

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

Second reading, concurred in.

April 13, 1983

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

IN THE HOUSE

April 13, 1983

Returned to House. Sent to
enrolling.

Reported correctly enrolled.

1 *House* BILL NO. *511*
 2 INTRODUCED BY *B. J. Daniels Norman Valt*
 3 BY REQUEST OF *Frank Vincent Tades* THE OFFICE OF BUDGET AND PROGRAM PLANNING *Gachina*
 4 *Wallace Sands FALGOUT Bartleson Nolan Cook*
 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
 8 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
 21 state treasury ~~to the credit of the general fund~~ such
 22 sums collected and received not later than the 10th day of
 23 each and every month to the following accounts:
 24 (1) 86% to the general fund; and
 25 (2) 14% to the long-range building program account in

1 the sinking fund."
 2 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
 8 of sale and delivery thereof: ~~12 1/2~~ *15* cents on each package
 9 containing not more than 20 cigarettes and, when packages
 10 contain more than 20 cigarettes, then ~~12 1/2~~ *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
 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,
 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

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
 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 (c) The state pledges and appropriates and directs to
 12 be credited to the sinking fund account ~~73%~~ 75.4% of all
 13 money received from the collection of the ~~12-cent~~ 15-cent
 14 excise tax on cigarettes which is levied, imposed, and
 15 assessed by 16-11-111. The state also pledges and
 16 appropriates and directs to be credited as received to the
 17 sinking fund account all money received from the collection
 18 of the taxes on other tobacco products which are or may
 19 hereafter be levied, imposed, and assessed by law for that
 20 purpose, including the tax levied, imposed, and assessed by
 21 16-11-202. Nothing herein shall impair or otherwise affect
 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 pledge 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)."
 4 NEW SECTION. Section 5. Effective date. This act is
 5 effective July 1, 1933.

-End-

STATE OF MONTANA

REQUEST NO. 266-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 28, 19 83, there is hereby submitted a Fiscal Note for House Bill 511 pursuant 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:

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

Continued
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-1-83

-2-

Sinking Fund

Under Current Law	\$ 8,258,000	\$ 8,288,000
Under Proposed Law	<u>12,262,000</u>	<u>12,363,000</u>
Estimated Increase	<u>\$ 4,004,000</u>	<u>\$ 4,075,000</u>

Bond Proceeds and Insurance
Clearance Fund

Under Current Law	\$ 3,055,000	\$ 3,065,000
Under Proposed Law	<u>3,055,000</u>	<u>3,065,000</u>
Estimated Increase	<u>\$ -0-</u>	<u>\$ -0-</u>

FISCAL NOTE 9:AA/2

HBS11

committee on Taxation

Recommend do not pass

On motion taken from adverse
committee report and referred
to second reading

1 *House* BILL NO. *511*
 2 INTRODUCED BY *B. J. Daniels Norman Valle*
 3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING *Machine*
 4 *Waclaw Sands FALBY Bartlett Nolan Cook*

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
 8 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
 21 state treasury, ~~to the credit of the general fund,~~ such
 22 sums collected and received not later than the 10th day of
 23 each and every month to the following accounts:

24 (1) 16% to the general fund; and

25 (2) 14% to the long-range building program account in

1 the sinking fund."

2 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
 8 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
 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,
 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

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
 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 ~~79%~~ 18.4% of all
 13 money received from the collection of the ~~12-cent~~ 15-cent
 14 excise tax on cigarettes which is levied, imposed, and
 15 assessed by 16-11-111. The state also pledges and
 16 appropriates and directs to be credited as received to the
 17 sinking fund account all money received from the collection
 18 of the taxes on other tobacco products which are or may
 19 hereafter be levied, imposed, and assessed by law for that
 20 purpose, including the tax levied, imposed, and assessed by
 21 16-11-202. Nothing herein shall impair or otherwise affect
 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 pledge 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)."

4 NEW SECTION. Section 5. Effective date. This act is
 5 effective July 1, 1983.

-End-

HOUSE BILL NO. 511

INTRODUCED BY BARDANOUE, NORMAN,

VELEBER, PECK, VINCENT, KADAS,

BERTELSEN, MOHAR, BACHINI,

FARRIS, WALLIN, SANDS,

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BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE CIGARETTE SALES TAX AND THE LIQUOR EXCISE TAX IN ORDER TO FINANCE LONG-RANGE BUILDING BONDS; AMENDING SECTIONS 16-1-401, 16-11-111, 16-11-119, AND 17-5-408, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 16-1-401, MCA, is amended to read:

"16-1-401. Liquor excise tax. The department is hereby authorized and directed to charge, receive, and collect at the time of the sale and delivery of any liquor as authorized under any provision of the laws of the state of Montana an excise tax at the rate of 16% ~~18.65%~~ of the retail selling price on all liquor sold and delivered. The department shall retain the amount of such excise tax received in a separate account and shall deposit with the state treasury to the credit of the general fund such

sums collected and received not later than the 10th day of each and every month to the following accounts:

~~11-86% to the general fund and~~

~~12-14% to the long-range building program account in the sinking fund."~~

Section 1. Section 16-11-111, MCA, is amended to read:

"16-11-111. Cigarette sales tax. From and after July 1, 1981, there is hereby levied, imposed, and assessed and there shall be collected and paid to the state of Montana upon cigarettes sold or possessed in this state the following excise tax which shall be paid prior to the time of sale and delivery thereof: 12 ~~15~~ 16 cents on each package containing not more than 20 cigarettes and, when packages contain more than 20 cigarettes, then 12 ~~15~~ 16 cents on each 20 or fraction of 20 cigarettes contained in such package."

Section 2. Section 16-11-119, MCA, is amended to read:

"16-11-119. Disposition of taxes -- retirement of bonds. All moneys collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by said section, shall be paid to the state treasurer and deposited as follows: 79% ~~78.4%~~ 79.75% in the long-range building program account in the sinking fund, and 21% ~~21.6%~~ 20.25% in the long-range building program account in the bond proceeds and insurance clearance fund."

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
 4 appropriates and directs to be credited as received to the
 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
 8 such additional amount of said taxes, if any, as may at any
 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
 15 collection of said taxes.

16 (2) The state pledges and appropriates and directs to
 17 be credited to the sinking fund account ~~73% 78.4%~~ 79.75% of
 18 all money received from the collection of the ~~12-cent~~
 19 ~~15-cent~~ 16-CENT 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

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

-End-

HOUSE BILL NO. 511

INTRODUCED BY BARDANOUVE, NORMAN,

VELEBER, PECK, VINCENT, KADAS,

BERTELSEN, MOHAR, BACHINI,

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

Section ~~16-1-401~~ Section ~~16-1-401~~ MCA is amended to read:

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~~sums collected and received not later than the 10th day of each and every month to the following accounts:~~

~~11--86% to the general fund and~~

~~12--14% to the long-range building program account in the sinking fund."~~

Section 1. Section 16-11-111, MCA, is amended to read:

"16-11-111. Cigarette sales tax. From and after July 1, 1981, there is hereby levied, imposed, and assessed and there shall be collected and paid to the state of Montana upon cigarettes sold or possessed in this state the following excise tax which shall be paid prior to the time of sale and delivery thereof: ~~12 15 16~~ 15 cents on each package containing not more than 20 cigarettes and, when packages contain more than 20 cigarettes, then ~~12 15 16~~ 15 cents on each 20 or fraction of 20 cigarettes contained in such package."

Section 2. Section 16-11-119, MCA, is amended to read:

"16-11-119. Disposition of taxes -- retirement of bonds. All moneys collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by said section, shall be paid to the state treasurer and deposited as follows: 73% ~~70.25%~~ 72.25% in the long-range building program account in the sinking fund, and 27% ~~21.6%~~ 20.25% in the long-range building program account in the bond proceeds and insurance clearance fund."

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
 4 appropriates and directs to be credited as received to the
 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
 8 such additional amount of said taxes, if any, as may at any
 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
 15 collection of said taxes.

16 (2) The state pledges and appropriates and directs to
 17 be credited to the sinking fund account ~~7% 22-42 19.15%~~ of
 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

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

9 NEW SECTION. Section 4. Effective date. This act is
 10 effective July 1, 1983.

-End-