

HOUSE BILL NO. 340

Introduced: 01/18/83

Referred to Committee on Taxation: 01/18/83

Hearing: 1/26/83

Report: 01/27/83, Do Not Pass

Bill Killed: 01/28/83

1 House BILL NO. 340
2 INTRODUCED BY [Signature]
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING DEDUCTIONS
5 ALLOWED ON PAYMENT OF MOTOR FUELS TAXES; AMENDING SECTIONS
6 15-70-205 AND 15-70-327, MCA; AND PROVIDING AN EFFECTIVE
7 DATE."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 Section 1. Section 15-70-205, MCA, is amended to read:
11 "15-70-205. Distributor's statement and payment. (1)
12 Each distributor shall, not later than the 25th day of each
13 calendar month, render a true statement, duly signed, to the
14 department of revenue of all gasoline distributed and
15 received by him in this state during the preceding calendar
16 month and containing such other information as the
17 department may reasonably require in order to administer the
18 gasoline license tax law. The statement shall be accompanied
19 by a payment in an amount equal to the tax imposed by
20 15-70-204 less any refund credit issued under 15-70-226 and
21 less ~~2%~~ 3% of the first 6 ~~g~~ cents tax which shall be
22 deducted by the distributor as an allowance for evaporation
23 and other loss of gasoline distributed by such distributor;
24 provided, however, that no such allowance shall be deducted
25 from the 1 cent tax on aviation gasoline.

1 (2) Any distributor engaged in or carrying on his
2 business at more than one place or location in this state
3 may include all such places of business in one statement."
4 Section 2. Section 15-70-327, MCA, is amended to read:
5 "15-70-327. Payment -- deductions. The tax return
6 shall be accompanied by remittance covering the tax due
7 hereunder on account of the use as defined in 15-70-301 of
8 special fuels during the preceding period. A licensed
9 special fuel dealer is allowed a deduction equal to ~~1%~~ 2% of
10 the first 6 ~~g~~ cents per gallon of the taxes paid by the
11 dealer under 15-70-321 as an allowance for shrinkage,
12 spillage, and evaporation of special fuels and other losses
13 beyond the dealer's control."
14 NEW SECTION. Section 3. Coordination instruction. If
15 ____Bill No.____ [LC 442], including repealer of provisions
16 of Title 15, chapter 70, part 2, is passed and approved,
17 section 1 of this act is void, and section 2 of this act
18 applies to taxes on all motor fuels collected under Title
19 15, chapter 70.
20 NEW SECTION. Section 4. Effective date. This act is
21 effective July 1, 1983.

-End-

INTRODUCED BILL
-2-
HB 340

STATE OF MONTANA

REQUEST NO. 171-83

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 340 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 340 increases deductions allowed on payment of motor fuels taxes and provides an effective date.

ASSUMPTIONS:

- 1) Tax rate: Gasoline - 8 cents/gallon; Diesel Fuel - 10 cents/gallon.
- 2) Current law deduction: Gasoline - 2% of first 6 cents; Diesel Fuel - 1% of first 6 cents.
- 3) Proposed law deduction: Gasoline - 3% of first 8 cents; Diesel Fuel - 2% of first 8 cents.
- 4) Estimated revenue after deduction: (Department of Revenue)

	<u>FY84</u>	<u>FY85</u>
Gasoline License Tax	\$32,888,000	\$32,588,000
Diesel Fuel Tax	10,852,000	11,069,000

Revenue before deduction:

Gasoline License Tax	33,388,832	33,084,264
Diesel Fuel Tax	10,917,505	11,135,815

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
Gasoline License Tax		
Under Current Law	\$32.888M	\$32.588M
Under Proposed Law	32.387M	32.092M
Estimated Decrease	<u>(0.501M)</u>	<u>(0.496M)</u>
Diesel Fuel Tax		
Under Current Law	10.852M	11.069M
Under Proposed Law	10.743M	10.958M
Estimated Decrease	<u>(0.109M)</u>	<u>(0.111M)</u>

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-25-83

Total Revenue		
Under Current Law	43.740M	43.657M
Under Proposed Law	43.130M	43.050M
Estimated Decrease	<u>(0.610M)</u>	<u>(0.607M)</u>
Earmarked Revenue Fund		
Under Current Law	43.740M	43.657M
Under Proposed Law	43.130M	43.050M
Estimated Decrease	<u>(0.610M)</u>	<u>(0.607M)</u>

Fish, Wildlife and Parks receives 0.9 % of total gasoline tax revenue for motorboat parks and 0.5% for snowmobile programs. Therefore, the above impact on gasoline taxes would have minimal impact on the Fish, Wildlife and Parks Department.