

HOUSE BILL NO. 168

Introduced: 01/11/83

Referred to Committee on Taxation: 01/11/83

Hearing: 1/18/83

Report: 01/25/83, Do Not Pass

Rereferred to Committee on Taxation: 01/26/83

Report: 02/03/83, Do Not Pass, As Amended

Objection: 2/4/83

2nd Reading: 03/12/83, Do Not Pass

2nd Reading: 03/15/83, Do Not Pass

Bill Killed

1 *House BILL NO. 168*  
 2 *INTRODUCED BY Pulaski, Harris*  
 3 *Richard Manning Hand*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO LOWER THE LIQUOR  
 5 EXCISE TAX; TO RAISE THE LIQUOR LICENSE TAX; AND TO CHANGE  
 6 THE PERCENTAGE ALLOCATIONS OF THE LIQUOR LICENSE TAX  
 7 REVENUE; AMENDING SECTIONS 16-1-401 AND 16-1-404, MCA."

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 10 Section 1. Section 16-1-401, MCA, is amended to read:  
 11 "16-1-401. Liquor excise tax. The department is hereby  
 12 authorized and directed to charge, receive, and collect at  
 13 the time of the sale and delivery of any liquor as  
 14 authorized under any provision of the laws of the state of  
 15 Montana an excise tax at the rate of ~~16%~~ 12% of the retail  
 16 selling price on all liquor sold and delivered. The  
 17 department shall retain the amount of such excise tax  
 18 received in a separate account and shall deposit with the  
 19 state treasurer, to the credit of the general fund, such  
 20 sums collected and received not later than the 10th day of  
 21 each and every month."

22 Section 2. Section 16-1-404, MCA, is amended to read:  
 23 "16-1-404. License tax on liquor -- amount --  
 24 distribution of proceeds. (1) The department is hereby  
 25 authorized and directed to charge, receive, and collect at

1 the time of sale and delivery of any liquor under any  
 2 provisions of the laws of the state of Montana a license tax  
 3 of ~~10%~~ 14% of the retail selling price on all liquor sold  
 4 and delivered. Said tax shall be charged and collected on  
 5 all liquor brought into the state and taxed by the  
 6 department. The retail selling price shall be computed by  
 7 adding to the cost of said liquor the state markup as  
 8 designated by the department. Said ~~10%~~ 14% license tax shall  
 9 be figured in the same manner as the state excise tax and  
 10 shall be in addition to said state excise tax. The  
 11 department shall retain in a separate account the amount of  
 12 such ~~10%~~ 14% license tax so received. ~~Thirty~~ Twenty-one and  
 13 one-half percent of these revenues shall be allocated to the  
 14 counties according to the amount of liquor purchased in each  
 15 county to be distributed to the incorporated cities and  
 16 towns, as provided in subsection (2). ~~Four and one-half~~  
 17 Three and one-fourth percent of these revenues shall be  
 18 allocated to the counties according to the amount of liquor  
 19 purchased in each county, and this money may be used for  
 20 county purposes. The remaining revenues shall be deposited  
 21 in the earmarked revenue fund to the credit of the  
 22 department of institutions for the treatment,  
 23 rehabilitation, and prevention of alcoholism. Provided,  
 24 however, in the case of purchases of liquor by a retail  
 25 liquor licensee for use in his business, the department

1 shall make such regulations as are necessary to apportion  
2 that proportion of license tax so generated to the county  
3 where the licensed establishment is located, for use as  
4 provided in 16-1-405. The department shall pay quarterly to  
5 each county treasurer the proportion of the license tax due  
6 each county to be allocated to the incorporated cities and  
7 towns of the county.

8 (2) The license tax proceeds allocated to the county  
9 under subsection (1) for use by cities and towns shall be  
10 distributed by the county treasurer to the incorporated  
11 cities and towns within 30 days of receipt from the  
12 department. The distribution of funds to the cities and  
13 towns shall be based on the proportion that the gross sale  
14 of liquor in each city or town is to the gross sale of  
15 liquor in all of the cities and towns of the county.

16 (3) The license tax proceeds that are allocated to the  
17 department of institutions for the treatment,  
18 rehabilitation, and prevention of alcoholism shall be  
19 credited quarterly to the department of institutions. The  
20 legislature may appropriate a portion of the license tax  
21 proceeds to support alcohol programs. The remainder shall be  
22 distributed as provided in 53-24-206."

-End-

## STATE OF MONTANA

REQUEST NO. 100-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 14, 19 83, there is hereby submitted a Fiscal Note for ~~House Bill 168~~ 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

A bill for an act to lower the liquor excise tax; to raise the liquor license tax; and to change the percentage allocations of the liquor license tax revenue.

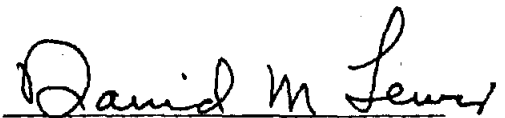
ASSUMPTION

The projections of liquor tax revenues for the 84-85 biennium made by the Office of Budget and Program Planning are the basis for comparison.

FISCAL IMPACT

	<u>FY84</u>	<u>FY85</u>
Liquor Excise Tax		
Under Current Law	\$7,205,000	\$7,582,000
Under Proposed Law	5,403,750	5,686,500
Estimated Decrease	(1,801,250)	(1,895,500)
Liquor License Tax		
Under Current Law	4,503,125	4,738,750
Under Proposed Law	6,304,375	6,634,250
Estimated Increase	1,801,250	1,895,500
Total Revenue		
Under Current Law	\$11,708,125	\$12,320,750
Under Proposed Law	11,708,125	12,320,750
Estimated Increase	-0-	-0-

(Continued)



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-15-83

Fund Information

	<u>FY84</u>	<u>FY85</u>
General Fund		
Under Current Law	\$7,205,000	\$7,582,000
Under Proposed Law	5,403,750	5,686,500
Estimated Decrease	(1,801,250)	(1,895,500)
Allocation for Incorp. Cities and Towns		
Under Current Law	1,350,937.50	1,421,625.00
Under Proposed Law	1,355,440.63	1,426,363.75
Estimated Increase	4,503.13	4,738.75
Allocation for County Purposes		
Under Current Law	202,640.63	213,243.75
Under Proposed Law	204,892.19	215,613.12
Estimated Increase	2,251.56	2,369.37
Allocation To Department of Institutions		
Under Current Law	2,949,546.87	3,103,881.25
Under Proposed Law	4,744,042.18	4,992,273.13
Estimated Increase	1,794,495.31	1,888,391.88

committee on Taxation  
recommend do not pass  
Objection Raised to  
Adverse Committee Report

1                   HOUSE BILL NO. 168  
2   INTRODUCED BY PISTORIA, PAVLOVICH, FARRIS, R. MANNING, HAND  
3  
4   A BILL FOR AN ACT ENTITLED: "AN ACT TO LOWER THE LIQUOR  
5   EXCISE TAX; TO RAISE THE LIQUOR LICENSE TAX; AND TO CHANGE  
6   THE PERCENTAGE ALLOCATIONS OF THE LIQUOR LICENSE TAX  
7   REVENUE; AMENDING SECTIONS 16-1-401 AND 16-1-404, MCA."  
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9   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10       Section 1. Section 16-1-401, MCA, is amended to read:  
11       "16-1-401. Liquor excise tax. The department is hereby  
12       authorized and directed to charge, receive, and collect at  
13       the time of the sale and delivery of any liquor as  
14       authorized under any provision of the laws of the state of  
15       Montana an excise tax at the rate of ~~16% 12% 15%~~ of the  
16       retail selling price on all liquor sold and delivered. The  
17       department shall retain the amount of such excise tax  
18       received in a separate account and shall deposit with the  
19       state treasurer, to the credit of the general fund, such  
20       sums collected and received not later than the 10th day of  
21       each and every month."  
22       Section 2. Section 16-1-404, MCA, is amended to read:  
23       "16-1-404. License tax on liquor -- amount --  
24       distribution of proceeds. (1) The department is hereby  
25       authorized and directed to charge, receive, and collect at

1   the time of sale and delivery of any liquor under any  
2   provisions of the laws of the state of Montana a license tax  
3   of ~~10% 14% 11%~~ of the retail selling price on all liquor  
4   sold and delivered. Said tax shall be charged and collected  
5   on all liquor brought into the state and taxed by the  
6   department. The retail selling price shall be computed by  
7   adding to the cost of said liquor the state markup as  
8   designated by the department. Said ~~10% 14% 11%~~ license tax  
9   shall be figured in the same manner as the state excise tax  
10   and shall be in addition to said state excise tax. The  
11   department shall retain in a separate account the amount of  
12   such ~~10% 14% 11%~~ license tax so received. ~~Thirty twenty-one~~  
13   ~~and--one-half TWENTY-SEVEN AND ONE-FOURTH~~ percent of these  
14   revenues shall be allocated to the counties according to the  
15   amount of liquor purchased in each county to be distributed  
16   to the incorporated cities and towns, as provided in  
17   subsection (2). ~~Four-and-one-half three-and-one-fourth EOMB~~  
18   ~~AND ONE-TENTH~~ percent of these revenues shall be allocated  
19   to the counties according to the amount of liquor purchased  
20   in each county, and this money may be used for county  
21   purposes. The remaining revenues shall be deposited in the  
22   earmarked revenue fund to the credit of the department of  
23   institutions for the treatment, rehabilitation, and  
24   prevention of alcoholism. Provided, however, in the case of  
25   purchases of liquor by a retail liquor licensee for use in

1 his business, the department shall make such regulations as  
2 are necessary to apportion that proportion of license tax so  
3 generated to the county where the licensed establishment is  
4 located, for use as provided in 16-1-405. The department  
5 shall pay quarterly to each county treasurer the proportion  
6 of the license tax due each county to be allocated to the  
7 incorporated cities and towns of the county.

8 (2) The license tax proceeds allocated to the county  
9 under subsection (1) for use by cities and towns shall be  
10 distributed by the county treasurer to the incorporated  
11 cities and towns within 30 days of receipt from the  
12 department. The distribution of funds to the cities and  
13 towns shall be based on the proportion that the gross sale  
14 of liquor in each city or town is to the gross sale of  
15 liquor in all of the cities and towns of the county.

16 (3) The license tax proceeds that are allocated to the  
17 department of institutions for the treatment,  
18 rehabilitation, and prevention of alcoholism shall be  
19 credited quarterly to the department of institutions. The  
20 legislature may appropriate a portion of the license tax  
21 proceeds to support alcohol programs. The remainder shall be  
22 distributed as provided in 53-24-206."

-End-