

SENATE BILL NO. 417

Introduced: 02/15/83

Referred to Committee on Taxation; 02/15/83

Hearing: 3/2/83

Report: 03/03/83, Do Not Pass. Report Adopted.
Bill Killed.

1 *Senate* BILL NO. *417*
2 INTRODUCED BY *Sen. Eck Blaylock Hallgren-Hager*
3 *Mark*

4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING AN EXCISE TAX
5 ON THE USE OF HOTELS, MOTELS, TOURIST HOMES, AND TOURIST
6 CAMPGROUNDS; DESIGNATING THE PROCEEDS TO BE USED TO PROMOTE
7 TRAVEL TO AND WITHIN MONTANA; AND PROVIDING PENALTIES FOR
8 FAILURE TO PAY THE TAX."

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

11 Section 1. Definitions. As used in [this act], unless
12 the context requires otherwise, the following definitions
13 apply:

14 (1) "Department" means the department of revenue
15 provided for in 2-15-1301.

16 (2) "Hotel" or "motel" includes a building or
17 structure used, maintained, or advertised as or held out to
18 the public to be a hotel, motel, inn, motor court, tourist
19 court, public lodginghouse, or place where sleeping
20 accommodations are furnished for a fee to transient guests,
21 with or without meals.

22 (3) "Tourist campground" means a place used for public
23 camping, primarily by automobile tourists, where persons can
24 camp, secure tents, or park individual trailers, truck
25 trailers, trucks equipped with toppers, or motor homes for

1 camping and sleeping purposes.

2 (4) "Tourist home" means an establishment or premises
3 where sleeping accommodations are furnished to transient
4 guests for hire on a daily or weekly rental basis in a
5 private home.

6 Section 2. Excise tax on use of hotels, motels,
7 tourist campgrounds, and tourist homes. (1) There is an
8 excise tax on the use of a hotel, motel, tourist campground,
9 or tourist home facility.

10 (2) The excise tax is 5% of the gross daily, weekly,
11 or monthly rent charged to users.

12 Section 3. Remittance of tax. (1) By the seventh day
13 of each month, the owner or operator of a facility subject
14 to the tax shall send a signed statement to the department
15 showing the number of persons using the facility, the total
16 rent collected during the previous month, and the excise tax
17 due. The owner or operator shall remit payment for the tax
18 due with the statement.

19 (2) The department shall deposit such payment in the
20 earmarked revenue fund in accordance with [section 5].

21 Section 4. Penalty for failure to pay tax. (1) If any
22 person, without purposely or knowingly violating any
23 requirement imposed by [this act], fails to pay the tax on
24 or before its due date, there is imposed a penalty of 5% of
25 any balance of tax unpaid, or \$5, whichever is greater, plus

1 interest on such balance at the rate of 9% a year until
2 paid. The department may abate the penalty if the taxpayer
3 establishes that the failure to file on time was due to
4 reasonable cause and was not due to neglect on his part.

5 {2} If any person purposely or knowingly violates
6 [this act] by failing to make a statement or to pay the tax,
7 there is imposed a penalty of 25% of any balance of tax
8 unpaid, or \$25, whichever is greater, plus interest on such
9 balance at the rate of 1% for each month or fraction of a
10 month during which the tax remains unpaid.

11 Section 5. Account established. There is a travel
12 promotion account within the earmarked revenue fund. Money
13 collected under [sections 3 and 4] is payable into this
14 account and is allocated pursuant to legislative
15 appropriation to the department of commerce for purposes of
16 encouraging travel to and within the state. The state
17 treasurer shall draw warrants from this account upon order
18 of the department of commerce.

19 Section 6. Severability. If a part of this act is
20 invalid, all valid parts that are severable from the invalid
21 part remain in effect. If a part of this act is invalid in
22 one or more of its applications, the part remains in effect
23 in all valid applications that are severable from the
24 invalid applications.

-End-

STATE OF MONTANA

REQUEST NO. 434-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 16, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 417 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 417 proposes an excise tax on the use of hotels, motels, tourist homes and tourist campgrounds. The revenues from the excise tax would be placed in an earmarked account drawn upon by the Department of Commerce for the purposes of travel promotion. Penalties are provided for failure to pay the tax.

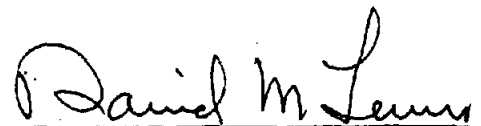
ASSUMPTIONS:

- 1) There are 550 hotel/motels, dude ranches in Montana.
- 2) The average number of rooms is 20.
- 3) The average charge per room is \$26.00.
- 4) The average occupancy is 67%.
- 5) 15% of the hotels/motels, dude ranches operate seasonally (5 mos./yr.).
- 6) There are approximately 220 private campgrounds in Montana.
- 7) The average number of campsites is 30.
- 8) The average cost per night is \$7.00.
- 9) The average occupancy is 70% for 5 months.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>	<u>TOTAL BIENNIUM</u>
Revenue:			
Under Proposed Law	3,324,409	3,324,409	6,648,818
Under Current Law	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Increase to Earmarked	<u>3,324,409</u>	<u>3,324,409</u>	<u>6,648,818</u>
Allocation to Dept. of Commerce:			
Under Proposed Law	3,324,409	3,324,409	6,648,818
Under Current Law	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Increase	<u>3,324,409</u>	<u>3,324,409</u>	<u>6,648,818</u>

FISCAL NOTE 16: Q/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-20-83