

SENATE BILL NO. 72

INTRODUCED BY B. BROWN

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 6, 1983	Introduced and referred to Committee on Taxation.
January 7, 1983	Fiscal Note requested.
January 10, 1983	Fiscal Note returned.
February 1, 1983	Committee recommend bill do pass as amended. Report adopted.
February 2, 1983	Bill printed and placed on members' desks.
February 3, 1983	Second reading, do pass as amended.
February 5, 1983	Correctly engrossed.
	Third reading, passed. Ayes, 44; Noes, 2. Transmitted to House.

IN THE HOUSE

February 7, 1983	Introduced and referred to Committee on Taxation.
March 8, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 10, 1983	Second reading, concurred in.
March 11, 1983	Third reading, concurred in.

IN THE SENATE

March 12, 1983

Returned to Senate with
amendments.

March 14, 1983

Second reading, amendments
concurred in.

March 15, 1983

Third reading, amendments
concurred in. Ayes, 47; Noes,
1. Sent to enrolling.

Reported correctly enrolled.

1 Senate BILL NO. 72
2 INTRODUCED BY Bob Brown
3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE RESOURCE
6 INDEMNITY TRUST TAX FROM A YEARLY TAX TO A QUARTERLY TAX;
7 AMENDING SECTIONS 15-38-103 THROUGH 15-38-107 AND 15-38-202,
8 MCA; AND PROVIDING AN APPLICABILITY DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 15-38-103, MCA, is amended to read:
12 "15-38-103. Definitions. As used in this chapter, the
13 following definitions apply:
14 (1) "Department" means department of revenue.
15 (2) "Gross value of product" means the market value of
16 any merchantable mineral extracted or produced during the
17 taxable year quarter.
18 (3) "Mineral" means any precious stones or gems, gold,
19 silver, copper, coal, lead, petroleum, natural gas, oil,
20 uranium, or other nonrenewable merchantable products
21 extracted from the surface or subsurface of the state of
22 Montana.
23 (4) "Total environment" means air, water, soil, flora,
24 and fauna and the social, economic, and cultural conditions
25 that influence communities and individual citizens."

1 Section 2. Section 15-38-104, MCA, is amended to read:
2 "15-38-104. Tax on mineral production. The ~~annual~~ tax
3 to be paid by the person engaged in or carrying on the
4 business of mining, extracting, or producing a mineral shall
5 be \$25, together with an additional sum or amount computed
6 on the gross value of product which may have been derived
7 from the business work or operation within this state during
8 the calendar year ~~immediately preceding quarter~~ at the rate
9 of 1/2 of 1% of the amount of gross value of product at the
10 time of extraction from the ground, if in excess of ~~an~~
11 ~~annual exemption of \$5,000. The minimum tax of \$25 must be~~
12 ~~paid once each calendar year, and such payment must be made~~
13 ~~with the return for the quarter ending March 31. The \$5,000~~
14 ~~exemption of the gross value of product may be claimed on a~~
15 ~~return for any quarter during a single calendar year, and~~
16 ~~any unused portion of the exemption may be claimed on a~~
17 ~~return for another quarter or quarters in the same calendar~~
18 ~~year. No more than \$5,000 of gross value may be exempted~~
19 ~~from taxation in a calendar year. Unless otherwise provided~~
20 in a contract or lease, the pro rata share of any royalty
21 owner or owners may be deducted from any settlements under
22 the lease or leases or division of proceeds orders or other
23 contracts."
24 Section 3. Section 15-38-105, MCA, is amended to read:
25 "15-38-105. Report of gross yield from mines. A person

1 who engages in or carries on the business of mining,
 2 extracting, or producing a mineral from any quartz vein or
 3 lode, placer claim, dump or tailings, or other place or
 4 source shall ~~on or before March 31 of each year~~ make out a
 5 statement of gross yield of the mineral from each mine owned
 6 or worked by that person during the ~~year preceding January 1~~
 7 ~~of the year in quarter for~~ which the statement is made and
 8 the value thereof. This form shall be in the form prescribed
 9 by the department and shall be signed by the person or the
 10 manager, superintendent, agent, president, or vice-president
 11 of the corporation, association, or partnership, if any, and
 12 shall be delivered to the department on or before ~~March 31~~
 13 the 60th day following the end of the calendar quarter. The
 14 statement shall show the following:

15 (1) the name and address of the owner or lessee or
 16 operator of the mine;

17 (2) the description and location of the mine;

18 (3) the quantity of minerals extracted, produced, and
 19 treated or sold from the mine during the period covered by
 20 the statement;

21 (4) the amount and character of the mineral and the
 22 total yield of the mineral from the mine in constituents of
 23 commercial value; that is to say, the number of ounces of
 24 gold or silver, pounds of copper or lead, tons of coal,
 25 barrels of petroleum or other crude or mineral oil, cubic

1 feet of natural gas, or other commercially valuable
 2 constituents of the ores or mineral products or deposits
 3 yielded to the person engaged in mining measured by standard
 4 units of measurement;

5 (5) the gross yield or value in dollars and cents."

6 Section 4. Section 15-38-106, MCA, is amended to read:

7 "15-38-106. Payment ~~Quarterly payment~~ of tax --
 8 records -- collection of taxes -- refunds. (1) The tax
 9 imposed by this chapter shall be paid by each person to
 10 which the tax applies ~~on or before March 31, on the value~~
 11 ~~of product in the year preceding January 1 of the year in~~
 12 ~~which the tax is paid. The tax shall be paid to the~~
 13 ~~department at the time that the statement of yield is filed~~
 14 with the department in quarterly installments for the
 15 quarterly periods ending, respectively, March 31, June 30,
 16 September 30, and December 31 of each year, and the amount
 17 of tax for each quarterly period must be paid to the
 18 department of revenue within 60 days after the end of each
 19 quarterly period.

20 (2) The department shall deposit the proceeds of the
 21 tax in the resource indemnity trust account of the trust and
 22 legacy fund. Every person to whom the tax applies shall keep
 23 records in accordance with 15-38-105, and the records are
 24 subject to inspection by the department upon reasonable
 25 notice during normal business hours.

1 (3) The department shall examine each of the
2 statements and compute the taxes thereon, and the amount
3 computed by the department shall be the taxes imposed,
4 assessed against, and payable by the taxpayer making the
5 statement for the year quarter for which the statement is
6 filed. If the tax found to be due is greater than the amount
7 paid, the excess shall be paid by the taxpayer to the
8 department within 30 days after written notice of the amount
9 of deficiency is mailed by the department to the taxpayer.
10 If the tax imposed is less than the amount paid, the
11 difference must be applied as a tax credit against tax
12 liability for subsequent years quarters or refunded, if
13 requested by the taxpayer."

14 Section 5. Section 15-38-107, MCA, is amended to read:

15 "15-38-107. Procedure in case of failure to file
16 statement. (1) If any person fails, refuses, or neglects to
17 make and file a statement and return it within the time
18 prescribed, the department shall immediately after such time
19 has expired determine, as nearly as may be possible from any
20 returns or reports filed with the state or from any other
21 information which the department may be able to obtain, the
22 total gross value of product of such person from such
23 business during the calendar year quarter immediately
24 preceding the year quarter in which the tax is to be paid
25 and shall fix the amount of the tax due to the state from

1 such person for such calendar year quarter and shall add to
2 the amount of such tax a penalty of 10% thereof plus
3 interest at the rate of 1% a month or fraction thereof
4 computed on the total amount of tax and penalty. Interest
5 shall be computed from the date the tax was due to the date
6 of payment.

7 (2) The department shall mail to the person required
8 to file ~~an annual~~ a quarterly statement and pay any tax a
9 letter setting forth the amount of tax, penalty, and
10 interest due. The letter shall advise that if payment is
11 not received, a warrant for distraint may be filed.

12 (3) The 10% penalty may be waived by the department if
13 reasonable cause for the failure and neglect to file the
14 statement required by 15-38-105 is provided to the
15 department."

16 Section 6. Section 15-38-202, MCA, is amended to read:

17 "15-38-202. Investment of resource indemnity trust
18 account -- expenditure -- minimum balance. (1) All moneys
19 paid into the resource indemnity trust account shall be
20 invested at the discretion of the board of investments. All
21 the net earnings accruing to the resource indemnity trust
22 account shall ~~annually~~ quarterly be added thereto until it
23 has reached the sum of \$10 million. Thereafter, only the
24 net earnings may be appropriated and expended until the
25 account reaches \$100 million. Thereafter, all net earnings

1 and all receipts shall be appropriated by the legislature
2 and expended, provided that the balance in the account may
3 never be less than \$100 million.

4 (2) Beginning in fiscal year 1982, provided the amount
5 in the resource trust account is greater than \$10 million,
6 30% of the interest income of the resource indemnity trust
7 account must be allocated to the water development earmarked
8 account created by 85-1-604."

9 NEW SECTION. Section 7. Applicability. This act is
10 applicable to taxable years beginning after December 31,
11 1983.

-End-

STATE OF MONTANA

REQUEST NO. 058-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 72 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.

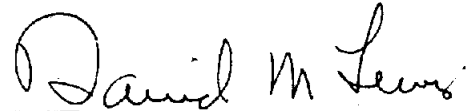
DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 72 changes the resource indemnity trust tax from a yearly tax to a quarterly tax and provides an applicability date.

FISCAL IMPACT:

The proposed legislation should have no fiscal impact other than accelerating tax collections, which may result in a slight increase in investment earnings.

FISCAL NOTE2:D/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83

Approved by committee
on Taxation

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to be paid by the person engaged in or carrying on the

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be \$25, together with an additional sum or amount computed

on the gross value of product which may have been derived

from the business work or operation within this state during

the calendar year immediately preceding quarter at the rate

of 1/2 of 1% of the amount of gross value of product at the

time of extraction from the ground, if in excess of an

annual exemption of \$5,000. The minimum tax of \$25 must be

paid once each calendar year and such payment must be made

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Section 1. Section 15-38-105, MCA, is amended to read:

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 5 source shall ~~on or before March 31 of each year~~ make out a
 6 QUARTERLY statement of gross yield of the mineral from each
 7 mine owned or worked by that person during the year
 8 ~~preceding January 1 of the year in which the~~
 9 ~~statement is made and the value thereof.~~ This form shall be
 10 in the form prescribed by the department and shall be signed
 11 by the person or the manager, superintendent, agent,
 12 president, or vice-president of the corporation,
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 14 to the department on or before March ~~31~~ the 60th day
 15 following the end of the calendar quarter. The statement
 16 shall show the following:

17 (1) the name and address of the owner or lessee or
 18 operator of the mine;

19 (2) the description and location of the mine;

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 21 treated or sold from the mine during the period covered by
 22 the statement;

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1 gold or silver, pounds of copper or lead, tons of coal,
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 3 feet of natural gas, or other commercially valuable
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 24 THE TIME THE STATEMENT OF YIELD FOR THE LAST CALENDAR
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(3) The department shall examine each of the FOUR QUARTERLY statements and compute the taxes thereon, and the amount computed by the department shall be the taxes imposed, assessed against, and payable by the taxpayer making the statement for the year quarter for which the statement is filed. If the tax found to be due is greater than the amount paid, the excess shall be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years quarters YEARS or refunded if requested by the taxpayer."

Section 3. Section 15-38-107, MCA, is amended to read:

"15-38-107. Procedure in case of failure to file statement. (1) If any person fails, refuses, or neglects to make and file a statement and return it within the time prescribed, the department shall immediately after such time has expired determine, as nearly as may be possible from any

returns or reports filed with the state or from any other information which the department may be able to obtain, the ~~total gross value of product~~ GROSS YIELD OF THE MINERAL of such person from such business during the calendar year quarter immediately preceding the year quarter in which the tax is to be paid STATEMENT IS TO BE FILED and shall fix the amount of the tax THAT WOULD BE due to the state IF THE TAX WERE PAID ON A QUARTERLY BASIS from such person for such calendar year quarter and shall add to the amount of such tax a penalty of ~~10% thereof~~ \$25 OR 2%, WHICHEVER IS GREATER.

(2) IF ANY PERSON FAILS, REFUSES, OR NEGLECTS TO PAY THE TAX WHEN DUE, THE DEPARTMENT SHALL IMMEDIATELY DETERMINE, AS NEARLY AS MAY BE POSSIBLE FROM ANY INFORMATION WHICH THE DEPARTMENT MAY BE ABLE TO OBTAIN, THE TOTAL GROSS VALUE OF PRODUCT OF THE PERSON FROM THE BUSINESS DURING THE YEAR FOR WHICH THE TAX IS DUE AND SHALL FIX THE AMOUNT OF TAX DUE TO THE STATE AND SHALL ADD TO THE AMOUNT A PENALTY OF 2% plus interest at the rate of 1% a month or fraction thereof computed on the total amount of tax and penalty. Interest shall be computed from the date the tax was due to the date of payment.

(2)(3) The department shall mail to the person required FILING to file an annual a quarterly statement and OR pay any tax a letter setting forth the amount of tax,

1 penalty, and interest due. The letter shall advise that if
2 payment is not received, a warrant for distraint may be
3 filed.

4 {3}{14} The 10% penalty may be waived by the department
5 if reasonable cause for the failure and neglect to file the
6 statement required by 15-38-105 is provided to the
7 department."

8 Section-6r--Section-15-38-202r-MEA--is-amended-to-read:
9 "15-38-202r--Investment--of--resource--indemnity--trust
10 account---expenditure---minimum-balances---{1}---All--moneys
11 paid--into--the--resource--indemnity--trust-account-shall-be
12 invested-at-the-discretion-of-the-board-of-investments---All
13 the--net--earnings--accruing-to-the-resource-indemnity-trust
14 account-shall-annually quarterly be-added-thereto-until--it
15 has--reached--the--sum-of-\$10-millionr-Thereafter-only-the
16 net-earnings-may-be--appropriated--and--expended--until--the
17 account--reaches--\$100-millionr-Thereafter-all-net-earnings
18 and-all-receipts-shall-be-appropriated--by--the--legislature
19 and--expendedr-provided-that-the-balance-in-the-account-may
20 never-be-less-than-\$100-millionr

21 {2}--Beginning-in-fiscal-year-1982r-provided-the-amount
22 in-the-resource-trust-account-is-greater-than--\$10--millionr
23 30%--of--the-interest-income-of-the-resource-indemnity-trust
24 account-must-be-allocated-to-the-water-development-earmarked
25 account-created-by-85-1-604r"

1 NEW_SECTION. Section 4. Applicability. This act is
2 applicable to taxable years beginning after December 31,
3 1983.

-End-

HOUSE TAXATION COMMITTEE
AMENDMENTS TO SB 72, Third Reading Copy, Blue
March 7, 1983.

1. Page 7, line 4.

Following: "(4)"

Strike: "The 10% penalty"

Insert: "Penalties"

2. Page 7, line 6.

Following: "15-38-105"

Insert: "or the failure to pay the tax required by 15-38-106"

AND AS AMENDED
BE CONCURRED IN

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10 account---expenditure---minimum-balance--(1)--All--moneys
11 paid--into--the--resource--indemnity--trust-account--shall--be
12 invested--at--the--discretion--of--the--board--of--investments--All
13 the--net--earnings--accruing--to--the--resource--indemnity--trust
14 account--shall--annually quarterly be added thereto--until--it
15 has--reached--the--sum--of--\$10--million--Thereafter--only--the
16 net--earnings--may--be--appropriated--and--expended--until--the
17 account--reaches--\$100--million--Thereafter--all--net--earnings
18 and--all--receipts--shall--be--appropriated--by--the--legislature
19 and--expended--provided--that--the--balance--in--the--account--may
20 never--be--less--than--\$100--million

21 (2)--Beginning--in--fiscal--year--1982--provided--the--amount
22 in--the--resource--trust--account--is--greater--than--\$10--million
23 30%--of--the--interest--income--of--the--resource--indemnity--trust
24 account--must--be--allocated--to--the--water--development--earmarked
25 account--created--by--85-1-604."

1 NEW SECTION. Section 4. Applicability. This act is
2 applicable to taxable years beginning after December 31,
3 1983.

-End-

SENATE BILL NO. 72

INTRODUCED BY B. BROWN

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE REQUIRE A QUARTERLY REPORT OF GROSS YIELD FOR PURPOSES OF THE RESOURCE INDEMNITY TRUST TAX FROM A YEARLY TAX TO A QUARTERLY TAX; AMENDING SECTIONS 15-38-103 15-38-105 THROUGH 15-38-107 AND 15-38-202, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 15-38-103 MCA is amended to read:

"15-38-103. Definitions. As used in this chapter the following definitions apply:

(1) "Department" means department of revenues

(2) "Gross value of product" means the market value of any merchantable mineral extracted or produced during the taxable year quarter

(3) "Mineral" means any precious stones or gems, gold, silver, copper, coal, lead, petroleum, natural gas, oil, uranium, or other nonrenewable merchantable products extracted from the surface or subsurface of the state of Montana

(4) "Total environment" means air, water, soil, flora, and fauna and the social, economic, and cultural conditions

that influence communities and individual citizens"

Section 2. Section 15-38-104, MCA, is amended to read:

"15-38-104. Tax on mineral production. The annual tax to be paid by the person engaged in or carrying on the business of mining, extracting, or producing a mineral shall be \$25, together with an additional sum or amount computed on the gross value of product which may have been derived from the business work or operation within this state during the calendar year immediately preceding quarter at the rate of 1/2 of 1% of the amount of gross value of product at the time of extraction from the ground, if in excess of an annual exemption of \$5,000. The minimum tax of \$25 must be paid once each calendar year, and such payment must be made with the return for the quarter ending March 31. The \$5,000 exemption of the gross value of product may be claimed on a return for any quarter during a single calendar year, and any unused portion of the exemption may be claimed on a return for another quarter or quarters in the same calendar year. No more than \$5,000 of gross value may be exempted from taxation in a calendar year. Unless otherwise provided in a contract or leases, the pro-rata share of any royalty owner or owners may be deducted from any settlements under the lease or leases or division of proceeds orders or other contracts."

Section 1. Section 15-38-105, MCA, is amended to read:

1 "15-38-105. Report of gross yield from mines. A person
2 who engages in or carries on the business of mining,
3 extracting, or producing a mineral from any quartz vein or
4 lode, placer claim, dump or tailings, or other place or
5 source shall ~~on or before March 31 of each year~~ make out a
6 ~~QUARTERLY~~ statement of gross yield of the mineral from each
7 mine owned or worked by that person during the year
8 ~~preceding January 1 of the year in which the~~ ~~statement is made and the value thereof.~~ This form shall be
9 in the form prescribed by the department and shall be signed
10 by the person or the manager, superintendent, agent,
11 president, or vice-president of the corporation,
12 association, or partnership, if any, and shall be delivered
13 to the department on or before March 31 ~~the 60th day~~
14 ~~following the end of the calendar quarter.~~ The statement
15 shall show the following:

17 (1) the name and address of the owner or lessee or
18 operator of the mine;

19 (2) the description and location of the mine;

20 (3) the quantity of minerals extracted, produced, and
21 treated or sold from the mine during the period covered by
22 the statement;

23 (4) the amount and character of the mineral and the
24 total yield of the mineral from the mine in constituents of
25 commercial value; that is to say, the number of ounces of

1 gold or silver, pounds of copper or lead, tons of coal,
2 barrels of petroleum or other crude or mineral oil, cubic
3 feet of natural gas, or other commercially valuable
4 constituents of the ores or mineral products or deposits
5 yielded to the person engaged in mining measured by standard
6 units of measurement;

7 (5) the gross yield or value in dollars and cents."

8 Section 2. Section 15-38-106, MCA, is amended to read:

9 "15-38-106. ~~Payment~~ ~~Quarterly payment~~ PAYMENT of tax
10 -- records -- collection of taxes -- refunds. (1) The tax
11 imposed by this chapter shall be paid by each person to
12 which the tax applies ~~on or before March 31 of the year in~~
13 ~~of product in the year preceding January 1 of the year in~~
14 ~~which the tax is paid. The tax shall be paid to the~~
15 ~~department at the time that the statement of yield is filed~~
16 ~~with the department in quarterly installments for the~~
17 ~~quarterly periods ending respectively March 31, June 30,~~
18 ~~September 30, and December 31 of each year, and the amount~~
19 ~~of tax for each quarterly period must be paid to the~~
20 ~~department of revenue within 60 days after the end of each~~
21 ~~quarterly period. ON OR BEFORE MARCH 1, ON THE VALUE OF~~
22 ~~PRODUCT IN THE YEAR PRECEDING JANUARY 1 OF THE YEAR IN WHICH~~
23 ~~THE TAX IS PAID, THE TAX SHALL BE PAID TO THE DEPARTMENT AT~~
24 ~~THE TIME THE STATEMENT OF YIELD FOR THE LAST CALENDAR~~
25 ~~QUARTER IS FILED WITH THE DEPARTMENT.~~

(2) The department shall deposit the proceeds of the tax in the resource indemnity trust account of the trust and legacy fund. Every person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable notice during normal business hours.

(3) The department shall examine each of the ~~FOUR~~ QUARTERLY statements and compute the taxes thereon, and the amount computed by the department shall be the taxes imposed, assessed against, and payable by the taxpayer making the statement for the year ~~quarter~~ quarter for which the statement is filed. If the tax found to be due is greater than the amount paid, the excess shall be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years ~~quarters~~ YEARS or refunded if requested by the taxpayer."

Section 3. Section 15-38-107, MCA, is amended to read:

"15-38-107. Procedure in case of failure to file statement. (1) If any person fails, refuses, or neglects to make and file a statement and return it within the time prescribed, the department shall immediately after such time has expired determine, as nearly as may be possible from any

returns or reports filed with the state or from any other information which the department may be able to obtain, the ~~total--gross--value-of-product~~ GROSS YIELD OF THE MINERAL of such person from such business during the calendar year ~~quarter~~ immediately preceding the year ~~quarter~~ in which the tax is to be paid STATEMENT IS TO BE FILED and shall fix the amount of the tax ~~THAT WOULD BE~~ due to the state ~~IF THE TAX WERE PAID ON A QUARTERLY BASIS~~ from such person for such calendar year ~~quarter~~ and shall add to the amount of such tax a penalty of ~~10%--thereof~~ \$25 OR 2%, WHICHEVER IS GREATER.

(2) IF ANY PERSON FAILS, REFUSES, OR NEGLECTS TO PAY THE TAX WHEN DUE, THE DEPARTMENT SHALL IMMEDIATELY DETERMINE, AS NEARLY AS MAY BE POSSIBLE FROM ANY INFORMATION WHICH THE DEPARTMENT MAY BE ABLE TO OBTAIN, THE TOTAL GROSS VALUE OF PRODUCT OF THE PERSON FROM THE BUSINESS DURING THE YEAR FOR WHICH THE TAX IS DUE AND SHALL FIX THE AMOUNT OF TAX DUE TO THE STATE AND SHALL ADD TO THE AMOUNT A PENALTY OF 8% plus interest at the rate of 1% a month or fraction thereof computed on the total amount of tax and penalty. Interest shall be computed from the date the tax was due to the date of payment.

(2)(3) The department shall mail to the person required FILING to file an annual a quarterly statement and OR pay any tax a letter setting forth the amount of tax,

1 penalty, and interest due. The letter shall advise that if
2 payment is not received, a warrant for distraint may be
3 filed.

4 (3)(4) The--10%--penalty PENALTIES may be waived by the
5 department if reasonable cause for the failure and neglect
6 to file the statement required by 15-38-105 OR THE FAILURE
7 TO PAY THE TAX REQUIRED BY 15-38-106 is provided to the
8 department."

9 Section-6--Section-15-38-202--MEAs--is-amended-to-read
10 "15-38-202--Investment--of--resource--indemnity--trust
11 account---expenditure---minimum-balance--(1)--All--moneys
12 paid--into--the--resource--indemnity--trust-account-shall-be
13 invested-at-the-discretion-of-the-board-of-investments--All
14 the--net--earnings--accruing-to-the-resource-indemnity-trust
15 account-shall-annually quarterly be-added-thereto--until--it
16 has--reached--the--sum-of-\$10-million--Thereafter--only-the
17 net-earnings-may-be--appropriated--and--expended--until--the
18 account--reaches--\$100-million--Thereafter--all-net-earnings
19 and-all-receipts-shall-be-appropriated--by--the--legislature
20 and--expended--provided-that-the-balance-in-the-account-may
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