

HOUSE BILL NO. 316

Introduced: 01/18/83

Referred to Committee on Taxation: 01/18/83

Hearing: 1/24/83

Died in Committee

House BILL NO. *316*

1
2 INTRODUCED BY *Asen Helt* *HAPP* *Edult* *Siglet* *Scutty*
3 *Cuatiss* *Mark* *David Brown* *Manuel Williams* *Frank*
4 *Roush* A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING
5 AGRICULTURAL IMPLEMENTS AND EQUIPMENT FROM CLASS EIGHT TO
6 CLASS SIX FOR PURPOSES OF PROPERTY TAXATION; AMENDING
7 SECTIONS 15-6-136 AND 15-6-138, MCA; AND PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 15-6-136, MCA, is amended to read:
12 "15-6-136. Class six property -- description --
13 taxable percentage. (1) Class six property includes:
14 (a) livestock and poultry and the unprocessed products
15 of both;
16 (b) all unprocessed agricultural products on the farm
17 or in storage except all perishable fruits and vegetables in
18 farm storage and owned by the producer; and
19 (c) agricultural implements and equipment.
20 (2) Class six property is taxed at 4% of its market
21 value."
22 Section 2. Section 15-6-138, MCA, is amended to read:
23 "15-6-138. Class eight property -- description --
24 taxable percentage. (1) Class eight property includes:
25 ~~(a) all agricultural implements and equipment;~~

1 ~~(b)(a)~~ all mining machinery, fixtures, equipment,
2 tools, and supplies except:
3 (i) those included in class five; and
4 (ii) coal and ore haulers;
5 ~~(c)(b)~~ all manufacturing machinery, fixtures,
6 equipment, tools, and supplies except those included in
7 class five;
8 ~~(d)(c)~~ motorcycles;
9 ~~(e)(d)~~ watercraft;
10 ~~(f)(e)~~ light utility and boat trailers;
11 ~~(g)(f)~~ aircraft;
12 ~~(h)(g)~~ all-terrain vehicles;
13 ~~(i)(h)~~ harness, saddlery, and other tack equipment;
14 and
15 ~~(j)(i)~~ all other machinery except that specifically
16 included in another class.
17 (2) Class eight property is taxed at 11% of its market
18 value."
19 NEW SECTION. Section 3. Effective date --
20 applicability date. This act is effective on passage and
21 approval and applies to taxable years beginning after
22 December 31, 1982.

-End-

INTRODUCED BILL
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HB 316

STATE OF MONTANA

REQUEST NO. 164-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 20, 19 83, there is hereby submitted a Fiscal Note for House Bill 316 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 OF PROPOSED LEGISLATION:

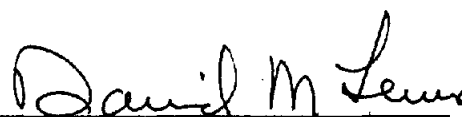
House Bill 316 transfers agricultural implements and equipment from class eight to class six for purposes of property taxation and provides an immediate effective date and an applicability date.

ASSUMPTIONS:

- 1) Taxable value of the state: FY84 - \$2,252,536,000; FY85 - \$2,352,151,000 (OBPP estimate).
- 2) FY83 valuation of agricultural implements and equipment: Market Value - \$647,080,747; Taxable Value - \$71,178,879.
- 3) FY83 market value of agricultural implements and equipment remains the same for FY84 and FY85.
- 4) Tax Rate: Current law - 11%; Proposed law - 4%.
- 5) University levy - 6 mills.
- 6) School Foundation Program levy - 40 mills.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
University Levy (6 mills)		
Under Current Law	\$13.515M	\$14.113M
Under Proposed Law	13.243M	13.841M
Estimated Decrease	<u>(0.272M)</u>	<u>(0.272M)</u>
School Foundation Program (40 mills)		
Under Current Law	90.101M	94.086M
Under Proposed Law	88.289M	92.274M
Estimated Decrease	<u>(1.812M)</u>	<u>(1.812M)</u>
TOTAL REVENUE		
Under Current Law	103.616M	108.199M
Under Proposed Law	101.532M	106.115M
Estimated Decrease	<u>(2.084M)</u>	<u>(2.084M)</u>

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-25-83

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EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposed legislation should decrease revenues to local governments by about \$8.7 million per year. Impact by county is available upon request from the Office of Budget & Program Planning.

FISCAL NOTE 7:D/1

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