HOUSE BILL NO. 322

1/22	Introduced
1/22	Referred to Taxation
1/23	Fiscal Note Requested
1/28	Fiscal Note Received
2/06	Hearing
	Died in Committee

1	M. HOUSE BILL NO. 322
2	INTRODUCED BY KOLL
3	Merce Tall

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A 20 PERCENT SURTAX ON CERTAIN PROPERTY OWNED BY A FOREIGN PERSON; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

10 Section 1. Definitions. As used in [this act], the 11 following definitions apply:

- (1) "Foreign person" means:
- (a) an individual who:
- (i) is not a citizen or national of the United States;
- 15 (ii) is not a citizen of the Northern Mariana Islands
- or the United States Trust Territory of the Pacific Islands;

17 or

- (iii) is not lawfully admitted to the United States for permanent residence or paroled into the United States under the Immigration and Nationality Act;
- (b) a person, other than an individual or a government, that is created or organized under the laws of a foreign government or which has its principal place of business located outside the United States; or
 - (c) a foreign government.



1 (2) "Taxing units" is as defined in 15-1-101.

Section 2. Tax on property owned by foreign persons.

In addition to all other taxes assessed and levied, property included in 15-6-133 and 15-6-134 in which a foreign person holds an interest, other than a security interest, is subject to a tax equal to 20% of the dollar amount of the total taxes assessed and levied on the property.

8 Section 3. Apportionment of tax. Revenue collected 9 pursuant to the tax imposed by [section 2] must be 10 apportioned to the taxing units in the same ratio the taxes 11 assessed and levied in the individual taxing unit bears to 12 the total taxes assessed and levied against the property.

13 Section 4. Extension of authority. Any existing
14 authority of the department of revenue to make rules on the
15 subject of the provisions of this act is extended to the
16 provisions of this act.

17 Section 5. Effective date -- applicability. This act
18 is effective on passage and approval and applies to tax
19 years beginning after December 31, 1984.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 179-85

Form BD-15

In compliance with a written request received <u>January 24</u>, 19 <u>85</u>, there is hereby submitted a Fiscal Note for <u>H.B. 322</u> 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:

An act creating a 20 percent surtax on certain property owned by a foreign person; and providing an immediate effective date and an applicability date.

FISCAL IMPACT:

In order to calculate the revenue impact, each county assessor would have to be notified to obtain all the names of people on the assessment rolls with addresses outside the U.S. Also, an investigation of the class of property, taxes assessed, and taxes levied would have to be completed. Because of the short time allowed the anticipated revenue impact cannot be calculated.

POSSIBLE CONFLICTS:

It should be noted that imposing an additional tax only on foreign persons may be considered discriminatory and may violate the principle of equal protection.

BUDGET DIRECTOR

Office of Budget and Program Planning