

HOUSE BILL NO. 858

INTRODUCED BY HAND, PAVLOVICH, DAILY,
ZABROCKI, VINGER, DEVLIN, HARP, MILLER

IN THE HOUSE

February 10, 1983	On motion, rules suspended. Bill allowed to be introduced.
February 15, 1983	Introduced and referred to Committee on Taxation.
March 22, 1983	Committee recommend bill do pass as amended. Report adopted.
March 23, 1983	Bill printed and placed on members' desks.
March 24, 1983	Second reading, do pass.
March 25, 1983	Considered correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 26, 1983	Introduced and referred to Committee on Taxation.
April 1, 1983	Committee recommend bill be concurrent in. Report adopted.
April 5, 1983	Second reading, concurrent in.
April 6, 1983	Third reading, concurrent in. Ayes, 36; Noes, 13.

IN THE HOUSE

April 6, 1983

Returned to House.

April 7, 1983

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 858
 2 INTRODUCED BY House
 3 Charles Frank Viniger Senlin Harp Miller
 4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE DISCOUNT
 5 ALLOWED FOR AFFIXING TAX INSIGNIA TO CIGARETTE PACKAGES;
 6 CORRECTING A PRIOR LEGISLATIVE OVERSIGHT; AMENDING SECTIONS
 7 16-11-114 AND 16-11-115, MCA."
 8

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

10 Section 1. Section 16-11-114, MCA, is amended to read:

11 "16-11-114. Insignia discount. Every licensed
 12 wholesaler and licensed retailer shall be entitled to
 13 purchase said insignia at full face value less 3% ~~1%~~ of the
 14 face value upon payment therefor as defrayment of the costs
 15 of affixing insignia and precollecting such tax on behalf of
 16 the state of Montana."

17 Section 2. Section 16-11-115, MCA, is amended to read:

18 "16-11-115. Tax meter machine. The department may
 19 authorize any wholesaler or retailer of cigarettes licensed
 20 under this part to use a tax meter machine with which to
 21 imprint an insignia upon each package of cigarettes
 22 imported, sold, or delivered in this state. The insignia
 23 shall be one approved by the department. Each package of
 24 cigarettes imported into this state, delivered or sold
 25 therein shall be marked with the proper insignia of such

1 tax-stamping meter, and thereafter any original package of
 2 cigarettes so marked may be lawfully possessed and sold
 3 within the state by any wholesaler or retailer licensed
 4 under this part. The department shall supervise and check
 5 the operation of such tax meter machines. The operator of
 6 such machine, before using the same, shall take the meter
 7 thereof to the county treasurer of the county in which the
 8 machine is operated, who is authorized to and shall set said
 9 meter for the number of packages specified and required by
 10 the operator. Prior to setting said meter the county
 11 treasurer shall charge said operator the amount of money
 12 proper for said setting less the expense defrayment of 8% ~~1%~~
 13 provided for in 16-11-114. The county treasurer shall
 14 collect this amount in advance unless the department has
 15 allowed the purchaser credit as provided in 16-11-117. The
 16 county treasurer shall report to the department on forms
 17 prescribed by it the name of the licensed wholesaler or
 18 licensed retailer and the number of packages for which said
 19 meter was set and shall forward to the department any
 20 amounts collected from said licensee."

-End-

STATE OF MONTANA

REQUEST NO. 449-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 16, 19 83, there is hereby submitted a Fiscal Note for House Bill 858 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 858 increases the discount allowed for affixing tax insignia to cigarette packages; corrects a prior legislative oversight.

ASSUMPTIONS:

- 1) Cigarette sales will be approximately the same in FY84 and FY85 as in FY82, with a total of 9,707,865 meter units (970,786M packs) sold.
- 2) The rebate to manufacturers is approximately \$92,100 per year.

FISCAL IMPACT:

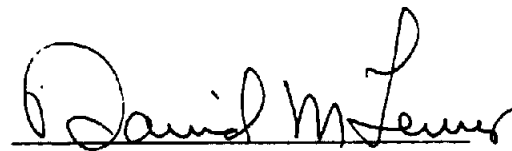
	<u>FY84</u>	<u>FY85</u>
Cigarette Tax		
Under Current Law	\$11,207,856	\$11,207,856
Under Proposed Law	<u>10,741,878</u>	<u>10,741,878</u>
Estimated Decrease	<u>(465,978)</u>	<u>(465,978)</u>
Sinking Fund		
Under Current Law	8,181,735	8,181,735
Under Proposed Law	<u>7,841,571</u>	<u>7,841,571</u>
Estimated Decrease	<u>(340,164)</u>	<u>(340,164)</u>
Bond Proceeds & Insurance		
Under Current Law	3,026,121	3,026,121
Under Proposed Law	<u>2,900,307</u>	<u>2,900,307</u>
Estimated Decrease	<u>(125,814)</u>	<u>(125,814)</u>

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

If HB511 also were enacted, the combined fiscal impact of HB858 and HB511 would be as follows:

Revenue Without HB858	14,032,845
Revenue With HB858	<u>13,450,373</u>
Estimated Decrease	<u>(582,472)</u>

FISCAL NOTE 16: C/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-19-83

Approved by committee
on Taxation

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A BILL FOR AN ACT ENTITLED: "AN ACT ~~INCREASING~~ PROVIDING A
GRADUATED SCALE FOR THE DISCOUNT ALLOWED FOR AFFIXING TAX
INSIGNIA TO CIGARETTE PACKAGES; CORRECTING A PRIOR
LEGISLATIVE OVERSIGHT; AMENDING SECTIONS 16-11-114 AND
16-11-115, MCA."

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

Section 1. Section 16-11-114, MCA, is amended to read:

"16-11-114. Insignia discount. Every licensed
wholesaler and licensed retailer shall be entitled to
purchase said insignia at full face value less ~~3% of~~ THE
FOLLOWING PERCENTAGE of the face value upon payment therefor
as defrayment of the costs of affixing insignia and
precollecting such tax on behalf of the state of Montana:

(1) 6% FOR THE FIRST 2500 CIGARETTES OR PORTION THEREOF
PURCHASED IN ANY CALENDAR MONTH;

(2) 4% FOR THE NEXT 2500 CIGARETTES OR PORTION THEREOF
PURCHASED IN ANY CALENDAR MONTH; AND

(3) 3% FOR PURCHASES IN EXCESS OF 5100 CIGARETTES IN ANY
CALENDAR MONTH."

Section 2. Section 16-11-115, MCA, is amended to read:

"16-11-115. Tax meter machine. The department may
authorize any wholesaler or retailer of cigarettes licensed
under this part to use a tax meter machine with which to
imprint an insignia upon each package of cigarettes
imported, sold, or delivered in this state. The insignia
shall be one approved by the department. Each package of
cigarettes imported into this state, delivered or sold
therein shall be marked with the proper insignia of such
tax-stamping meter, and thereafter any original package of
cigarettes so marked may be lawfully possessed and sold
within the state by any wholesaler or retailer licensed
under this part. The department shall supervise and check
the operation of such tax meter machines. The operator of
such machine, before using the same, shall take the meter
thereof to the county treasurer of the county in which the
machine is operated, who is authorized to and shall set said
meter for the number of packages specified and required by
the operator. Prior to setting said meter the county
treasurer shall charge said operator the amount of money
proper for said setting less the expense defrayment of ~~8%~~ 3%
provided for in 16-11-114. The county treasurer shall
collect this amount in advance unless the department has
allowed the purchaser credit as provided in 16-11-117. The
county treasurer shall report to the department on forms
prescribed by it the name of the licensed wholesaler or

1 licensed retailer and the number of packages for which said
2 meter was set and shall forward to the department any
3 amounts collected from said licensee."

-End-

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~~FOLLOWING PERCENTAGE~~ of the face value upon payment therefor
as defrayment of the costs of affixing insignia and
precollecting such tax on behalf of the state of Montana:

~~(1) 6% FOR THE FIRST 2500 CARTONS OR PORTION THEREOF~~
~~PURCHASED IN ANY CALENDAR MONTH;~~

~~(2) 4% FOR THE NEXT 2500 CARTONS OR PORTION THEREOF~~
~~PURCHASED IN ANY CALENDAR MONTH; AND~~

~~(3) 3% FOR PURCHASES IN EXCESS OF 5100 CARTONS IN ANY~~
~~CALENDAR MONTH."~~

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within the state by any wholesaler or retailer licensed
under this part. The department shall supervise and check
the operation of such tax meter machines. The operator of
such machine, before using the same, shall take the meter
thereof to the county treasurer of the county in which the
machine is operated, who is authorized to and shall set said
meter for the number of packages specified and required by
the operator. Prior to setting said meter the county
treasurer shall charge said operator the amount of money
proper for said setting less the expense defrayment of 6% ~~IN~~
provided for in 16-11-114. The county treasurer shall
collect this amount in advance unless the department has
allowed the purchaser credit as provided in 16-11-117. The
county treasurer shall report to the department on forms
prescribed by it the name of the licensed wholesaler or

- 1 licensed retailer and the number of packages for which said
- 2 meter was set and shall forward to the department any
- 3 amounts collected from said licensee."

-End-

REFERENCE BILL

MISSING