SENATE BILL NO. 108

INTRODUCED BY B. BROWN

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 11, 1983	Introduced and referred to Committee on Taxation.
January 12, 1983	Piscal Note requested.
January 17, 1983	Fiscal Note returned.
February 17, 1983	Committee recommend bill do pass as amended. Report adopted.
February 18, 1983	Bill printed and placed on members' desks.
February 19, 1983	Second reading, do pass.
February 21, 1983	Correctly engrossed.
February 22, 1983	Third reading, passed. Ayes, 43; Noes, 6. Transmitted to House.

IN THE HOUSE

Pebruary 28, 1983	Introduced and referred to Committee on Taxation.
March 11, 1983	Committee recommend bill be concurred in. Report adopted.
March 12, 1983	Second reading, concurred in.
March 14, 1983	Third reading, concurred in.

IN THE SENATE

March 15, 1983

Returned to Senate. Sent to enrolling.

Reported correctly enrolled.

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INTRODUCED BY BOO BOWN

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METALLIFEROUS MINES LICENSE TAX FROM AN ANNUAL TAX TO A QUARTERLY TAX; REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE FILING OF THE RETURN; AMENDING SECTIONS 15-37-102 THROUGH 15-37-106, 15-37-108, AND 15-37-109, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-37-102, MCA, is amended to read:

#15-37-102. Gross value of metal mine yield -
computation. (1) The "quarterly reporting date": as used in

this part: means the last day of the calender quarter. The

total "quarterly gross value of product", as used in this

part, shall-mean means the market value of all merchantable

metals or precious and semiprecious gems and stones

extracted or produced each year calendar quarter from any

mine or mining property in the state or recovered from the

smelting, milling, reduction, or treatment in any manner of

ores extracted from any such mine or mining property or from

tailings resulting from the smelting, reduction, or

treatment of any such ores. Whenever the ores require

smelting, reduction, or treatment to ascertain the metal contents of such ores, the quarterly gross value of the product thereof shall be determined by taking the market value of all merchantable metals or mineral products extracted or recovered thereby as shown by the gross smelter returns of such metals or mineral product in dollars and cents without any deductions for costs of smalling, reduction, or treatment or otherwise, based upon the average quotations of the price of such metals or mineral products in the city of New York, as evidenced by some established authority or market report, giving the market reports during the calendar year-immediately-preceding guarter for which a report is being made. Should there be no quotation covering any particular product, the department of revenue shall fix the value of such gross product or such portion thereof in such a manner as may seem equitable.

in this part: is the sum of all quarterly gross values of product for a taxpayer for the calendar quarters during the portion of the calendar year occurring between December 31 of the preceding calendar year and the most recent quarterly reporting date."

Section 2. Section 15-37-103, MCA, is amended to read:

"15-37-103. Rate of tax. The ennuel guarterly license
tax to be paid by such person engaged in or carrying on the

INTRODUCED BILL

1	business of working or operating any	mine or mining property
2	in this state from which gold, silve	r, copper, lead, or any
3	other metal or metals or precious or	semiprecious gems or
4	stones are produced shall be an-amoun	t-computed based on the
5	<u>cumulative</u> gross value of product	which may have been
6	derived by such person from such	business, work, or
7	operation within this state during th	e calendar year <u>guarter</u>
8	immediately preceding y-at-the-followi	ng-retes <u>each quarterly</u>
9	reporting date. The cumulative tax i	s_computed_according_to
10	the following rate schedule:	
11	<u>Cumulative</u> Gross Value	Rate of Tax
12	of Product	(percentage of
13	CHAN	<u>lative</u> gross value)
14	first \$100,000	lative gross value) 0-15%
		•
14	first \$100,000 more than \$100,000 and	•
14	first \$100,000 more than \$100,000 and	0-15%
14 15 16	first \$100,000 more than \$100,000 and not more than \$250,000	0-15%
14 15 16 17	first \$100,000 more than \$100,000 and not more than \$250,000 more than \$250,000 and	0.15% 0.575% of the increment
14 15 16 17	first \$100,000 more than \$100,000 and not more than \$250,000 more than \$250,000 and not more than \$400,000	0.15% 0.575% of the increment
14 15 16 17 18	first \$100,000 more than \$100,000 and not more than \$250,000 and not more than \$400,000 more than \$400,000 more than \$400,000	0.15% 0.575% of the increment 0.86% of the increment
14 15 16 17 18 19	first \$100,000 more than \$100,000 and not more than \$250,000 and not more than \$400,000 more than \$400,000 more than \$400,000	0.15% 0.575% of the increment 0.86% of the increment 1.15% of the increment 1.438% of the increment
14 15 16 17 18 19 20 21	first \$100,000 more than \$100,000 and not more than \$250,000 more than \$250,000 and not more than \$400,000 more than \$400,000 and not more than \$500,000 more than \$500,000	0.15% 0.575% of the increment 0.86% of the increment 1.15% of the increment 1.438% of the increment
14 15 16 17 18 19 20 21	first \$100,000 more than \$100,000 and not more than \$250,000 and not more than \$450,000 more than \$400,000 more than \$400,000 more than \$500,000 The tax due for the first calendar on	0.15% 0.575% of the increment 0.86% of the increment 1.15% of the increment 1.438% of the increment exter is the cumulative value of product for

L	for that owerter less the cumulative tax computed for the
,	immediately preceding caleadar quarter."

Section 3. Section 15-37-104, MCA, is amended to read: 3 *15-37-104. Mine operator's statement of gross value 5 -- reports and sampling. (1) Every person engaged in or 6 carrying on the business of working or operating any mine or 7 mining property in this state from which gold, silver, copper, lead, or any other metal or metals, precious or 8 9 semiprecious gems or stones are produced must, not later than April--15 in-such-year 60 days_following_thm_quartarly 10 11 reporting date of each quarter when engaged in or carrying 12 on any such business, work, or operation, make out a 13 statement of the gross value of product from all mines and mining properties worked or operated by such person during 14 15 the calendar year quarter immediately preceding. If pood 16 cause is shown, the department may gradt a reasonable extension of the time for filing statements. Such The 17 18 statement shall be in the form prescribed by the department 19 of revenue and must-be-delivered-to-the-department-not-later then--April--IS--The--department--may--grant--e--feeseneble 20 extension-of--time--for--filing--statements-upon-good-cause 21 22 shown-therefore-Such-statement shall show the following:

(a) the name, address, and telephone number of the owner, lessee, or operator of the mine or mining property;

(b) the mine's location by county and legal

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- (c) the number of tons of ore-concentrate, or other mineral products or deposits extracted from the mine or mining property during the period covered by the statement;
- (d) the name and location of the smelter, mills or reduction works to which such one or concentrate has been shipped or sold during the period covered by the statement and such other information as the department may require:
- (a) the gross yield of such ores, concentrates, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores, concentrates, or mineral products or deposits, measured by standard units of measurement, during the period covered by the statement;
- (f) the <u>quarterly</u> gross value of product in dollars and cents: and
- (g) the cumulative gross value of the product for the calendar year in dollars and cents.
- (2) This section applies regardless of the location of any smelter, mill, or reduction works to which the ore or concentrate is shipped.
- (3) Any sampling, testing, or assaying made necessary to comply with this section must be completed within this

state and prior to any mixture of the ore or concentrate to

be assayed with ore or concentrate from any other mine or

mining property.**

Section 4. Section 15-37-105, MCA, is amended to read: #15-37-105. Computation and settles payment of tax. (1) The--department-of-revenue-shall-examine-each-such-statement and-return-fited-and-determine-and-ascertain--therefrom-and compute--and-assess-the-assumt-of-the-liconse-tex-te-be-seid by-the-person-making-and-filing--the--same--end--shally---not inter--than--dune--lw--mail-to-each-person-making-and-filing such-statement-and-return-a-uritten-notice-of-the-amount--of the--license--tax-to-be-paid-by-eachy-respectivelys-that-the seme-is-due-and-payable:-thet-it-mill-become-delinquent-et-5 person-sune-30-tenedistely-followings-that-if-the-same becomes -- delinquenty-a-penalty-of-10%-will-be-added-theretor and-that-the-whole-agount-of-such-license-texy-with--penalty addedy--will-bear--interest--at-the-rate-of-1%-per-month-or fraction-thereof-from-the-date-the-same--becomes--delinquent until--peid- The tax due under this chapter is computed according to 15-37-103 and is due 60 days following the quarterly_feograting_date of each quarter. The tax due under this chapter becomes delinquent as of middight of the 60th day following the quarterly reporting date. If good cause is shown: the department may grant a reasonable extension of time for payment of the tax. During the period of any

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extension granted. the tax due bears interest at a rate of

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(2) If any such person has sold or otherwise disposed of any of its mine's products at a price substantially below the true market price of such product at the time and place of such sale or disposal, then the department shall compute the gross value of such portion of said mine's product so sold or disposed of substantially below the market price as aforesaid, which add it to the cumulative oross value of product of the mine. and compute the tax due according to the formula provided in 15-37-103. Tax computed according to this process is considered to have been due as of midnight of the 60th day following the quarterly reporting date for the guarter in which the sale or disposal occurred. The gross value shall be based upon the guotations of the price of such mine's product in New York City at the time such portion of the product was so sold or otherwise disposed of as evidenced by some established authority or warket report, such as the Engineering and Mining Journal of New York, or some other standard publication, giving the market reports for the year covered by such statement. Should there be no quotation covering any particular product, then the department shall fix the value of such gross product or such portion thereof as shall have been sold or otherwise disposed of at a price substantially below the true market

price at the time and place of such sale or disposal in such
a manner as may seem to be equitable.

Section 5. Section 15-37-106, MCA, is amended to read: #15-37-106. Procedure in case of failure to file statement. If any person shall fail, refuse, or neglect to make and file such statement and return within the time prescribed, the department of revenue shall, immediately after such time has expired, ascertain and determine as nearly as may be possible from any returns or reports filed with any state or county officer or board under any law of this state and from any other information which the department may be able to obtain the total <u>Cumulative</u> gross value of product of such person from such business during for the calendar veer--immediately--preceding-the-year-in quarter for which the license tax is to be paid and shall make and file a statement showing the amount of such cumulative gross value of product and shall ascertain, determine, compute, and assess the amount of the license taxes due from and to be paid by such person and shall immediately give notice to such person in the same manner as though such statement had been filed within time and shall proceed to collect such license tax, adding thereto and collecting therewith if the same is delinquent the same penalty and interest as provided for herein for other delinguencies."

Section 6. Section 15-37-108, MCA, is amended to read: *15-37-108. Delinquent taxes -- penalty. All license taxes assessed under the provisions of this part shall become delinquent if not paid by-5-pemm-on-dune-30-following the-dete-when-the-some-ere-assessedy-end-as-the-some-become delinquenty on or before midnight of the 60th day following the puarterly reporting dates The department shall add 10 the amount of delinquent metalliferous mines tax a penalty of 10%, shall-be-added-therete-and-the Ing whole amount of seid license tax, together with penalty edded, shall bear interest at the rate of 1% per month or fraction thereof from--the--date--of-becoming-definedent-until-poid. Interest shall be computed from the date the tax becomes delinquent until it is paid. The department may waive the 10% nepalty if it determines that a reasonable cause exists for failure to pay the tax on or before the 60th day following the quarterly_reporting_date."

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Section 7. Section 15-37-109. MCA, is amended to read:

"15-37-109. False or erroneous statements —
investigation. (1) Should the director of the department of
revenue have reason to believe that any statement and return
is false or erroneous in any particular, he may require the
person or, if made by a corporation, association, or
company, the officers thereof and the employees of any such
person, corporation, association, or company to appear

before the director of revenue or his agent and testify concerning the same and any statement contained therein and 3 may examine all books, records, papers, and documents of such person pertaining to such business, upon giving 5 days* written notice to such persons or officers or employees thereof having custody of such books, records, papers, and 7 documents. Any person failing, refusing, or neglecting to so appear or refusing to be sworn or to testify or refusing to answer any material question propounded by the director or any of his employees or refusing to permit the director 10 11 or his employees to examine such books, records, papers, or 12 documents or any thereof pertaining to such business shall 13 be deemed quilty of a misdemeanor and upon conviction 14 thereof shall be punished by a fine of not more than \$1,000 15 or by imprisonment in the county jail for a term not 16 exceeding 6 months or by both such fine and imprisonment. If 17 the director, after hearing such evidence and after such 18 examination of the books, papers, documents, and records of 19 such person, shall find and determine that such statement 20 and return are erroneous or false in any material matter, 21 the director shall change and correct the same so as to show 22 the true <u>cumulative</u> gross value of product and shall 23 reassess the amount of the license tax due from such person 24 and may add thereto a penalty of not exceeding 50% and shall thereupon immediately mail to such person a written notice 25

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of the corrections and changes made in such statement and return and the amount of the license tax and penalty due and payable.

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- (2) The department shall collect such license tax with penalty added, and if the same has become delinquent, it shall also collect interest thereon from the date of delinquency until paid, at the rate of 1% per month or fraction thereof. In order to verify such statement and return, the department may require any person engaged in the business of smelting, milling, reduction, or treatment in any manner of ores extracted or produced from any sine or mining property in the state of Montana to appear before the director of revenue and testify concerning the gross mineral content of any such ore or at the request of said director to furnish sworn statements showing the gross yield of such ores, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or ginc, or other commercially valuable constituents of said ores or mineral products or deposits, measured by standard units of measurement, during the period covered by such statement, without any deductions whatsoever for smelting, milling, reduction, or treatment of such ores or mineral product.
- (3) The books records papers and documents of such person engaged in the business of smelting milling.

- reduction, or treatment in any manner of ores extracted or produced by any mine or mining property in the state shall be open to inspection and examination by the director of revenue or his employees at any time or place that the director may designate.
 - (4) If any person required by this part to make or file any statement or to verify, under oath, any statement shall make such statement false in any material respect or shall verify, under oath, any statement false in any respect or shall fail, neglect, or refuse to file any statement required by said department or shall refuse to appear before the director of revenue to testify concerning the gross mineral content of any such ore or shall refuse to allow the director or his employees at any time or place to inspect or examine the books, records, papers, and documents of such person engaged in the business of smelting, milling, reduction, or treatment in any manner of ores extracted or produced by any mine or mining property in the state of Montana shall be deemed guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1.000 or by imprisonment in the county jail for not exceeding 6 months or by both such fine and imprisonment."
- 23 NEW_SECTIONs Section 8. Applicability. This act is 24 applicable to tax years beginning after December 31, 1983.

STATE OF MONTANA

	086-8	33
REQUEST	NO	

FISCAL NOTE

Form BD-15

compliance with a written reques	t received January 12, , 19 83 , there is hereby submitted a Fiscal Note
or Senate Bill 108	pursuant to 'Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
	ping this Fiscal Note is available from the Office of Budget and Program Planning, to members
of the Legislature upon request.	
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DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 108 changes the metalliferous mines license tax from an annual tax to a quarterly tax; requires payment of the tax to accompany the filing of the return; and provides an applicability date.

ASSUMPTIONS:

1) The FY 84 and FY 85 revenue estimate assume no production by the Anaconda Mineral Company in Silver Bow County after June 30, 1983.

	Collections Under Current	t Law Collection	s Under Proposed Law
FY 84	\$ 968,000	\$	968,000
FY 85	482,000		482,000

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 NOTE 4:J/1

BUDGET DIRECTOR

Office of Budget and Program Planning

Approved by committee on Taxation

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6 METALLIFEROUS MINES LICENSE TAX FROM--AN ANNUAL TAX-TO-A
7 REPORTING REQUIREMENT TO A QUARTERLY TAX REPORTING
8 REQUIREMENT; REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE
9 FILING OF THE MARCH I RETURN; AMENDING SECTIONS 15-37-102.

15-37-104 THROUGH 15-37-106, AND 15-37-108, AND-15-37-109,

11 MCA; AND PROVIDING AN APPLICABILITY DATE.**

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1 treatment of any such ores. Whenever the ores require 2 smelting, reduction, or treatment to ascertain the metal 3 contents of such ores, the quarterly gross value of the product thereof shall be determined by taking the market value of all merchantable metals or mineral products extracted or recovered thereby as shown by the gross smelter 7 returns of such metals or mineral product in dollars and cents without any deductions for costs of smelting, reduction, or treatment or otherwise, based upon the average 10 quotations of the price of such metals or mineral products 11 in the city of New York, as evidenced by some established 12 authority or market report, giving the market reports during 13 the calendar year-immediately-preceding quarter for which a 14 report is being made. Should there be no quotation covering 15 any particular product, the department of revenue shall fix 16 the value of such gross product or such portion thereof in 17 such a manner as may seem equitable.

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22 of_thespreceding_calendar_year_and_thesmast_recent_quarterly

23 reporting_datex"

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Section-2--Section-15-37-103y-MCAy-is-amended-to-read:
#15-37-103y--Rate-of-taxy--The-annual <u>quarterly</u> license

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2	business-of-working-or-operating-any-mine-or-mining-propert
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4	othermetalor-metals-or-precious-or-semiprecious-gems-o
5	stones-ere-produced-shall-be-en-amount-computed based on-th
6	<u>cumulative</u> grossvalueofproductwhichmayhavebee
7	derivedbysuchpersonfromsuchbusinessywarkyo
8	operation-within-this-state-during-the-calendar-year <u>quarte</u>
9	immediately-precedingy-st-the-following-rates <u>each-quarterl</u>
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13	of-Product (percentage-of
14	<u>cumulative</u> gross-value)
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17	not-more-thon-\$250,000 0.575%-of-the-incremen
18	more-than-\$250y000-and
19	not-more-than-\$488v888 8v86%-of-the-incremen
20	more-than-\$4 88y888-and
21	not-more-than-\$5 00,900 ±=15%-of-the-incremen
22	more-than-\$5 00y000 1.438%-of-the-increment
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Section 2. Section 15-37-104, MCA, is amended to read: *15-37-104. Mine operator's statement of gross value -- reports and sampling. (1) Every person engaged in or carrying on the business of working or operating any mine or mining property in this state from which gold, silver, copper. lead, or any other metal or metals, precious or semiprecious gems or stones are produced must, not later than April-15-in-such-year 60 days following the quarterly reporting date of each quarter when engaged in or carrying on any such business, work, or operation, make out a statement of the gross value of product from all mines and mining properties worked or operated by such person during the calendar year quarter immediately preceding. If good cause is shown: the department may grant a reasonable extension of the time for filing statements. Such The statement shall be in the form prescribed by the department of revenue and must-be-delivered-to-the-department-mot-later than--April--15g--The--department--may--grant--a--ressonable extension-of-time-for--filing--statements--upon--good--cause shown-therefore-Such-statement shall show the following:

(a) the name, address, and telephone number of the owner, lessee, or operator of the mine or mining property;

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(b)	the	mine*s	location	by	county	and	legal
descriptio	n:						

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- (c) the number of tons of ore, concentrate, or other mineral products or deposits extracted from the mine or mining property during the period covered by the statement;
- (d) the name and location of the smelter, mill, or reduction works to which such one or concentrate has been shipped or sold during the period covered by the statement and such other information as the department may require;
- (e) the gross yield of such ores, concentrates, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores, concentrates, or mineral products or deposits, measured by standard units of measurement, during the period covered by the statement;
- (f) the <u>quarterly</u> gross value of product in dollars and cents<u>irand</u>
- fgl:=the_cumulative=gross=value=of=the=product=for==the
 calendar:veor=in=dollari=and=cents.
- (2) This section applies regardless of the location of any smelter, mill, or reduction works to which the ore or concentrate is shipped.
- (3) Any sampling, testing, or assaying made necessary

to	combjà	with	this	sec	tion:	MU 9	t be	COM	plet	ed wit	hin t	his
sta	te and p	rior to	any	mix	ture	of	the	ore	or c	oncent	rate	to
be	assayed	with	ore	or	conc	entr	ate	from	any	other	mine	or
min	ing prop	erty.										

- (4) IE THE QUARTERLY STATEMENT OF GROSS YALUE

 DESCRIBED HEREIN IS NOT FILED WITH THE DEPARTMENT WITHIN 60

 DAYS EDILOWING THE CALENDAR QUARTER ENDING: A PENALTY SHALL

 BE ASSESSED. THE PENALTY SHALL BE THE GREATER OF \$25 OR 22

 QE THE TAX THAT WOULD BE DUE UNDER LIHIS ACT THE COLLECTED

 QUARTERLY. IE GOOD CAUSE IS SHOWN: THE DEPARTMENT MAY WALVE

 THE PENALTY."
- Section 3. Section 15-37-105, MCA, is amended to read: 12 13 *15-37-105. Computation and motice payment of tax. (1) 14 The-deportment-of-revenue-sholl-examine-each-such--statement 15 and--return--filed-and-determine-and-ascertain-therefrom-and 16 computerand-assess-the-amount-of-the-ficense-tax-to-be--paid 17 by--the--person--making--and--filing-the-same-and-shally-not 18 later-than-dyne-ly-mail-to-each--person--making--and--filing 19 such--statement-and-return-a-written-notice-af-the-amount-of 20 the-ficense-tox-to-be-paid-by-eachy-respectively;--that--the 21 same-is-due-and-payable;-that-it-will-become-delinquent-at-5 22 peme--on--dune--30--immediately--followings-that-if-the-same becomes-definquenty-s-penalty-of-18%-will-be-added--thereto; 23 24 and--that-the-whole-amount-of-such-license-taxy-with-penalty nddedy-will-bear-interest-at-the-rate-of--1%--per--month--or 25

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fraction--thereof--from-the-date-the-same-becomes-delinauent until-peid* The tax due under this chapter is computed according to 15-37-103 and is due 68-days-following-the quarterly_reporting_date_of_each_quartery_Fhe_tax_due-_under thiszachanter-becomes-delinouent-es-of-widnight-of-the-60th dex=following=the=quarterly=reporting=date AND_PAYABLE_ON_OR BEFORE MARCH 1 OF EACH YEAR FOR THE PRODUCTS PRODUCED IN THE PRECEDING_CALENDAR_YEAR. THE TAX OUE UNDER THIS CHAPTER BECOMES DELINQUENT AS OF MIDNIGHT ON MARCH 1 OF THE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR If good cause is shown, the department may grant a reasonable extension of time for payment of the taxe During the period of any extension_granted. the tax due bears interest at a rate of 12 a wonth or any part thereof.

of any of its mine's products at a price substantially below the true market price of such product at the time and place of such sale or disposal, then the department shall compute the gross value of such portion of said mine's product so sold or disposed of substantially below the market price as aforesaid, which add__it__te_the_cumulative_gross_value.of product_of_the_minex_nod_compute_the_tox_cumulative_gross_value.of the_formula_provided_in_15=37=163x=Tax_computed_meconding_to this__provided_in_15=37=163x=Tax_computed_meconding_to this__provided_in_the_quarterly_reporting_cdate_mfor

MHICH gross value shall be based upon the quotations of the price of such mine's product in New York City at the time such portion of the product was so sold or otherwise disposed of as evidenced by some established authority or market report, such as the Engineering and Mining Journal of New York, or some other standard publication, giving the market reports for the year covered by such statement. Should there be no quotation covering any particular product, then the department shall fix the value of such gross product or such portion thereof as shall have been sold or otherwise disposed of at a price substantially below the true market price at the time and place of such sale or disposal in such a manner as may seem to be equitable."

Section 4. Section 15-37-106, MCA, is amended to read:

#15-37-106. Procedure in case of failure to file

statement STATEMENIS. If any person shall fail, refuse, or

neglect to make and file such-statement--and--return--within

the--time--prescribed ALL REQUIRED QUARTERLY STATEMENIS OF

GROSS YIELD FOR A PRODUCTION YEAR ON OR REFORE MARCH 1 QE

THE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR, the

department of revenue shall, immediately after such time has

expired, ascertain and determine as nearly as may be

possible from any returns or reports filed with any state or

county officer or board under any law of this state and from

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1 any other information which the department may be able to obtain the total cumulative ICIAL gross value of product of . 3 such person from such business during for DURING the calentar year-immediately-preceding-the-year-in quarter==for YEAR IMMEDIATELY PRECEDING THE YEAR IN which the license tax is to be paid and shall make and file a statement showing 7 the amount of such comulative gross value of product and shall ascertain, determine, compute, and assess the amount 9 of the license taxes due from and to be paid by such person 10 and shall immediately give notice to such person in the 11 same manner as though such statement had been filed within 12 time and shall proceed to collect such license tax, adding 13 thereto and collecting therewith if the same is delinquent the same penalty and interest as provided for herein for 14 15 other delinguencies.■

Section 5. Section 15-37-108, MCA, is amended to read:

"15-37-108. Delinquent taxes -- penalty. All license taxes assessed under the provisions of this part shall become delinquent if not paid by-5-p-m--on-dune-30-following the-date-when-the-same-are-assessedy-and-as-the-same-become delinquenty on or before midnight of the-68th-day-following the-quarterly-reporting-date MARCH_1_OF_IHE_YEAR_IMMEDIALELY EOLLOWING_IHE_PRODUCTION_YEAR_IDe_department_shall_add_to the_amount_of_delinquent_metalliferous_mines_tax a penalty of tex 8%, shell-be-added-thereto-and-the The_whole_amount

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1 of said license tax, together with penalty added, shall bear 2 interest at the rate of 1% per month or fraction thereof 3 from-the-date-of-becoming-delinguent--until--ogid. Interest shall be computed from the date the tax becomes delinquent until it is paid. The department may waive the 101 82 5 penalty_if_it_determines_that_a_reasonable_cause_exists_for 7 failure to pay the tax on or before the 60th = day = following 8 the guester by reporting date MARCH 1 DE THE YEAR IMMEDIATELY 9 EOLLOWING THE PRODUCTION YEAR." 10 Section-7:--Section-15-37-189:-M6A--is-amended-to-reads

15-37-109-felse----or---erroneous---statements----investigation*--(1)-5hould-the-director-of-the-deportment-of
revenue-have-reason-to-believe-that-any-statement-and-return
is-felse-or-erroneous-in-any-particulary-he-may-require--the
person--ory--if--made--by--a--corporationy--associationy--or
companyy-the-officers-thereof-and-the-employees-of-any--such
persony--corporationy--associationy--or-company--to--appear
before-the-director-af-revenue--or--his--agent--and--testify
concerning--the-same-and-any-statement-contained-therein--end
may-examine-all-booksy-recordsy--papersy--and--documents---ef
such-person-pertaining-to-such-businessy-upon-giving-5-days4
written--notice--to--such--persons--or-officers-or-employees
thereof-having-custody-of-such-booksy-recordsy--papersy--end
documentsy---Any--person-failingy-refusingy-or-neglecting-to

toanswerany-material-question-propounded-by-the-director
or-any-of-his-employees-or-refusing-to-permitthedirector
orhis-employees-to-examine-such-booksy-recordsy-papersy-or
documents-or-any-thereof-pertaining-to-suchbusinessshall
bedeemedguiltyofamisdemeanorandupon-conviction
thereof-shall-be-punished-by-a-fine-of-not-more-than*l+888
orbyimprisonmentinthecountyjailfora-term-not
exceeding-6-months-or-by-both-such-fine-and-imprisonment*-If
the-directory-after-hearing-such-evidenceandaftersuch
examinationof-the-booksy-papersy-documentsy-and-records-of
such-persony-shall-find-and-determinethatsuchstatement
andreturnareerroneous-or-false-th-any-moterial-mattery
the-director-sholl-change-and-correct-the-same-so-as-to-show
thetrue <u>cumulative</u> grossvalueofproductandshall
reassessthe-amount-of-the-license-tax-dut-from-such-person
and-may-add-thereto-a-penalty-of-not-exceeding-50%-and-shall
thereupon-immediately-mail-to-such-person-awrittennotice
oftheeorrectionsand-changes-made-in-such-statement-and
return-and-the-amount-of-the-license-tax-and-penalty-duc-and
payabi ev
{2}The-department-shall-collect-such-license-tax-with
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penalty-addedy-and-if-the-same--has--become--delinquenty--it
shall--also--collect--interest--thereon--from--the--date--of
delinquency-until-paidy-at-the--rate--of--l%--per--month--or
fraction--theraofy---In--order--to-verify-such-statement-and

returny-the-deportment-may-require-ony-person-engaged-in-the busin-ss-of-smeltingy-millingy-reductiony-or-treatment--in ony-manner-of-ores-extracted-or-produced-from-ony-mine-or mining-property-in-the-state-of-Montana-to-appear-before-the director-of-revenue-and-testify-concerning-the-gross-mineral content-of-any-such-ore-or-at-the-request-of--said--director to--furnish-sworn-statements-showing-the-gross-yield-of-such ores-mineral--productsy--or--deposits--in--constituents--of commercial--valuey--that--is-to-sayy-the-number-of-ounces-of gold-sr-silvery-pounds-of-coppery-leady-or--ziney--or--other commercially--valuable--constituents-of-said-ores-or-mineral products--or--depositsy--measured--by--standard---units---of measurementy--during--the--period-covered-by-such-statementy without-any-deductions--whatsauver--for--smeltingy--millingy reductiony-or-treatment-of-such-ores-or-mineral--producty

(3)--The-booksy-recordsy-papersy-and-documents-of-such person-engaged-in-the-business-of-smeltingy--miltingy reductiony-or-treatment-in-any-manner-of-ores-extracted-or produced-by-any-mine-or-mining-property-in-the-state--shall be-open-to-inspection-and-examination-by-the-director-of revenue-or-his-employees-at--any--time--or--place--that--the director-may-designates

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shall-verifyy-under-oathy-any-statement-false-in-any-respect
or-shall-faily-neglecty-orrefusetofileanystatement
required-by-said-department-or-shall-refuse-to-appear-bafore
thedirectorofrevenuetotestify-concerning-the-gross
mineral-content-of-any-such-ore-or-shall-refuse-to-allow-the
director-or-his-employees-at-any-time-or-place-to-inspect-or
examine-the-booksy-recordsy-papersy-anddocumentsofsuch
personengagedinthebusinessofsmeltingymillingy
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Montana-shaff-be-deemed-guilty-of-a-misdemeonor-and-shaff-be
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imprisonmentinthe-county-jail-for-not-exceeding-6-months
or-by-bath-fine-and-imprisonmental
<u>NEW SECTION</u> . Section 6. Applicability. This act is
applicable to tax years beginning after December 31, 1983.
-End-

SB 108

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1	SENATE BILL NO. 108
2	INTRODUCED BY B. BROWN
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
6	HETALLIFEROUS MINES LICENSE TAX FROMAN ANNUAL FAX-FO-A
7	REPORTING REQUIREMENT TO A QUARTERLY FAM REPORTING
8	REQUIREMENT: REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE
9	FILING OF THE MARCH_I RETURN; AMENDING SECTIONS 15-37-102.
10	15-37-104 THROUGH 15-37-106, AND 15-37-108, AND-15-37-109+
lı	MCA: AND PROVIDING AN APPLICABILITY DATE.
12	·
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:
14	Section 1. Section 15-37-102, MCA, is amended to read:
15	*15-37-102. Gross value of metal mine yield
16	computation. 111 The "quarterly reporting date", as used in
17	this parts means the last day of the calendar quarter. The
18	total "quarterly gross value of product", as used in this
19	part, shall-mean means the market value of all merchantable
20	metals or precious and semiprecious gems and stones
21	extracted or produced each year calendar quarter from any
22	mine or mining property in the state or recovered from the
	mittie of mitting brokers, in the comes of tenesion of them and

smelting, milling, reduction, or treatment in any manner of

ores extracted from any such mine or mining property or from

tailings resulting from the smelting, reduction, or

1	treatment of any such ores. Whenever the ores require
2	smelting, reduction, or treatment to ascertain the meta
3	contents of such ores, the quarterly gross value of the
4	product thereof shall be determined by taking the market
5	value of all merchantable metals or mineral products
6.	extracted or recovered thereby as shown by the gross smelter
7	returns of such metals or mineral product in dollars and
8	cents without any deductions for costs of smelting
9	reduction, or treatment or otherwise, based upon the average
10	quotations of the price of such metals or mineral products
11	in the city of New York, as evidenced by some established
12	authority or market report, giving the market reports during
13	the calendar year-immediately-preceding quarter for which
14	report is being made. Should there be no quotation covering
15	any particular product, the department of revenue shall fix
16	the value of such gross product or such portion thereof in
17	such a manner as may seem equitable.
18	t21Thg"cumulativegross-value-of-product"x-os-uses

til=The=="cumulative=gross=value=of=product"==os=used
in=this=portv=is=the=sum=of= %liquorterly=sross==values==of
product==for=o=toxpoyer=for=the=coleudar=quarters=during=the
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reporting=dutex"

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24 Section-Ew--Section-15-37-103y-MGAy-is-amended-to-readt 25 =15-37-103w--Rate-of-taxw--The-annual <u>quarterly</u> license

1	texto-be-paid-by-such-perso	n-engagad-in-or-earrying-on-the
2	business-of-working-or-operat	ing-any-mine-or-mining-property
3	in-this-state-from-which-gold	y-stivery-coppery-teady-orany
4	othermotalormetals-or-p	rectous-or-semiprectous-gems-or
5	stones-ore-produced-shaff-be-	an-amount-computed based on-the
6	suguistive grossvelueof	productwhichmayhavebeen
7	derivedbysuchpersonf	rom-such-businessy-worky-or
8	operation-within-this-state-d	wr ing -the-ca lendar-year <u>quartar</u>
9	immediately-preceding-at-the	following-rates each_quarterly
10	capacting <u>:date</u> x=Iba=cumulatiy	g=kgw=is=computed=occording==to
11	the_following=rate=achedule+	
12	<u>Eumulative</u> Bross-Value	Rate-of-Tax
13	of-Product	tpercentage-of
		fberceueage-or-
14	2	<u>fundulative</u> gress-value)
	ftrst-\$100,000	
14	first-+100,000 more-than-s100,000-and	<u>cumulative</u> gress-value)
14 15		<u>cumulative</u> gress-value)
14 15 16	more-than-\$186+888-and	<u>funulative</u> gress-value) 0+15%
14 15 16 17	more-than-\$200y888-and not-more-than-\$250y888	<u>funulative</u> gress-value) 0+15%
14 15 16 17	more-than-\$280;888-and not-more-than-\$250;886 more-than-\$250;888-and	fundinties gross-value) 0+15% 0+575%-of-the-increment
14 15 16 17 18	more-than-\$200y888-and not-more-than-\$250y080 more-than-\$250y080-and not-more-than-\$400y888	fundinties gross-value) 0+15% 0+575%-of-the-increment
14 15 16 17 18 19	more-than-\$200y888-and not-more-than-\$250y880-and not-more-than-\$250y880-and not-more-than-\$400y880	Enguistive gross-value) 0+15% 0+575%-of-the-increment 0+86%-of-the-increment
14 15 16 17 18 19 20	more-than-\$200y808-and not-more-than-\$250y000-and not-more-than-\$250y000-and not-more-than-\$400y000 more-than-\$400y000-and not-more-than-\$500y000	ensulative gross-value) 0v15% 0v575%-of-the-increment 0v86%-of-the-increment
14 15 16 17 18 19 20 21	more-than-\$100y808-and not-more-than-\$250y000-and not-more-than-\$250y000-and not-more-than-\$400y000 more-than-\$400y000-and not-more-than-\$500y000	######################################

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5	for-thet-quarter-less-the-cumulative-taxcomputedforthe
3	iomediately=preceding=colendor=quartarx*

Section 2. Section 15-37-104, MCA, is amended to read: 5 *15-37-104. Mine operator's statement of gross value 6 -- reports and sampling. (1) Every person engaged in or 7 carrying on the business of working or operating any mine or mining property in this state from which gold, silver, 9 copper, lead, or any other metal or metals, precious or 10 semipreclous dems or stones are produced must, not later 11 than April-15-in-such-year 60 days following the quarterly 12 reporting date of each quarter when engaged in or carrying 13 on any such business, work, or operation, make out a statement of the gross value of product from all mines and 14 15 mining properties worked or operated by such person during 16 the calendar year quarter immediately preceding. If good 17 cause is showe the department may grant a reasonable 18 extension of the time for filing statements. Such The 19 statement shall be in the form prescribed by the department 20 of revenue and must-be-delivered-to-the-deportment-not-later 21 than--April--15---The--department--may--grant--a--reasonable 22 extension-of-time-for--filing--statements--upon--good--cagse 23 shown-therefore-Such-statement shall show the following:

(a) the name, address, and telephone number of the owner, lessee, or operator of the mine or mining property;

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(b) the mine's location by county and legal description:

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- (c) the number of tons of ore, concentrate, or other mineral products or deposits extracted from the mine or mining property during the period covered by the statement;
- (d) the name and location of the smelter, will, or reduction works to which such one or concentrate has been shipped or sold during the period covered by the statement and such other information as the department may require;
- (e) the gross yield of such ores, concentrates, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores, concentrates, or mineral products or deposits, measured by standard units of measurement, during the period covered by the statement;
- (f) the quarterly gross value of product in dollars and centstend
- 20 <u>fgl::the:ggsulative:gross:value:of:the:product:for::the</u>
 21 <u>colendar:vesr:in:dallers:ond:centa</u>.
 - (2) This section applies regardless of the location of any smelter, mill, or reduction works to which the ore or concentrate is shipped.
 - (3) Any sampling, testing, or assaying made necessary

1	to comply with this section must be completed within this
2	state and prior to any mixture of the ore or concentrate to
3	be assayed with ore or concentrate from any other mine or
4	mining property.

- 14) IE THE QUARTERLY STATEMENT OF GROSS YALUE
 DESCRIBED HEREIN IS NOT FILED WITH THE DEPARTMENT WITHIN 60
 QAYS FOLLOWING THE CALENDAR QUARTER ENDING. A PENALTY SHALL
 BE ASSESSED. THE PENALTY SHALL BE THE GREATER OF \$25 OR 22
 QE THE TAX THAT MOULD BE DUE UNDER (THIS ACT) IE COLLECTED
 QUARTERLY. IE GOOD CAUSE IS SHOWN. THE DEPARTMENT MAY MAIVE
 THE PENALTY.*
- 11 12 Section 3. Section 15-37+105, MCA, is amended to read: *15-37-105. Computation and motice payment of tax. (1) 13 14 The-department-of-revenue-shall-examine-coch-such-satement 15 and--return--filed-and-determing-and-ascertain-therefrom-and 16 compute-and-assess-the-amount-of-the-license-tax-to-be--paid 17 by--the--person--making--and--filing-the-same-and-shall--nat 18 tater-than-dune-ty-mail-to-each--person--making--and--filing 19 such--statement-and-return-a-written-notice-of-the-amount-of 20 the-ficense-tox-to-be-paid-by-eachy-respectively:--that--the 21 same-is-due-and-payable;-that-it-will-become-delinguent-at-5 22 pwm=--on--dune--38--immediately--followings-that-if-the-some 23 becomes-definquenty-a-penalty-of-10%-will-be-added--thereto; 24 and-that-the-whole-amount-of-such-license-taxy-with-penalty addedy-will-begr-interest-at-the-rate-of--1%--per--month--or 25

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1 fraction--thereof--from-the-date-the-same-becomes-delinquent. 2 until-paids The tax due under this chapter is computed 3 according_to_15=37=103_and_is_due 69=dera=following=the sporterly-reporting-date-of-each-sportery-lhe-tax-dwe--under 5 this-chapter-becomes-delinguent-os-of-midnight-of-the-60th dex_following_the_quarterly_regarting_date AND_PAYABLE_DN_OR BEFORE MARCH 1 DE EACH YEAR FOR THE PRODUCTS PRODUCED IN THE PRECEDING CALENDAR YEAR. THE TAX DUE UNDER THIS CHAPTER BECOMES DELINQUENT AS DE MIDNIGHT ON MARCH 1 OF THE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR If good cause is shown, the department may grant a reasonable extension of time for payment of the tax. Ouring the period of any extension granted, the tax due bears interest at a rate of 12 a month or any part thereof.

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(2) If any such person has sold or otherwise disposed of any of its mine's products at a price substantially below the true market price of such product at the time and place of such sale or disposal, then the department shall compute the gross value of such portion of said mine's product so sold or disposed of substantially below the market price as aforesaid, which add__it__to_the_cumulative_gross-value_of product of the miner and compute the text of the cordinates the-forsulo-provided-in-15-39-183x-Tex-computed-secording-to <u>this--groces--is-considered-to-bare-bare-dua-as-of-wideisht</u> af_tbp_60tb_dny=following_tbs_susctorly=reporting==date=_for

the -- quarter -- in -- which -- the -- ante-or - disposet - occurred u- The WHICH gross value shall be based upon the quotations of the price of such mine's product in New York City at the time such portion of the product was so sold or otherwise disposed of as evidenced by some established authority or market report, such as the Engineering and Mining Journal of New York, or some other standard publication, giving the market reports for the year covered by such statement. Should there be no quotation covering any particular product, then the department shall fix the value of such gross product or such portion thereof as shall have been sold or otherwise disposed of at a price substantially below the true market price at the time and place of such sale or disposal in such a manner as may seem to be equitable."

Section 4. Section 15-37-106, MCA, is amended to read: *15-37-106. Procedure in case of failure to file statement STATEMENTS. If any person shall fail, refuse, or neglect to make and file such-statement--and--return--within the--time--prescribed ALL_REQUIRED_QUARTERLY_STATEMENTS_DE GROSS YIELD FOR A PRODUCTION YEAR ON OR BEFORE MARCH 1 OF THE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR, the department of revenue shall, immediately after such time has expired, ascertain and determine as nearly as may be possible from any returns or reports filed with any state or county officer or board under any law of this state and from

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any other information which the department may be able to obtain the total cumulative IQIAL gross value of product of such person from such business during for DURING the calendar year-immediately-preceding-the-year-in quarter-for YEAR IMMEDIATELY PRECEDING THE YEAR IN which the license tax is to be paid and shall make and file a statement showing the amount of such cumulative gross value of product and shall ascertain, determine, compute, and assess the amount of the license taxes due from and to be paid by such person and shall immediately give notice to such person in the same manner as though such statement had been filed within time and shall proceed to collect such license tax, adding thereto and collecting therewith if the same is delinquent the same penalty and interest as provided for herein for other delinquencies."

Section 5. Section 15-37-108. 4CA, is amended to read:

"15-37-108. Delinquent taxes -- penalty. All license
taxes assessed under the provisions of this part shall
become delinquent if not paid by-5-p-m--on-dune-38-following
the-date-when-the-same-are-assessedy-and-as-the-same-become
delinquenty on or before midnight of the-agth-day-following
the-querterly-reporting-date MARCH-1 DE IHE YEAR IMMEDIATELY
EOLLOWING THE PRODUCTION YEAR. The department shall add to
the amount of delinquent metalliferous mines tax a penalty
of 18% 8%, shell-be-added-thereto-and-the Ihe whole amount

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of seid license tax, together with penalty added, shall bear interest at the rate of 1% per month or fraction thereof from the date of 1% per month or fraction thereof from the date the tax becomes delinquent shall be computed from the date the tax becomes delinquent until it is paid. The department max waive the 10% 8% penalty if it determines that a reasonable cause exists for failure to pay the tax on or before the 60% the tax interesting date MARCH 1 OF THE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR.**

Section-7---Section-15-37-109--MGA--is-amended-to-read+ #15-37-189w--fatse----or---erroneous---statements----revenue-have-reason-to-believe-that-any-statement-and-return is-false-or-erroneous-in-any-particulary-he-may-require--the person--ory--if--made--by--a--corporationy--associationy--or companys-the-officers-thereof-and-the-employees-of-any--such persony--corporationy--associationy--or--company--to--appear before-the-director-of-revenue--or--his--agent--and--testify conterning--the-same-and-any-statement-contained-therein-and may-examine-all-booksy-recordsy--papersy--and--documents--of such-person-pertoining-to-such-businessy-upon-giving-5-days* written--notice--to--such--persons--or-officers-or-employees thereof-having-custody-of-such-booksy-recordsy--papersy--and documents ---- kny--person-foiling, -refusing, -or-neglecting-to so-appear-or-refusing-to-be-sworn-or-to-testify-or--refusing

toanswerany-material-question-propounded-by-the-director
or-any-of-his-employmes-or-refusing-to-permitthedirector
orhis-employees-to-examine-such-booksy-recordsy-papersy-or
documents-or-any-thereof-pertaining-to-such-businessshall
bedetmedguiltyofamisdemeanorandupon-cenviction
thereof-shatt-be-puntshed-by-a-fine-of-mot-more-than\$1+000
orbyimprisonmentinthecountyjailfora-term-not
exceeding-6-months-or-by-both-such-fine-ond-imprisonments-If
the-directory-after-hearing-suchevidenceandaftersuch
examinationof-the-booksy-papersy-documentsy-and-records-of
such-persony-shall-find-ond-determinethatsuchstatement
andreturnareerroneous-or-false-in-ony-meterial-mottery
the-director-shall-change-and-correct-the-same-so-as-to-show
thetrue <u>committies</u> grossvalueofproductandshall
reassessthe-amount-of-the-license-tox-due-from-such-person
and-may-add-therato-o-penolty-of-not-exceeding-58%-and-shall
thereupon-immediately-mail-to-such-person-awrittennetice
ofthecorrectionsand-changes-made-in-such-statement-and
return-and-the-amount-of-the-license-tex-and-penalty-dus-and
payable•
t2)The-department-shall-collect-such-license-tax-with

penalty-addedy-and-if-the-same--has--become--delinquenty--it
sholl--also--collect--interast--theraon--from--the--date--of
delinquency-until-paidy-at-the--rote--of--l%--per--month--or
fraction--theraofy---In--order--to--verify-such-statement-and

returny-the-department-may-require-any-person-engaged-in-the busings-of-smeltingw-millingg-reductiony--or--treetment--in any--manner--of--ares-extracted-or-produced-from-ony-mine-or mining-property-in-the-state-of-Montana-to-oppear-before-the director-of-revenue-and-testify-concerning-the-gross-mineral content-of-eny-such-ore-or-at-the-request-of--said--director to--furnish-sworn-statements-showing-the-gross-yield-of-such oresy-mineral--productsy--or--deposits--in--constituents--of commercial--values--that--is-to-says-the-number-of-ownces-of qold-sr-silvery-pounds-of-coppery-leady-or--ziney--or--other commercially--valuable--constituents-of-said-ores-or-mineral products---or--depositsy--measured--by--standard---units---of measurementy--during--the--period-covered-by-such-statementy without-any-deductions -- whatsoever -- for -- smaltingy -- millingy reductiony-or-treatment-of-such-ores-or-mineral-productv (3)--The--booksy-recordsy-papersy-and-documents-of-such

person-engaged-in-the-business-of-smeltingy-eductiony-or-treatment-in-any-manner-of-ores-extracted-or produced-by-any-mine-or-mining-property-in-the-state-shall be-open-to-inspection-and-examination-by-the-director-of revenue-or-his-employees-at--any--time--or--place--that--the director-may-designates

f+t--If--any--person--required--by-this-part-to-make-or
fite-any-statement-or-to-verify--under-oathy--any--statement
shall--make--such-statement-false-in-any-material-respect-or

shall-verify--under-oathy-sny-statement-false-in-any-respect or-shall-faily-neglecty-or--refuse--to--file--any--statement required-by-said-department-or-shall-refuse-to-appear-before the--director--ef--revenue--te--testify-cancerning-the-grass mineral-content-of-any-such-ore-or-shall-refuse-to-allow-the director-or-his-employees-at-any-time-or-place-to-inspect-or examine-the-booksy-recordsy-papersy-and--documents--ef--such person---engaged--in--the--business--of--smeltingy--millingy reductiony-or-treatment-in-any-manner-of-ores--extracted--or produced-by--any--mine--or--mining-property-in-the-state-of Montana-shaff-be-deemed-guifty-of-a-misdemeanor-and-shaff-be punished--by--a--fine--of--not--exceeding---\$1:000---or---by imprisonment--in--the-county-jail-for-not-exceeding-6-manths or-by-both-such-fine-and-imprisonment= NEW_SECTION. Section 6. Applicability. This act is applicable to tax years beginning after December 31, 1983.

-End-

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48th Legislature SB 0108/02 SP 0108/02

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2	INTRODUCED BY B. BROWN
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
>	A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
6	METALLIFEROUS HINES LICENSE TAX FROMAN ANNUAL TAX-TO-A
ŗ	REPORTING REQUIREMENT TO A QUARTERLY TAX REPORTING
8	REQUIREMENT: REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE
9	FILING OF THE MARCH_1 RETURN; AMENDING SECTIONS 15-37-102.
10	15-37-104 THROUGH 15-37-106, AND 15-37-108, AND-15-37-189+
11	MCA; AND PROVIDING AN APPLICABILITY DATE.
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	Section 1. Section 15-37-102, HCA, is amended to read:
15	#15-37-102. Gross value of metal mine yield
16	computation. 11: The "quarterly reporting date". as used in
17	this parts means the last day of the calendar quarter. The
18	totel "quarterly gross value of product", as used in this
19	part, shall-mean means the market value of all merchantable
20	metals or precious and semiprecious gems and stones
21	extracted or produced each year calendar quarter from any

mine or mining property in the state or recovered from the

smelting, milling, reduction, or treatment in any manner of

ores extracted from any such mine or mining property or from

tailings resulting from the smelting, reduction, or

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SENATE BILL NO. 108

1	treatment of any such ores. Whenever the ores require
2	smelting, reduction, or treatment to ascertain the metal
3	contents of such ores+ the quarterly gross value of the
4	product thereof shall be determined by taking the market
5	value of all merchantable metals or mineral products
6	extracted or recovered thereby as shown by the gross smelter
7	returns of such metals or mineral product in dollars and
8	cents without any deductions for costs of smeltings
9	reduction, or treatment or otherwise, based upon the average
10	quotations of the price of such metals or mineral products
11	in the city of New York, as evidenced by some established
12	authority or market report, giving the market reports during
13	the calendar year-immediately-preceding quarter for which a
14	report is being made. Should there be no quotation covering
15	any particular product, the department of revenue shall fix
16	the value of such gross product or such portion thereof in
17	such a manner as may seem equitable.

f#:::The::"cumulative::grgss:value:of:product":cos:used
in:this:partx:is:the:sum-of:alicquarterly::grass::values:of
product::fer:o:taxpayer:for:the:colcodor:quarters:during:the
portion-of:the:calendor:year:occurring:belwegn::December::3l
of:the:preceding:calendar:year:and:the:most-recent:quarterly
reporting:datex*

Section-2*--Section-15-37-103*-MCA*-is-amended-ta-read*
15-37-103--Rate-of-tax*--The-annual <u>quarterly</u> license

1	taxto-be-paid-by-such-perso	n-engaged-in-or-carrying-on-the
2	business-of-working-or-operating-any-mine-or-mining-property	
3	in-this-state-from-which-gold	v-silvery-coppery-leady-orany
4	othermetalor-metals-or-p	rectous-of-semiprectous-gems-or
5	stones-are-produced-shall-be-	an-amount-computed besed on-the
6		productwhichmayhavebeen
7	derivedbysuchpersonfo	romsuchbusinessyworkyor
8	operation-within-this-state-during-the-calendar-year quarter	
9	immediately-precedingy-at-the-following-rates <u>each-quarterly</u>	
10	reporting_datex_The_cumulative_tax_is_computed_accordingto	
11	thatfollowing_reterachedule*	
12	Étenistive Gross-Volue	Rate-of-∓ax
13	of-Product	fparcentage-of
14		<u>fumplative</u> gross-volue)
15	f+rst-\$380 ₇ 888	0+15 %
16	more-thon-\$188y880-and	·
17	not-more-than-\$250y860	8+ 575 %-of-the-increment
18	more-than-\$250y000-and	
19	not-more-than-\$400+988	0+86%-of-the-increment
20	more-than-\$400y800-and	
21	not-more-than-\$5 00 y000	l+15% -of-the-increment
22	more-than-\$500y000	lv436%-of-the-increment
23	The text due for the first col:	endar-quarter-is-the-cuaulotive
24	- tox:::compated::co::the:cumple:	tivergross-volue-of-product-for
25	the=ficat=colendor=quarter==Fi	estanduein-maysucceeding

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1 colendar::quarter:of:the:year:is:the:cumulative:tax:computed:
2 for:trat:quarter:is:s:the:cumulative:tax::computed::for::the
3 immediately:preceding:calendar:quarter:*

Section 2. Section 15-37-104, MCA, is amended to read: 5 #15-37-104. Mine operator's statement of gross value -- reports and sampling. (1) Every person engaged in or 6 carrying on the business of working or operating any mine or 8 mining property in this state from which gold, silver, 9 copper, lead, or any other metal or metals, precious or 10 semiprecious gems or stones are produced must, not later 11 than April-15-in-such-year 60 days following the quarterly 12 reporting date of each quarter when engaged in or carrying 13 on any such business, work, or operation, make out a 14 statement of the gross value of product from allemines and 15 mining properties worked or operated by such person during the calendar year quarter immediately preceding. If good 16 17 cause is shown, the department may prant a reasonable extension of the time for filing statements. Such The 18 19 statement shall be in the form prescribed by the department 20 of revenue and must-be-delivered-to-the-department-not-later 21 than--April--15*--The--department--may--grant--a--ressanable 22 extension-of-time-for--filing--statements--upon--good-couse 23 shown-therefore-Such-statement shall show the following:

(a) the name, address, and telephone number of the owner, lessee, or operator of the mine or mining property;

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(b) the mine's location by county and legal description;

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- (c) the number of tons of ore, concentrate, or other mineral products or deposits extracted from the mine or mining property during the period covered by the statement;
- (d) the name and location of the smelter, mill, or reduction works to which such one or concentrate has been shipped or sold during the period covered by the statement and such other information as the department may require:
- (e) the gross yield of such ores, concentrates, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores, concentrates, or mineral products or deposits, measured by standard units of measurement, during the period covered by the statement;
- 16 (f) the quarterly gross value of product in dollars
 19 and centst-end
- 20 <u>fsi::ths:cumulative:sross:value:of:the-product-for::the</u>
 21 <u>colendar:ven:in:dellars:mod-cepts</u>.
- 22 (2) This section applies regardless of the location of 23 any smelter, mill, or reduction works to which the ore or 24 concentrate is shipped.
 - (3) Any sampling, testing, or assaying made necessary

- to comply with this section must be completed within this

 state and prior to any mixture of the ore or concentrate to

 be assayed with ore or concentrate from any other mine or

 mining property.
- 5 141 IE THE QUARTERLY STATEMENT OF GROSS VALUE
 6 DESCRIBED HEREIN IS NOT FILED WITH THE DEPARTMENT WITHIN 60
 7 DAYS FOLLOWING THE CALENDAR QUARTER ENDING. A PENALTY SHALL
 8 BE ASSESSED. THE PENALTY SHALL BE THE GREATER OF \$25 OR 22
 9 OF THE TAX THAT WOULD BE DUE UNDER [THIS ACT] THE COLLECTED
 10 QUARTERLY. IF GOOD CAUSE IS SHOWN. THE DEPARTMENT MAY MALYE
 11 THE PENALTY.
 - Section 3. Section 15-37-105, MCA, is amended to read:

 "15-37-105. Computation and notice payment of tax. (1)
 The-department-of-revenue-shall-examine-each-such--statement
 and--return--filed-and-determine-and-ascertain-therefrom-and
 compute-and-ossess-the-amount-of-the-license-tax-to-be--paid
 by--the--person--making--and--filing-the-same-and-shally-not
 later-than-dune-ly-mail-to-each--person--making--and--filing
 such--statement-and-return-a-written-notice-of-the-amount-of
 the-license-tox-to-be-paid-by-eachy-respectively---that--the
 same-is-due-and-payable;-that-it-will-become-delinquent-ot-5
 pyms--on--dune--30--immediately---following;-that-if-the-same
 becomes-delinquenty-a-penalty-of-10%-will-be-added--thereto)
 and---that-the-whole-amount-of-such-license-taxy-with-penalty
 addedy-will-bear-interest-at-the-rate-of--1%--per--month--or

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fraction--thereof--from-the-date-the-same-becomes-delinquent until-said: The tax due under this chapter is computed 3 according to 15-37-103 and Is due 68-days-following-the guarterly:reporting:date:of:each-quartery-Fhe-tax-dua--under 5 this=-chapter=-becomes_delinguent=ns-of-midniaht-of-the-60th 6 day=following=the=querterly=reporting=date AND_PAYABLE_ON_OR BEFORE MARCH 1 DE EACH YEAR FOR THE PRODUCTS PRODUCED IN THE 7 PRECEDING CALENDAR YEAR. THE TAX DUE UNDER THIS CHAPTER 8 9 BECOMES_DELINGUENI_AS_DE_MIDNIGHT_ON_MARCH_1_OF_THE_YEAR 10 IMMEDIATELY FOLLOWING THE PRODUCTION YEAR. If good cause is 11 shown: _the__department__may_grant_a reasonable extension of 12 time for payment of the tax. During the period of any 13 extension oranted: the tax due bears interest at a rate of 14 1% a wonth or any part thereof.

of any of its mine's products at a price substantially below the true market price of such product at the time and place of such sale or disposal, then the department shall compute the gross value of such portion of said mine's product so sold or disposed of substantially below the market price as aforesaid, which add_it_to_the_cumulative_gross_value_of product_of_the_minex_end_compute_the_tox_dus__according_to the_formula_provided_in_is_37_193e_Tax_computed_according_to this__process__is_considered_to_have_been_dus_gross__date_of_end

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the--querter--in--which--the--sele-or-disposel-occurredw-The 1 WHICH gross value shall be based upon the quotations of the 2 price of such mine's product in New York City at the time 3 such partion of the product was so sold or otherwise disposed of as evidenced by some established authority or 5 market report, such as the Englneering and Mining Journal of 7 New York, or some other standard publication, giving the market reports for the year covered by such statement. 9 Should there be no quotation covering any particular product, then the department shall fix the value of such 10 gross product or such portion thereof as shall have been 11 sold or otherwise disposed of at a price substantially below 12 the true market price at the time and place of such sale or 13 disposal in such a manner as may seem to be equitable." 14

Section 4. Section 15-37-106, MCA, is amended to read:

#15-37-106. Procedure in case of failure to file

statement SIATEMENTS. If any person shall fail, refuse, or

neglect to make and file such-statement-and-return-within

the-time-prescribed ALL REQUIRED QUARTERLY SIATEMENTS OF

GROSS YIELD FOR A PRODUCTION YEAR ON OR REFORE MARCH 1. OF

IHE YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR, the

department of revenue shall, immediately after such time has

expired, ascertain and determine as nearly as may be

possible from any returns or reports filed with any state or

county officer or board under any law of this state and from

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obtain the total cumulative IOTAL gross value of product of such person from such business during for DURING the calendar year-immediately-preceding-the-year-in quarter==for.

YEAR IMMEDIATELY PRECEDING THE YEAR IN which the license tax is to be paid and shall make and file a statement showing the amount of such cumulative gross value of product and shall ascertain, determine, compute, and assess the amount of the license taxes due from and to be paid by such person and shall immediately give notice to such person in the same manner as though such statement had been filed within time and shall proceed to collect such license tax, adding thereto and collecting therewith if the same is delinquent the same penalty and interest as provided for herein for other delinquencies.**

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Section 5. Section 15-37-108, MCA, is amended to read:

"15-37-108. Delinquent taxes -- penalty. All license
taxes assessed under the provisions of this part shall
become delinquent if not paid by-5-pwmw-on-dune-30-following
the-date-when-the-same-are-assessedy-and-as-the-same--become
delinquenty on or before midnight of the-68th-day-following
the-quarterly-reporting-date MARCH 1 GE THE YEAR IMMEDIATELY
EDILOWING THE PRODUCTION YEAR. The department shall add to
the amount of delinquent metalliferous mines tax a penalty
of 18th 82. shall-be-added-thereto-and-the The whole amount

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of setd license tax, together with penalty edded, shall bear interest at the rate of 1% per month or fraction thereof from the date of 1% per month or fraction thereof from the date of 1% per month or fraction thereof from the date the tax becomes delinquent shall be computed from the date the tax becomes delinquent until it is paid. The department may make the 10% 8% penalty if it determines that a reasonable cause exists for failure to pay the tax on or before the 60th day following the quarterly reporting date MARCH 1 DE IME YEAR IMMEDIATELY FOLLOWING THE PRODUCTION YEAR.**

Section-Tw--Section-15-37-189w-MEAv-is-amended-to-reads #15-37-109x--False----ar---erraneaus---statements----investigations--fit-Should-the-director-of-the-department-of revenue-have-reason-to-believe-that-any-statement-and-return is-false-or-erroneous-in-any-particulary-he-may-require--the person--ory--if--made--by--a--corporationy--associationy--or companyy-the-officers-thereof-and-the-employees-of-any--such persony--corporationy--associationy--or--company--te--assear before-the-director-of-revenue--or--his--agent--and--testify concerning--the-same-and-any-statement-contained-therein-and may-examine-alt-booksy-recordsy--papersy--and--documents--of such-person-pertaining-to-such-businessy-upon-giving-5-dayswritten--notice--to--suck--persons--or-officers-or-employees thereof-haying-custody-of-such-booksy-recordsy--papersy--and documents---Any--person-foilingy-refusingy-or-neglecting-to so-page-ror-refusing-to-be-sworn-pr-to-testify-or--refusing

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toenswereny-material-question-propounded-by-the-director
or-any-of-his-employees-or-refusing-to-permitthedirector
orhis-employees-to-exemine-such-booksy-recordsy-papersy-or
documents-or-any-thereof-pertaining-to-suchbusinessshall
bedeemedguiltyofamisdemeanorandupon-conviction
thereof-shall-be-punished-by-a-fine-of-not-more-thon\$ly888
orbyimprisonmentinthecountyjailfore-term-not
exceeding-6-months-or-by-both-such-fine-end-imprisonmentw-lf
the-directors-after-hearing-suchevidenceandaftersuch
examination-of-the-booksy-papersy-documentsy-and-records-of
auch-persony-shall-find-and-determinethatsuchstatement
andreturnareerroneous-or-false-in-any-material-mattery
the-director-shall-change-and-correct-the-same-so-as-to-show
thetrue <u>cumulative</u> grossvalueofproductandshall
reassessthe-amount-of-the-licanse-tax-due-from-such-person
and-may-add-therato-a-penalty-of-not-exceeding-50%-and-shall
thereupon-immediately-mail-to-such-person-swrittennotice
ofthecorrectionsand-changes-made-in-such-statement-and
return-and-the-amount-of-the-license-tax-and-penalty-due-and
payabław
†2}The-department-shall-collect-such-licanse-tox-with
panalty-addedy-and-if-the-samehasbecomedelingwentyit

ponsity-addedv-and-if-the-same--has--become--delinquenty--it
shall--also--collect--interest--thereon--from--the--date--of
delinquency-until-paidv-at--the--rate--of--i%--per--month--or
fraction--thereofv---In--order--to-verify-such-statement-and

returns-the-department-may-require-any-person-engaged-in-the
business-of-smeltingy-millingy-reductionyortreatmentin
anymannerofores-extracted-or-produced-from-any-mine-or
mining-property-in-the-state-of-Montana-to-appear-before-the
director-of-revenue-and-testify-concerning-the-gross-mineral
content-of-any-such-ore-or-at-the-request-ofsaiddirector
tofurnish-sworm-statements-showing-the-gross-yield-of-suc
oresy-mineralproductsyordepositsinconstituentsof
commercialvalueythatis-to-sayy-the-number-of-ounces-of
gold-or-silvery-pounds-of-coppery-leady-orzincyorother
commerciallyvaluableconstituents-of-soid-pres-or-mineral
productsordepositsymeasuredbystondardunitsof
measurementyduringtheperiod-covered-by-such-statements
without-any-deductions-whatsoeverforsmeltingymillings
reductionor-treatment-of-such-ores-or-mineral-products

(3)--The--booksy-recordsy-papersy-and-documents-of-such person--engaged--in--the--business--of--smeltingy---miltingy reductiony--or--treatment-in-any-manner-of-ores-extracted-or produced-by-any-mine-or-mining-property-in-the--state--shall be--open--to--inspection--end-examination-by-the-director-of revenue-or-his-employees-mt--any--time--or--place--that--the director-may-designates

{+}--If---any--person--required--by-this-pert-to-make-or
file-any-statement-or-to-verify=-under-oathy---any--statement
shall--make--such-statement-false-in-any-material-respect-or

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shell-verify-under-oath-eny-statement-false-in-any-respect
or-shall-faily-neglecty-orrefusetofileonystatement
required-by-said-department-or-shall-refuse-to-appear-before
thedirectorofrevenuetotestify-concerning-the-gross
winers)-content-of-any-such-ore-or-shall-refuse-to-allow-the
director-or-his-employees-at-any-time-or-place-to-inspect-or
examine-the-booksy-recordsy-papersy-anddocumentsafsuch
personengagedinthebusinessofsmeltingymillingy
reduction-or-treatment-in-any-manner-of-aresextractedor
producedbyanymineormining-property-in-the-state-of
Huntana-shall-be-deemed-guilty-of-a-misdemeanor-and-shall-be
punishedbyafineofnotexceeding\$1+800orby
imprisonmentinthe-county-jail-for-not-exceeding-6-months
or-by-both-such-fine-and-imprisonments*
NEW SECTION. Section 6. Applicability. This act is
applicable to tax years beginning after December 31, 1983.
-End-