

SENATE BILL NO. 323

Introduced: 01/31/83

Referred to Committee on Business & Industry: 01/31/83

Hearing: 2/14/83

Died in Committee.

1 *Senate* BILL NO. 323
 2 INTRODUCED BY Hag-
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TREAT STOCK OWNED BY
 5 SIBLINGS AS OWNED BY ONE SHAREHOLDER FOR PURPOSES OF THE
 6 SMALL BUSINESS CORPORATIONS ELECTION; AMENDING SECTION
 7 15-31-205, MCA."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-31-205, MCA, is amended to read:
 11 "15-31-205. Stock owned by husband--end--wife family.
 12 (1) For purposes of 15-31-201(1)(a), stock shall be treated
 13 as owned by one shareholder when it:
 14 (1)(a) is community property of a husband and wife (or
 15 the income from which is community income) under the
 16 applicable community property law of a state;
 17 (1)(b) is held by a husband and wife as joint tenants,
 18 tenants by the entirety, or tenants in common;
 19 (1)(c) was, on the date of death of a spouse, stock
 20 described in subsection (1)(a) or (1)(b) and is, by
 21 reason of such death, held by the estate of the deceased
 22 spouse and the surviving spouse or by the estates of both
 23 spouses (by reason of their deaths on the same date) in the
 24 same proportion as held by the spouses before such death; or
 25 (1)(d) was, on the date of the death of a surviving

1 spouse, stock described in subsection ~~(1)(c)~~ and is, by
 2 reason of such death, held by the estates of both spouses in
 3 the same proportion as held by the spouses before their
 4 deaths.
 5 (2) For purposes of 15-31-201(1)(a), all stock owned
 6 by siblings is treated as owned by one shareholder."

-End-

STATE OF MONTANA

REQUEST NO. 291-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 323 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

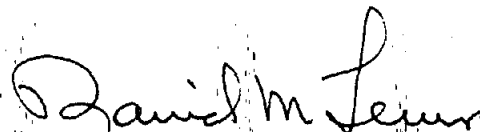
DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 323 treats stock owned by siblings as owned by one shareholder for purposes of the small business corporations election.

FISCAL IMPACT:

The proposal will allow some additional small business corporations to be formed. The direct revenue impact should be minimal. However, some of these new small business corporations might also qualify for the investment credit, which would lead to a greater fiscal impact. The department has no data on which to base an estimate of either of these potential effects.

FISCAL NOTE 10:EE/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-8-83