

HOUSE BILL NO. 81

Introduced: 01/05/83

Referred to Committee on Taxation: 01/05/83

Hearing: 1/10/83

Report: 01/11/83, Do Pass, As Amended

2nd Reading: 01/13/83, Do Pass, As Amended

3rd Reading: 01/15/83, Do Pass

Transmitted to Senate: 1/15/83

Referred to Committee on Taxation: 01/17/83

Hearing: 1/25/83

Report: 01/26/83, Be Concurred In

2nd Reading: 01/28/83

3rd Reading: 01/31/83

Returned to House: 1/31/83

Transmitted to Governor: 2/3/83

Signed: 2/4/83, Chapter 14

1 Hoyle
2 INTRODUCED BY Wendell 81

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
6 ASSESSMENT OF INTEREST ON DEFICIENCY ASSESSMENTS FOR THE
7 COAL SEVERANCE TAX, OIL AND GAS SEVERANCE TAX, MINING
8 LICENSE TAXES, RESOURCE INDEMNITY TRUST TAX, ELECTRIC ENERGY
9 PRODUCERS' LICENSE TAX, TELEPHONE COMPANY LICENSE TAX, COAL
10 RETAILER'S LICENSE TAX, AND CEMENT TAXES."

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

13 Section 1. Deficiency assessment -- hearing --
14 interest. (1) When the department of revenue determines that
15 the amount of tax due is greater than the amount disclosed
16 by a return, it shall mail to the taxpayer a notice of the
17 additional tax proposed to be assessed. Within 30 days after
18 mailing of the notice, the taxpayer may file with the
19 department a written protest against the proposed additional
20 tax, setting forth the grounds upon which the protest is
21 based, and may request in his protest an oral hearing or an
22 opportunity to present additional evidence relating to his
23 tax liability. If no protest is filed, the amount of the
24 additional tax proposed to be assessed becomes final upon
25 the expiration of the 30-day period. If a protest is filed,

1 the department must reconsider the proposed assessment and,
2 if the taxpayer has so requested, must grant the taxpayer an
3 oral hearing. After consideration of the protest and the
4 evidence presented at any oral hearing, the department's
5 action upon the protest is final when it mails notice of its
6 action to the taxpayer.

7 (2) When a deficiency is determined and the tax
8 becomes final, the department shall mail a notice and demand
9 for payment to the taxpayer. The tax is due and payable at
10 the expiration of 10 days from the date of such notice and
11 demand. Interest on any deficiency assessment shall bear
12 interest until paid at the rate of 1% a month or fraction
13 thereof, computed from the original due date of the return.

14 Section 2. Codification instruction. Section 1 is
15 intended to be codified as an integral part of Title 15,
16 chapters 35, 36, 37 (parts 1 and 2), 38, 51, 53, 58, and 59
17 (parts 1 and 2), and the provisions of Title 15, chapters
18 35, 36, 37 (parts 1 and 2), 38, 51, 53, 58, and 59 (parts 1
19 and 2), apply to section 1.

-End-

INTRODUCED BILL

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HB-81

Approved by Committee
on Taxation

HOUSE BILL NO. 81

INTRODUCED BY NORDTVEDT

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
ASSESSMENT OF INTEREST ON DEFICIENCY ASSESSMENTS AND
OVERPAYMENTS FOR THE COAL SEVERANCE TAX, OIL AND GAS
SEVERANCE TAX, MINING LICENSE TAXES, RESOURCE INDEMNITY
TRUST TAX, ELECTRIC ENERGY PRODUCERS' LICENSE TAX, TELEPHONE
COMPANY LICENSE TAX, COAL RETAILER'S LICENSE TAX, AND CEMENT
TAXES."

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interest. (1) When the department of revenue determines that
the amount of tax due is greater than the amount disclosed
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becomes final, the department shall mail a notice and demand
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the expiration of 10 days from the date of such notice and
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interest until paid at the rate of 1% a month or fraction
thereof, computed from the original due date of the return.

SECTION 2. THERE IS A NEW MCA SECTION THAT READS:

Credit for overpayment -- interest on overpayment. (1)
If the department of revenue determines that the amount of
tax, penalty, or interest due for any year is less than the
amount paid, the amount of the overpayment shall be credited
against any tax, penalty, or interest then due from the
taxpayer and the balance refunded to the taxpayer or its
successor through reorganization, merger, or consolidation
or to its shareholders upon dissolution.

(2) Except as hereinafter provided for, interest shall
be allowed on overpayments at the same rate as is charged on

SECOND READING

deficiency assessments provided in [section 1] due from the due date of the return or from the date of overpayment (whichever date is later) to the date the department approves refunding or crediting of the overpayment. Interest shall not accrue during any period the processing of a claim for refund is delayed more than 30 days by reason of failure of the taxpayer to furnish information requested by the department for the purpose of verifying the amount of the overpayment. No interest shall be allowed:

(a) if the overpayment is refunded within 6 months from the date the return is due or from the date the return is filed, whichever is later; or

(b) if the amount of interest is less than \$1.

(3) A payment not made incident to a bona fide and orderly discharge of an actual tax liability or one reasonably assumed to be imposed by this law shall not be considered an overpayment with respect to which interest is allowable.

Section 3. Codification instruction. ~~Section--1---~~
~~SECTIONS 1 AND 2 ARE~~ intended to be codified as an integral part ~~PARIS~~ of Title 15, chapters 35, 36, 37 (parts 1 and 2), 38, 51, 53, 58, and 59 (parts 1 and 2), and the provisions of Title 15, chapters 35, 36, 37 (parts 1 and 2), 38, 51, 53, 58, and 59 (parts 1 and 2), apply to ~~section-1~~ ~~SECTIONS 1 AND 2~~.

Approved by Committee
on Taxation

As Amended

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INTEREST CREDIT ON OVERPAYMENTS FOR THE COAL SEVERANCE TAX,
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 21 part PART 15 of Title 15, chapters 35, 36, 37 (parts 1 and 2),
 22 38, 51, 53, 58, and 59 (parts 1 and 2), and the provisions
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