HOUSE BILL NO. 511

INTRODUCED BY BARDANOUVE, NORMAN, VELEBER, PECK, VINCENT, KADAS, BERTELSEN, MOHAR, BACHINI, FARRIS, WALLIN, SANDS, FAGG, ECK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

January 26, 1983	Introduced and referred to Committee on Taxation.	
March 12, 1983	Committee recommend bill do not pass. Report adopted.	
March 14, 1983	On motion, taken from Adverse Committee report and referred to second reading.	
March 15, 1983	Bill printed and placed on members' desks.	
March 17, 1983	Motion pass consideration until 62nd Legislative Day.	
March 18, 1983	Second reading, do pass.	
	Segregated.	
March 19, 1983	Second reading, do pass as amended.	
March 21, 1983	Correctly engrossed.	
March 22, 1983	Third reading, passed. Transmitted to Senate.	
in the senate		
March 23, 1983	Introduced and referred to Committee on Taxation.	
April 11, 1983	Committee recommend bill be concurred in. Report adopted.	

April 12, 1983

April 13, 1983

Second reading, concurred in.

Third reading, concurred in. Ayes, 42; Noes, 6.

IN THE HOUSE

April 13, 1983

Returned to House. Sent to enrolling.

Reported correctly enrolled.

L SILL NO. 511 1 Norman Valet 2 INTRODUCED BY BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING Gaching 3 the Hertelian 4 5 A BILL FUR AN ACT ENTITLED: "AN ACT TO INCREASE THE 6 CIGARETTE SALES TAX AND THE LIQUOR EXCISE TAX IN ORDER TO 7 FINANCE LONG-RANGE BUILDING BONDS ; AMENDING SECTIONS. 16-1-401, 16-11-111, 16-11-119, AND 17-5-408, 8 MCA: AND 9 PROVIDING AN EFFECTIVE DATE."

10

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

12 Section 1. Section 16-1-401, MCA, is amended to read: 13 "16-1-401. Liquor excise tax. The department is hereby authorized and directed to charge, receive, and collect at 14 15 the time of the sale and delivery of any liquor as authorized under any provision of the laws of the state of 15 17 Montana an excise tax at the rate of 16% 18_65% of the 18 retail selling price on all liquor sold and delivered. The department shall retain the amount of such excise tax 19 received in a separate account and shall deposit with the 20 21 state treasurer, to the credit of - the caneral - fund, such 22 sums collected and received not later than the 10th day of ž3 each and every month to the following accounts:

24 (1) 86% to the general fund: and

25 <u>(2) i4% to the long-range building program account in</u>

tne_sinking_fund+"

1

Section 2. Section 16-11-111. MCA. is amended to read: 3 "16-11-111. Cigarette sales tax. From and after July 4 1, 1981, there is hereby levied, imposed, and assessed and 5 there shall be collected and paid to the state of Montana 6 upon cigarettes sold or possessed in this state the 7 following excise tax which shall be paid prior to the time в of sale and delivery thereof: 12 15 cents on each package 9 containing not more than 20 cigarettes and, when packages 10 contain more than 20 cigarettes, then 12 15 cents on each 20 11 or fraction of 20 cigarettes contained in such package.* 12 Section 3. Section 16-11-119, MCA, is amended to read: 13 "16-11-119. Disposition of taxes -- retirement of bonds. All moneys collected under the provisions of 14 16-11-111, less the expense of collecting all the taxes 15 16 levied, imposed, and assessed by said section, shall be paid 17 to the state treasurer and deposited as follows: 73% 78.4% 18 in the long-range building program account in the sinking 19 fund, and 27% 21.6% in the long-range building program 20 account in the bond proceeds and insurance clearance fund." 21 Section 4. Section 17-5-408, MCA, is amended to read: 22 "17-5-408. Percentage of income, corporation license, 23 and cigarette tax pledged. (1) The state pledges and 24 appropriates and directs to be credited as received to the 25 sinking fund account 11% of all money, except as provided in

-2- INTRODUCED BILL HB 511

1 15-31-702, received from the collection of the income tax and the corporation license tax referred to in 15+1-501 and 2 3 such additional amount of said taxes, if any, as may at any time be needed to comply with the principal and interest and 4 5 reserve requirements stated in 17-5-405(4), provided that no 6 more than 11% of such tax collections shall be deemed to be 7 pledged for the purpose of 17-5-403(2). The pledge and 8 appropriation herein made shall be and remain at all times a 9 first and prior charge upon all money received from the 10 collection of said taxes.

11 (2) The state pledges and appropriates and directs to 12 be credited to the sinking fund account 73% 78_4% of all money received from the collection of the 12-cent 15-cent 13 excise tax on cigarettes which is levied, imposed, and 14 15 assessed by 16-11-111. The state also pledges and 16 appropriates and directs to be credited as received to the sinking fung account all money received from the collection 17 of the taxes on other tobacco products which are or may 18 19 hereafter be levied, imposed, and assessed by law for that purpose, including the tax levied, imposed, and assessed by 20 21 16-11-202. Nothing herein shall impair or otherwise affect the provisions and covenants contained in the resolutions 22 23 authorizing the presently outstanding long-range building 24 program bonds. Subject to the provisions of the preceding 25 sentence, the pleage and appropriation herein made shall be

1 and remain at all times a first and prior charge upon all 2

- money received from the collection of all taxes referred to
- 3 in this subsection (2)."
- NEW SECIION. Section 5. Effective date. This act is 4
- effective July 1, 1933. 5

-End-

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STATE OF MONTANA

REQUEST NO. 266-83

FISCAL NOTE

Form BD-15

In compliance with a written request receive	dJanuary 28,, 19, there is hereby submitted a Fiscal Note	
for <u>House Bill 511</u> purs	uant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.	
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 511 increases the cigarette sales tax and the liquor excise tax in order to finance long-range building bonds and provides an effective date.

ASSUMPTIONS:

1) Liquor and cigarette excise taxes for FY 84 and FY 85 are as projected by the Governor's Office of Budget and Program Planning.

FISCAL IMPACT:

Liquor Excise Tax	<u>FY 84</u>	<u>FY 85</u>
Under Current Law	\$7,205,000	\$ 7,582,000
Under Proposed Law	8,398,000	8,838,000
Estimated Increase	\$ 1,193,000	\$ 1,256,000
Cigarette Excise Tax		
Under Current Law	\$ 11,313,000	\$ 11,353,000
Under Proposed Law	14,141,000	14,191,000
Estimated Increase	\$ 2,828,000	\$ 2,838,000
TOTAL REVENUE		
Under Current Law	\$ 18,518,000	\$ 18,935,000
Under Proposed Law	22,539,000	23,029,000
Estimated Increase	\$ 4,021,000	\$ 4,094,000
General Fund		
Under Current Law	\$ 7,205,000	\$ 7,582,000
Under Proposed Law	7,222,000	7,601,000
Estimated Increase	\$ 17,000	\$ 19,000

Continued

BUDGET DIRECTOR Office of Budget and Program Planning Date: ______

Sinking Fund	•	•
Under Current Law	\$ 8,258,000	\$ 8,288,000
Under Proposed Law	12,262,000	12,363,000
Estimated Increase	\$ 4,004,000	\$ 4,075,000
Bond Proceeds and Insurance Clearance Fund		
Under Current Law	\$ 3,055,000	\$ 3,065,000
Under Proposed Law	3,055,000	3,065,000
Estimated Increase	\$ -0-	\$ -0-

FISCAL NOTE 9:AA/2

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LC 1139/01 committee on Taxation

Recommend do not pass On motion taken from adverse committee report and referred to second reading

& SILL NO. 1 man 2 INTRODUCED BY BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING 3 Both Bartelian , 100 Wallen Dands 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE 6 CIGARETTE SALES TAX AND THE LIQUOR EXCISE TAX IN ORDER TO 7 FINANCE LONG-RANGE BUILDING BONDS; AMENDING SECTIONS я 16-1-401, 16-11-111, 16-11-119, AND 17-5-408, MCA; AND 9 PROVIDING AN EFFECTIVE DATE."

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 16-1-401, MCA, is amended to read: 13 "16-1-401. Liquor excise tax. The department is hereby 14 authorized and directed to charge, receive, and collect at 15 the time of the sale and delivery of any liquor as 16 authorized under any provision of the laws of the state of 17 Montana an excise tax at the rate of 16% 18.65% of the 18 retail selling price on all liquor sold and delivered. The 19 department shall retain the amount of such excise tax 20 received in a separate account and shall deposit with the state treasurery-to-the-eredit-of--the--general--fundy such 21 22 sums collected and received not later than the 10th day of 23 each and every month to the following accounts:

24 (1) 66 to the general fund: and

25 (2) i4z to the leng-range building program account in

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the sinking fund."

1

2 Section 2. Section 16-11-111, MCA, is amended to read: 3 #16-11-111. Cigarette sales tax. From and after July 1, 1981, there is hereby levied, imposed, and assessed and 4 there shall be collected and paid to the state of Nontana 5 6 upon cigarettes sold or possessed in this state the 7 following excise tax which shall be paid prior to the time of sale and delivery thereof: 12 15 cents on each package ß 9 containing not more than 20 cigarettes and, when packages contain more than 20 cigarettes, then 12 15 cents on each 20 10 11 or fraction of 20 cigarettes contained in such package."

12 Section 3. Section 16-11-119, NCA, is amended to read: "16-11-119. Disposition of taxes -- retirement of 13 14 bonds. All moneys collected under the provisions of 15 16-11-111, less the expense of collecting all the taxes 16 levied, imposed, and assessed by said section, shall be paid 17 to the state treasurer and deposited as follows: 73% 78.4% 18 in the long-range building program account in the sinking 19 fund, and 27% 21.6% in the long-range building program 20 account in the bond proceeds and insurance clearance fund." 21 Section 4. Section 17-5-408. MCA. is amended to read: 22 "17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) The state pledges and 23 appropriates and directs to be credited as received to the 24 sinking fund account 11% of all money, except as provided in 25

-2- SECOND READING

1 15-31-702. received from the collection of the income tax 2 and the corporation license tax referred to in 15-1-501 and 3 such additional amount of said taxes, if any, as may at any 4 time be needed to comply with the principal and interest and 5 reserve requirements stated in 17-5-405(4), provided that no 6 more than 11% of such tax collections shall be deemed to be 7 pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times a 8 first and prior charge upon all money received from the 9 10 collection of said taxes.

(2) The state pledges and appropriates and directs to 11 12 be credited to the sinking fund account 73% 78.4% of all money received from the collection of the 12-cent 15-cent 13 excise tax on cigarettes which is levied, imposed, and 14 15 assessed by 16-11-111. The state also pledges and appropriates and directs to be credited as received to the 16 sinking fund account all money received from the collection 17 18 of the taxes on other tobacco products which are or may hereafter be levied, imposed, and assessed by law for that 19 20 purpose, including the tax levied, imposed, and assessed by 16-11-202. Nothing herein shall impair or otherwise affect 21 22 the provisions and covenants contained in the resolutions 23 authorizing the presently outstanding long-range building 24 program bonds. Subject to the provisions of the preceding 25 sentence, the pleage and appropriation herein made shall be

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1 and remain at all times a first and prior charge upon all

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- 2 money received from the collection of all taxes referred to
- 3 in this subsection (2)."
- 4 NEW_SECIION Section 5. Effective date. This act is
- 5 effective July 1, 1983.

-End-

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HB 0511/02

1	HOUSE BILL NO. 511
2	INTRODUCED BY BARDANOUVE, NORMAN,
3	VELEBER+ PECK, VINCENT, KADAS+
4	BERTELSEN, MOHAR, BACHINI,
5	FARRIS, WALLIN, SANDS,
6	FAGG• ECK
7	BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
8	
9	A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
-	
10	CIGARETTE SALES TAX AND THE-LIQUOR-EXCISE-TAX IN ORDER TO
11	FINANCE LONG-RANGE BUILDING BONDS; AMENDING SECTIONS
12	16-1-401+ 16-11-111+ 16-11-119+ AND 17-5-408+ MCA; AND
13	PROVIDING AN EFFECTIVE DATE."
14	
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section-leSection-16-1-481y-MGAy-is-amended-tofeadt
17	#16-1-481+Liquorexcisetax+Thedepartmentis
18	hereby-authorizedanddirectedtochargereceiveand
19	collectatthe-time-of-the-sale-and-delivery-of-any-liquor
20	as-authorized-under-any-provision-of-the-laws-ofthestate
21	ofMontanaanexc ise-tax-at-the-fate-of-16% <u>18x65%</u> of-the
27	retail-selling-price-on-all-liquor-sold-anddeliveredThe
23	departmentshallretaintheamountofsuchexcise-tox
24	received-in-a-separate-account-and-shalldepositwiththe
25	stat etreasurerytothecredit-of-the-general-fundy-such

sums-collected-and-received-not-later-than-the-10th--day--of 1 each-and-every-month to-the-following-accounts: 2 3 fli-re68-to-the-seneral-fundt-and 4 f21=143==to=tbe=long=range=building=program=necount=in 5 the_sinking_fundve 6 Section 1. Section 16-11-111, MCA, is amended to read: 7 "16-11-111. Cigarette sales tax. From and after July 1, 1981, there is hereby levied, imposed, and assessed and 8 there shall be collected and paid to the state of Montana 9 upon cigarettes sold or possessed in this state the 10 11 following excise tax which shall be paid prior to the time 12 of sale and delivery thereof: 12 15 16 cents on each package 13 containing not more than 20 cigarettes and, when packages 14 contain more than 20 cigarettes, then 12 15 16 cents on each 15 20 or fraction of 20 cigarettes contained in such package." 16 Section 2. Section 16-11-119, MCA, is amended to read: 17 *16-11-119. Disposition of taxes -- retirement of 18 bonds. All moneys collected under the provisions of 19 16-11-111, less the expense of collecting all the taxes 20 levied, imposed, and assessed by said section, shall be paid 21 to the state treasurer and deposited as follows: 73% 38-44 22 79.75% in the long-range building program account in the 23 sinking fund+ and 27% <u>22*6条 20*25%</u> in the long-range 24 building program account in the bond proceeds and insurance clearance fund." 25

> -2- HB 511 THIRD RÉÁDING

1 Section 3. Section 17-5-408, MCA, is amended to read: 2 #17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) The state pledges and 3 4 appropriates and directs to be credited as received to the 5 sinking fund account 11% of all moneys except as provided in 15-31-702, received from the collection of the income tax 6 7 and the corporation license tax referred to in 15-1-501 and such additional amount of said taxes, if any, as may at any 8 9 time be needed to comply with the principal and interest and 10 reserve requirements stated in 17-5-405(4), provided that no 11 more than 11% of such tax collections shall be deemed to be 12 pledged for the purpose of 17-5-403(2). The pledge and 13 appropriation herein made shall be and remain at all times a 14 first and prior charge upon all money received from the collection of said taxes. 15

16 (2) The state pledges and appropriates and directs to 17 be credited to the sinking fund account 73% 20x4# 79.75% of 18 all money received from the collection of the 12-cent 15-cent 16-CENT excise tax on cigarettes which is levied, .19. 20 imposed, and assessed by 16-11-111. The state also pledges and appropriates and directs to be credited as received to 21 22 the sinking fund account all money received from the 23 collection of the taxes on other tobacco products which are 24 or may hereafter be levied, imposed, and assessed by law for 25 that purpose, including the tax levied, imposed, and

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assessed by 16-11-202. Nothing herein shall impair or 1 2 otherwise affect the provisions and covenants contained in resolutions authorizing the presently outstanding 3 the long-range building program bonds. Subject to the 4 5 provisions of the preceding sentence, the pledge and appropriation herein made shall be and remain at all times a 6 7 first and prior charge upon all money received from the collection of all taxes referred to in this subsection (2)." 8 NEW SECTION. Section 4. Effective date. This act is 9 10 effective July 1, 1983.

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HOUSE BILL NO. 511 1 INTRODUCED BY BARDANDUVE, NORMAN, 2 VELEBER, PECK, VINCENT, KADAS, 3 BERTELSEN, MOHAR, BACHINI, 4 5 FARRIS, WALLIN, SANDS, FAGG, ECK 6 7 BY PEQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING 8 9 A BILL FOR AN ACT ENTITLED: "AN ACT TJ INCREASE THE CIGARETTE SALES TAX AND-THE-LIQUOR-EXCISE-TAX IN ORDER TO 10 FINANCE LUNG-RANGE BUILDING BONDS: AMENDING SECTIONS 11 12 16-1-111+ 16-11-119+ AND 17-5-408+ MCA; AND PROVIDING AN EFFECTIVE DATE." 13 14 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 16 Section-lu--Section-lb-l-40ly-MGAy-is-amended-te-fead+ #16-1-401#--biguor---excise--texw---The--department--is 17 hereby-authorized--and--directed--to--chargey--receivey--and 18 19 collect--at--the-time-of-the-sale-and-delivery-of-any-liquor 20 as-authorized-under-any-provision-of-the-laws-of--the--state 21 of--Montond--on--exefse-tax-at-the-rate-of-tot 10x05s of-the 22 retail-selling-price-on-all-liguor-sold-and--delivered---The 23 department--shall--retain--the--amount--of--such--excise-tax 24 received-in-a-separate-account-and-shall--deposit--with--the 25 state--treasurery--to--the--credit-of-the-general-fundy-such

1	sums-collected-and-received-not-later-than-the-18thdayof
2	each-and-every-month <u>to:the:following:accountst</u>
3	tll86mile_tbe_general_fundicand
4	<u>íði::tál::to:tb:long:réngt:building:program:qeeynt:in</u>
5	the-sicking-fund+"
6	Section 1. Section 16-11-111, MCA, is amended to read:
7	"16-11-111. Cigarette sales tax. From and after July
8	1, 1981, there is hereby levied, imposed, and assessed and
9	there shall be collected and paid to the state of Montana
10	upon cigarettes scld or possessed in this state the
11	following excise tax which shall be paid prior to the time
12	of sale and delivery thereof: 12 15 16 cents on each package
13	containing not more than 20 cigarettes and, when packages
14	contain more than 20 cigarettes, then 12 15 16 cents on each
15	20 or fraction of 20 cigarettes contained in such package."
16	Section 2. Section 16-11-119, MCA, is amended to read:
17	"16-11-119. Disposition of taxes retirement of
18	bonds. All moneys collected under the provisions of
19	16-11-111, less the expense of collecting all the taxes
20	leviel, imposed, and assessed by said section, shall be paid
21	to the state treasurer and deposited as follows: 子3術 子台主台族
22	12±15; in the long-range building program account in the
23	sinking fund。 and 27% <u>21x6% 20x25%</u> in the long-range
24	building program account in the bond proceeds and insurance
25	clearance fund."

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REFERENCE BILL

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1 Section 3. Section 17-5-408, MCA, is amended to read: 2 #17-5-408. Percentage of income, corporation license. 3 and cigarette tax pledged. (1) The state pledges and appropriates and directs to be credited as received to the 4 5 sinking fund account 11% of all money, except as provided in 6 15-31-702, received from the collection of the income tax 7 and the corporation license tax referred to in 15-1-501 and such additional amount of said taxes, if any, as may at any 8 9 time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(41, provided that no 10 11 more than 11% of such tax collections shall be deemed to be 12 pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times a 13 first and prior charge upon all money received from the 14 collection of said taxes. 15

(2) The state pledges and appropriates and directs to 16 be credited to the sinking fund account 73% 28-4% 79-15% of 17 18 all money received from the collection of the 12-cent 19 15-cent 16-LENI excise tax on cigarettes which is levied, 20 imposed, and assessed by 16-11-111. The state also pledges 21 and appropriates and directs to be credited as received to 22 the sinking fund account all money received from the 23 collection of the taxes on other tobacco products which are 24 or may hereafter be levied, imposed, and assessed by law for 25 that purpose, including the tax levied, imposed, and

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assessed by 16-11-202, Nothing herein shall impair or 1 otherwise affect the provisions and covenants contained in 2 resolutions authorizing the presently outstanding 3 the long-range building program bonds. Subject to the 4 provisions of the preceding sentence, the pledge and 5 6 appropriation herein made shall be and remain at all times a first and prior charge upon all money received from the 7 8 collection of all taxes referred to in this subsection (2)." 9 YEW SECTION. Section 4. Effective date. This act is effective July 1, 1983. 10

-End-

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