administering this title, including
 15 the salaries of employees of the department engaged in
 16 functions pertaining to aeronautics, the expenses of members
 17 of the board, and all other disbursements necessary to carry
 18 out the purposes of this title, shall be paid out of the
 19 following revenues:
 20

21 (a) all gifts and all legislative appropriations to
 22 the department for aeronautics;

23 (b) all moneys received from any branch or department
 24 of the federal government or from other sources for the
 25 purposes mentioned in this title or for the furtherance of

1 aeronautics generally in this state.

2 (2) All such moneys shall be deposited in the state
 3 treasury to the credit of the department.

4 (3) There shall be deposited in the earmarked revenue
 5 fund to the credit of the department the proceeds of ~~1-cent~~
 6 2 cents per gallon out of the amount per gallon of ~~gasoline~~
 7 aviation fuel license tax imposed by the laws of this state
 8 upon purchases of gasoline used for the operation of
 9 aircraft. Moneys so deposited shall be spent by the
 10 department for the ~~sole~~ purpose of carrying out its
 11 functions pertaining to aeronautics.

12 ~~(4) Of the money deposited to the credit of the~~
 13 ~~department under subsection (2), 50% must be used for loans,~~
 14 ~~grants, and navigational aids to local and state government~~
 15 ~~for aeronautical purposes, and no part of this money may be~~
 16 ~~used for administrative purposes. Proceeds of all loan~~
 17 ~~repayments, including interest, are to be deposited to the~~
 18 ~~credit of the department and used to make additional loans,~~
 19 ~~grants, and navigational aids as provided in this~~
 20 ~~subsection.~~

21 ~~(4)(5)~~ No part of the ~~1-cent~~ 2 cents per gallon of
 22 gasoline aviation fuel license tax imposed by the laws of
 23 this state on gasoline aviation fuel purchased and used for
 24 the operation of airplanes or aircraft may be refunded."

25 Section 2. Section 15-70-204, MCA, is amended to read:

INTRODUCED BILL

HB 548

1 "15-70-204. Gasoline license tax -- rate. (1) Every
 2 distributor shall pay to the department of revenue a license
 3 tax for the privilege of engaging in and carrying on
 4 business in this state in an amount equal to ~~1-cent~~ 2 cents
 5 for each gallon of aviation gasoline fuel, which shall be
 6 allocated to the department of community affairs as provided
 7 by 67-1-301, as amended, and 8 cents for each gallon of ~~all~~
 8 other gasoline distributed by him within the state and upon
 9 which the gasoline license tax has not been paid by any
 10 other distributor.

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

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

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

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

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

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

25 Section 3. Section 15-70-205, MCA, is amended to read:

1 "15-70-205. Distributor's statement and payment. (1)
 2 Each distributor shall, not later than the 25th day of each
 3 calendar month, render a true statement, duly signed, to the
 4 department of revenue of all gasoline distributed and
 5 received by him in this state during the preceding calendar
 6 month and containing such other information as the
 7 department may reasonably require in order to administer the
 8 gasoline license tax law. The statement shall be accompanied
 9 by a payment in an amount equal to the tax imposed by
 10 15-70-204 less any refund credit issued under 15-70-226 and
 11 less 2% of the first 6 cents tax which shall be deducted by
 12 the distributor as an allowance for evaporation and other
 13 loss of gasoline distributed by such distributor; provided,
 14 however, that no such allowance shall be deducted from the ~~1~~
 15 cent 2 cents tax on aviation gasoline fuel.

16 (2) Any distributor engaged in or carrying on his
 17 business at more than one place or location in this state
 18 may include all such places of business in one statement."

19 Section 4. Section 15-70-221, MCA, is amended to read:

20 "15-70-221. Refund authorized. (1) Any person who
 21 shall purchase and use any gasoline on which the Montana
 22 gasoline license tax has been paid for operating or
 23 propelling stationary gasoline engines, tractors used off
 24 the public highways and streets, or for any commercial use
 25 other than propelling vehicles upon any of the public

1 highways or streets of this state shall be allowed a refund
 2 of the amount of tax paid directly or indirectly on the
 3 gasoline so used. Such refund or drawback should in no
 4 instance exceed the tax paid or to be paid to the state and
 5 no refund shall be allowed of that portion of the tax per
 6 gallon upon aviation gasoline fuel allocated to the
 7 department of community affairs by 67-1-301.

8 (2) Any distributor paying the gasoline license tax to
 9 this state erroneously shall be allowed a credit or refund
 10 of the amount of tax so paid."

11 Section 5. Section 15-70-231, MCA, is amended to read:

12 "15-70-231. Unlawful use of aviation gasoline fuel.
 13 It shall be unlawful for any person to use aviation gasoline
 14 fuel or to sell such gasoline for use in any motorized
 15 vehicle operated upon the public highways or streets of this
 16 state. Violation of this section shall be a misdemeanor
 17 subject to the penalties provided in 15-70-232."

18 Section 6. Section 15-70-201, MCA, is amended to read:

19 "15-70-201. Definitions. As used in this part, unless
 20 the context requires otherwise, the following definitions
 21 apply:

22 (1) "Agricultural use" means use of gasoline by a
 23 person whose major endeavor and primary source of earned
 24 income is from the business of farming or ranching.

25 (2) "Aviation dealer" means any person in this state

1 engaged in the business of selling aviation gasoline fuel,
 2 either from a wholesale or retail outlet, on which the
 3 license tax has been paid to a licensed distributor as
 4 herein provided for.

5 (3) "Aviation gasoline fuel" means gasoline or any
 6 other liquid fuel by whatsoever name such liquid fuel may be
 7 known or sold, compounded for use in and sold for use in
 8 aircraft, including but not limited to any and all such
 9 gasoline or liquid fuel meeting or exceeding the minimum
 10 specifications prescribed by the United States for use by
 11 its military forces in aircraft.

12 (4) "Bulk delivery" means placing gasoline in storage
 13 or containers. The term does not mean gasoline delivered
 14 into the supply tank of a motor vehicle.

15 (5) (a) Gasoline refined, produced, manufactured, or
 16 compounded in this state and placed in tanks thereat or
 17 gasoline transferred from a refinery or pipeline terminal in
 18 this state and placed in tanks thereat or gasoline imported
 19 into this state and placed in storage at refineries or
 20 pipeline terminals shall be deemed to be "distributed", for
 21 the purpose of this part, at the time the gasoline is
 22 withdrawn from such tanks, refinery, or terminal storage for
 23 sale or use in this state or for the transportation to
 24 destinations in this state other than by pipeline to another
 25 refinery or pipeline terminal in this state. When withdrawn

1 from such tanks, refinery, or terminal, such gasoline may be
2 distributed only by a person who is the holder of a valid
3 distributor's license.

4 (b) Gasoline imported into this state, other than that
5 gasoline placed in storage at refineries or pipeline
6 terminals, shall be deemed to be "distributed" after it has
7 arrived in and is brought to rest in this state.

8 (6) "Distributor" means:

9 (a) any person who engages in the business in this
10 state of producing, refining, manufacturing, or compounding
11 gasoline for sale, use, or distribution;

12 (b) any person who imports gasoline for sale, use, or
13 distribution;

14 (c) any dealer licensed as of January 1, 1969, except
15 a dealer at an established airport.

16 (7) "Gasohol" means all products commonly or
17 commercially known or sold as gasohol, produced and sold in
18 Montana for the purpose of effectively and efficiently
19 operating internal combustion engines, consisting of not
20 less than 10% anhydrous ethanol produced in Montana from
21 Montana agricultural products.

22 (8) "Gasoline" includes all products commonly or
23 commercially known or sold as gasolines, including
24 casinghead gasoline, natural gasoline, aviation gasoline
25 fuel, and all flammable liquids composed of a mixture of

1 selected hydrocarbons expressly manufactured and blended for
2 the purpose of effectively and efficiently operating
3 internal combustion engines. Gasoline does not include
4 special fuels as defined in 15-70-301(6).

5 (9) "Import" shall include and mean to receive into
6 any person's possession or custody first after its arrival
7 and coming to rest at destination within the state of any
8 gasoline shipped or transported into this state from point
9 of origin without this state other than in the fuel supply
10 tank of a motor vehicle.

11 (10) "Motor vehicle" means all vehicles operated or
12 propelled upon the public highways or streets of this state
13 in whole or in part by the combustion of gasoline.

14 (11) "Person" means any person, firm, association,
15 joint-stock company, syndicate, or corporation.

16 (12) "Use" shall include and mean the operation of
17 motor vehicles upon the public roads or highways of the
18 state or of any political subdivision thereof."

-End-

STATE OF MONTANA

REQUEST NO. 271-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 548 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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 to 2 cents a gallon the license tax on aviation fuel and to require the Department to use the 1 cent increase in the tax to provide for loans, grants, and navigational aids to local and state government for aeronautical purposes.

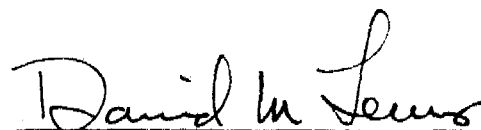
ASSUMPTION

Revenue from the aviation fuel license tax will remain constant at approximately \$350,000 for each fiscal year.

FISCAL IMPACT

The proposal will increase the revenue generated by the aviation fuel license tax to approximately \$700,000 in each fiscal year. Half of this money (about \$350,000) would be earmarked for loans, grants, and navigational aids to state and local government. The other half would continue to be earmarked for the Aeronautics Division.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-5-81

Approved by Committee on Taxation

1 House BILL NO. 548
2 INTRODUCED BY Senator Ed Schultz
3 Robert Rosh Burnett 3 Manuel

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE TO 2 CENTS
5 A GALLON THE LICENSE TAX ON AVIATION FUEL AND TO REQUIRE THE
6 DEPARTMENT TO USE THE 1-CENT INCREASE IN THE TAX TO PROVIDE
7 FOR LOANS, GRANTS, AND NAVIGATIONAL AIDS TO LOCAL AND STATE
8 GOVERNMENT FOR AERONAUTICAL PURPOSES; AMENDING SECTIONS
9 15-70-201, 15-70-204, 15-70-205, 15-70-221, 15-70-231, AND
10 67-1-301, MCA."

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

13 Section 1. Section 67-1-301, MCA, is amended to read:

14 "67-1-301. Moneys -- receipt and disbursement. (1) All
15 costs and expenses of administering this title, including
16 the salaries of employees of the department engaged in
17 functions pertaining to aeronautics, the expenses of members
18 of the board, and all other disbursements necessary to carry
19 out the purposes of this title, shall be paid out of the
20 following revenues:

21 (a) all gifts and all legislative appropriations to
22 the department for aeronautics;

23 (b) all moneys received from any branch or department
24 of the federal government or from other sources for the
25 purposes mentioned in this title or for the furtherance of

1 aeronautics generally in this state.

2 (2) All such moneys shall be deposited in the state
3 treasury to the credit of the department.

4 (3) There shall be deposited in the earmarked revenue
5 fund to the credit of the department the proceeds of ~~1-cent~~
6 2 cents per gallon out of the amount per gallon of gasoline
7 aviation fuel license tax imposed by the laws of this state
8 upon purchases of gasoline used for the operation of
9 aircraft. Moneys so deposited shall be spent by the
10 department for the ~~sole~~ purpose of carrying out its
11 functions pertaining to aeronautics.

12 ~~(4) Of the money deposited to the credit of the~~
13 ~~department under subsection (2), 50% must be used for loans,~~
14 ~~grants, and navigational aids to local and state government~~
15 ~~for aeronautical purposes, and no part of this money may be~~
16 ~~used for administrative purposes. Proceeds of all loan~~
17 ~~repayments, including interest, are to be deposited to the~~
18 ~~credit of the department and used to make additional loans,~~
19 ~~grants, and navigational aids as provided in this~~
20 ~~subsection.~~

21 ~~(4)(5)~~ No part of the ~~1-cent~~ 2 cents per gallon of
22 gasoline aviation fuel license tax imposed by the laws of
23 this state on gasoline aviation fuel purchased and used for
24 the operation of airplanes or aircraft may be refunded."

25 Section 2. Section 15-70-204, MCA, is amended to read:

1 "15-70-204. Gasoline license tax -- rate. (1) Every
2 distributor shall pay to the department of revenue a license
3 tax for the privilege of engaging in and carrying on
4 business in this state in an amount equal to ~~1-cent~~ 2_cents
5 for each gallon of aviation gasoline fuel, which shall be
6 allocated to the department of community affairs as provided
7 by 67-1-301, as amended, and 8 cents for each gallon of ~~all~~
8 other gasoline distributed by him within the state and upon
9 which the gasoline license tax has not been paid by any
10 other distributor.

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

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

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

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

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

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

25 Section 3. Section 15-70-205, MCA, is amended to read:

1 "15-70-205. Distributor's statement and payment. (1)
2 Each distributor shall, not later than the 25th day of each
3 calendar month, render a true statement, duly signed, to the
4 department of revenue of all gasoline distributed and
5 received by him in this state during the preceding calendar
6 month and containing such other information as the
7 department may reasonably require in order to administer the
8 gasoline license tax law. The statement shall be accompanied
9 by a payment in an amount equal to the tax imposed by
10 15-70-204 less any refund credit issued under 15-70-225 and
11 less 2% of the first 6 cents tax which shall be deducted by
12 the distributor as an allowance for evaporation and other
13 loss of gasoline distributed by such distributor; provided,
14 however, that no such allowance shall be deducted from the ~~1~~
15 cent 2_cents tax on aviation gasoline fuel.

16 (2) Any distributor engaged in or carrying on his
17 business at more than one place or location in this state
18 may include all such places of business in one statement."

19 Section 4. Section 15-70-221, MCA, is amended to read:

20 "15-70-221. Refund authorized. (1) Any person who
21 shall purchase and use any gasoline on which the Montana
22 gasoline license tax has been paid for operating or
23 propelling stationary gasoline engines, tractors used off
24 the public highways and streets, or for any commercial use
25 other than propelling vehicles upon any of the public

1 highways or streets of this state shall be allowed a refund
 2 of the amount of tax paid directly or indirectly on the
 3 gasoline so used. Such refund or drawback should in no
 4 instance exceed the tax paid or to be paid to the state and
 5 no refund shall be allowed of that portion of the tax per
 6 gallon upon aviation gasoline fuel allocated to the
 7 department of community affairs by 67-1-301.

8 (2) Any distributor paying the gasoline license tax to
 9 this state erroneously shall be allowed a credit or refund
 10 of the amount of tax so paid."

11 Section 5. Section 15-70-231, MCA, is amended to read:

12 "15-70-231. Unlawful use of aviation gasoline fuel.
 13 It shall be unlawful for any person to use aviation gasoline
 14 fuel or to sell such gasoline for use in any motorized
 15 vehicle operated upon the public highways or streets of this
 16 state. Violation of this section shall be a misdemeanor
 17 subject to the penalties provided in 15-70-232."

18 Section 6. Section 15-70-201, MCA, is amended to read:

19 "15-70-201. Definitions. As used in this part, unless
 20 the context requires otherwise, the following definitions
 21 apply:

22 (1) "Agricultural use" means use of gasoline by a
 23 person whose major endeavor and primary source of earned
 24 income is from the business of farming or ranching.

25 (2) "Aviation dealer" means any person in this state

1 engaged in the business of selling aviation gasoline fuel,
 2 either from a wholesale or retail outlet, on which the
 3 license tax has been paid to a licensed distributor as
 4 herein provided for.

5 (3) "Aviation gasoline fuel" means gasoline or any
 6 other liquid fuel by whatsoever name such liquid fuel may be
 7 known or sold, compounded for use in and sold for use in
 8 aircraft, including but not limited to any and all such
 9 gasoline or liquid fuel meeting or exceeding the minimum
 10 specifications prescribed by the United States for use by
 11 its military forces in aircraft.

12 (4) "Bulk delivery" means placing gasoline in storage
 13 or containers. The term does not mean gasoline delivered
 14 into the supply tank of a motor vehicle.

15 (5) (a) Gasoline refined, produced, manufactured, or
 16 compounded in this state and placed in tanks thereat or
 17 gasoline transferred from a refinery or pipeline terminal in
 18 this state and placed in tanks thereat or gasoline imported
 19 into this state and placed in storage at refineries or
 20 pipeline terminals shall be deemed to be "distributed", for
 21 the purpose of this part, at the time the gasoline is
 22 withdrawn from such tanks, refinery, or terminal storage for
 23 sale or use in this state or for the transportation to
 24 destinations in this state other than by pipeline to another
 25 refinery or pipeline terminal in this state. When withdrawn

1 from such tanks, refinery, or terminal, such gasoline may be
2 distributed only by a person who is the holder of a valid
3 distributor's license.

4 (b) Gasoline imported into this state, other than that
5 gasoline placed in storage at refineries or pipeline
6 terminals, shall be deemed to be "distributed" after it has
7 arrived in and is brought to rest in this state.

8 (6) "Distributor" means:

9 (a) any person who engages in the business in this
10 state of producing, refining, manufacturing, or compounding
11 gasoline for sale, use, or distribution;

12 (b) any person who imports gasoline for sale, use, or
13 distribution;

14 (c) any dealer licensed as of January 1, 1969, except
15 a dealer at an established airport.

16 (7) "Gasohol" means all products commonly or
17 commercially known or sold as gasohol, produced and sold in
18 Montana for the purpose of effectively and efficiently
19 operating internal combustion engines, consisting of not
20 less than 10% anhydrous ethanol produced in Montana from
21 Montana agricultural products.

22 (8) "Gasoline" includes all products commonly or
23 commercially known or sold as gasolines, including
24 casinghead gasoline, natural gasoline, aviation gasoline
25 fuel, and all flammable liquids composed of a mixture of

1 selected hydrocarbons expressly manufactured and blended for
2 the purpose of effectively and efficiently operating
3 internal combustion engines. Gasoline does not include
4 special fuels as defined in 15-70-301(5).

5 (9) "Import" shall include and mean to receive into
6 any person's possession or custody first after its arrival
7 and coming to rest at destination within the state of any
8 gasoline shipped or transported into this state from point
9 of origin without this state other than in the fuel supply
10 tank of a motor vehicle.

11 (10) "Motor vehicle" means all vehicles operated or
12 propelled upon the public highways or streets of this state
13 in whole or in part by the combustion of gasoline.

14 (11) "Person" means any person, firm, association,
15 joint-stock company, syndicate, or corporation.

16 (12) "Use" shall include and mean the operation of
17 motor vehicles upon the public roads or highways of the
18 state or of any political subdivision thereof."

-End-

1 *House* BILL NO. *548*
 2 INTRODUCED BY *Senator Schultz*
 3 *Robert Rosh Burnett Manuel*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE TO 2 CENTS
 5 A GALLON THE LICENSE TAX ON AVIATION FUEL AND TO REQUIRE THE
 6 DEPARTMENT TO USE THE 1-CENT INCREASE IN THE TAX TO PROVIDE
 7 FOR LOANS, GRANTS, AND NAVIGATIONAL AIDS TO LOCAL AND STATE
 8 GOVERNMENT FOR AERONAUTICAL PURPOSES; AMENDING SECTIONS
 9 15-70-201, 15-70-204, 15-70-205, 15-70-221, 15-70-231, AND
 10 67-1-301, MCA."

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

13 Section 1. Section 67-1-301, MCA, is amended to read:

14 "67-1-301. Moneys -- receipt and disbursement. (1) All
 15 costs and expenses of administering this title, including
 16 the salaries of employees of the department engaged in
 17 functions pertaining to aeronautics, the expenses of members
 18 of the board, and all other disbursements necessary to carry
 19 out the purposes of this title, shall be paid out of the
 20 following revenues:

21 (a) all gifts and all legislative appropriations to
 22 the department for aeronautics;

23 (b) all moneys received from any branch or department
 24 of the federal government or from other sources for the
 25 purposes mentioned in this title or for the furtherance of

1 aeronautics generally in this state.

2 (2) All such moneys shall be deposited in the state
 3 treasury to the credit of the department.

4 (3) There shall be deposited in the earmarked revenue
 5 fund to the credit of the department the proceeds of ~~1-cent~~
 6 2 cents per gallon out of the amount per gallon of ~~gasoline~~
 7 aviation fuel license tax imposed by the laws of this state
 8 upon purchases of gasoline used for the operation of
 9 aircraft. Moneys so deposited shall be spent by the
 10 department for the ~~sole~~ purpose of carrying out its
 11 functions pertaining to aeronautics.

12 ~~(4) Of the money deposited to the credit of the~~
 13 ~~department under subsection (2), 50% must be used for loans,~~
 14 ~~grants, and navigational aids to local and state government~~
 15 ~~for aeronautical purposes, and no part of this money may be~~
 16 ~~used for administrative purposes. Proceeds of all loan~~
 17 ~~repayments, including interest, are to be deposited to the~~
 18 ~~credit of the department and used to make additional loans,~~
 19 ~~grants, and navigational aids as provided in this~~
 20 ~~subsection.~~

21 ~~(4)(5)~~ No part of the ~~1-cent~~ 2 cents per gallon of
 22 gasoline aviation fuel license tax imposed by the laws of
 23 this state on gasoline aviation fuel purchased and used for
 24 the operation of airplanes or aircraft may be refunded."

25 Section 2. Section 15-70-204, MCA, is amended to read:

1 "15-70-204. Gasoline license tax -- rate. (1) Every
2 distributor shall pay to the department of revenue a license
3 tax for the privilege of engaging in and carrying on
4 business in this state in an amount equal to ~~1-cent~~ 2 cents
5 for each gallon of aviation gasoline fuel, which shall be
6 allocated to the department of community affairs as provided
7 by 67-1-301, as amended, and 8 cents for each gallon of all
8 other gasoline distributed by him within the state and upon
9 which the gasoline license tax has not been paid by any
10 other distributor.

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

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

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

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

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

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

25 Section 3. Section 15-70-205, MCA, is amended to read:

1 "15-70-205. Distributor's statement and payment. (1)
2 Each distributor shall, not later than the 25th day of each
3 calendar month, render a true statement, duly signed, to the
4 department of revenue of all gasoline distributed and
5 received by him in this state during the preceding calendar
6 month and containing such other information as the
7 department may reasonably require in order to administer the
8 gasoline license tax law. The statement shall be accompanied
9 by a payment in an amount equal to the tax imposed by
10 15-70-204 less any refund credit issued under 15-70-226 and
11 less 2% of the first 6 cents tax which shall be deducted by
12 the distributor as an allowance for evaporation and other
13 loss of gasoline distributed by such distributor; provided,
14 however, that no such allowance shall be deducted from the ~~1~~
15 cent 2 cents tax on aviation gasoline fuel.

16 (2) Any distributor engaged in or carrying on his
17 business at more than one place or location in this state
18 may include all such places of business in one statement."

19 Section 4. Section 15-70-221, MCA, is amended to read:

20 "15-70-221. Refund authorized. (1) Any person who
21 shall purchase and use any gasoline on which the Montana
22 gasoline license tax has been paid for operating or
23 propelling stationary gasoline engines, tractors used off
24 the public highways and streets, or for any commercial use
25 other than propelling vehicles upon any of the public

1 highways or streets of this state shall be allowed a refund
 2 of the amount of tax paid directly or indirectly on the
 3 gasoline so used. Such refund or drawback should in no
 4 instance exceed the tax paid or to be paid to the state and
 5 no refund shall be allowed of that portion of the tax per
 6 gallon upon aviation gasoline fuel allocated to the
 7 department of community affairs by 67-1-301.

8 (2) Any distributor paying the gasoline license tax to
 9 this state erroneously shall be allowed a credit or refund
 10 of the amount of tax so paid."

11 Section 5. Section 15-70-231, MCA, is amended to read:

12 "15-70-231. Unlawful use of aviation gasoline fuel.
 13 It shall be unlawful for any person to use aviation gasoline
 14 fuel or to sell such gasoline for use in any motorized
 15 vehicle operated upon the public highways or streets of this
 16 state. Violation of this section shall be a misdemeanor
 17 subject to the penalties provided in 15-70-232."

18 Section 6. Section 15-70-201, MCA, is amended to read:

19 "15-70-201. Definitions. As used in this part, unless
 20 the context requires otherwise, the following definitions
 21 apply:

22 (1) "Agricultural use" means use of gasoline by a
 23 person whose major endeavor and primary source of earned
 24 income is from the business of farming or ranching.

25 (2) "Aviation dealer" means any person in this state

1 engaged in the business of selling aviation gasoline fuel,
 2 either from a wholesale or retail outlet, on which the
 3 license tax has been paid to a licensed distributor as
 4 herein provided for.

5 (3) "Aviation gasoline fuel" means gasoline or any
 6 other liquid fuel by whatsoever name such liquid fuel may be
 7 known or sold, compounded for use in and sold for use in
 8 aircraft, including but not limited to any and all such
 9 gasoline or liquid fuel meeting or exceeding the minimum
 10 specifications prescribed by the United States for use by
 11 its military forces in aircraft.

12 (4) "Bulk delivery" means placing gasoline in storage
 13 or containers. The term does not mean gasoline delivered
 14 into the supply tank of a motor vehicle.

15 (5) (a) Gasoline refined, produced, manufactured, or
 16 compounded in this state and placed in tanks thereat or
 17 gasoline transferred from a refinery or pipeline terminal in
 18 this state and placed in tanks thereat or gasoline imported
 19 into this state and placed in storage at refineries or
 20 pipeline terminals shall be deemed to be "distributed", for
 21 the purpose of this part, at the time the gasoline is
 22 withdrawn from such tanks, refinery, or terminal storage for
 23 sale or use in this state or for the transportation to
 24 destinations in this state other than by pipeline to another
 25 refinery or pipeline terminal in this state. When withdrawn

1 from such tanks, refinery, or terminal, such gasoline may be
 2 distributed only by a person who is the holder of a valid
 3 distributor's license.

4 (b) Gasoline imported into this state, other than that
 5 gasoline placed in storage at refineries or pipeline
 6 terminals, shall be deemed to be "distributed" after it has
 7 arrived in and is brought to rest in this state.

8 (6) "Distributor" means:

9 (a) any person who engages in the business in this
 10 state of producing, refining, manufacturing, or compounding
 11 gasoline for sale, use, or distribution;

12 (b) any person who imports gasoline for sale, use, or
 13 distribution;

14 (c) any dealer licensed as of January 1, 1969, except
 15 a dealer at an established airport.

16 (7) "Gasohol" means all products commonly or
 17 commercially known or sold as gasohol, produced and sold in
 18 Montana for the purpose of effectively and efficiently
 19 operating internal combustion engines, consisting of not
 20 less than 10% anhydrous ethanol produced in Montana from
 21 Montana agricultural products.

22 (8) "Gasoline" includes all products commonly or
 23 commercially known or sold as gasolines, including
 24 casinghead gasoline, natural gasoline, aviation gasoline
 25 fuel, and all flammable liquids composed of a mixture of

1 selected hydrocarbons expressly manufactured and blended for
 2 the purpose of effectively and efficiently operating
 3 internal combustion engines. Gasoline does not include
 4 special fuels as defined in 15-70-301(6).

5 (9) "Import" shall include and mean to receive into
 6 any person's possession or custody first after its arrival
 7 and coming to rest at destination within the state of any
 8 gasoline shipped or transported into this state from point
 9 of origin without this state other than in the fuel supply
 10 tank of a motor vehicle.

11 (10) "Motor vehicle" means all vehicles operated or
 12 propelled upon the public highways or streets of this state
 13 in whole or in part by the combustion of gasoline.

14 (11) "Person" means any person, firm, association,
 15 joint-stock company, syndicate, or corporation.

16 (12) "Use" shall include and mean the operation of
 17 motor vehicles upon the public roads or highways of the
 18 state or of any political subdivision thereof."

-End-