

HOUSE BILL NO. 617

2/01 Introduced
2/01 Referred to Taxation
2/02 Fiscal Note Requested
2/07 Hearing
2/08 Fiscal Note Received
2/11 Adverse Committee Report
2/12 Bill Killed

1 HOUSE BILL NO. 617
 2 INTRODUCED BY Senator Edward Mercer Berlin
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE
 5 DEDUCTION OF TAX ALLOWED TO A SPECIAL FUEL DEALER FOR
 6 SHRINKAGE BUT LIMITING DEDUCTION APPLICABILITY TO THE FIRST
 7 10,000 GALLONS; AMENDING 15-70-327, MCA; AND PROVIDING AN
 8 EFFECTIVE DATE."
 9

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

11 Section 1. Section 15-70-327, MCA, is amended to read:

12 "15-70-327. Payment -- deductions. The tax return
 13 shall be accompanied by remittance covering the tax due
 14 hereunder on account of the use as defined in 15-70-301 of
 15 special fuels during the preceding period. A licensed
 16 special fuel dealer is allowed a deduction equal to ~~±~~ 5% of
 17 ~~the first 6 cents per gallon of the taxes the tax on the~~
 18 first 10,000 gallons of special fuel paid by the dealer
 19 under 15-70-321 as an allowance for shrinkage, spillage, and
 20 evaporation of special fuels and other losses beyond the
 21 dealer's control."

22 NEW SECTION. Section 2. Effective date. This act is
 23 effective July 1, 1985.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN311-85

Form **BD-15**

In compliance with a written request received February 4, 19 85, there is hereby submitted a Fiscal Note for H.B. 617 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

An act increasing the deduction of tax allowed to a special fuel dealer for shrinkage but limiting deduction applicability to the first 10,000 gallons.

ASSUMPTIONS

1. Special Fuel Tax Revenues - FY86 - \$21,202,080, FY87 - \$20,606,210 (DOR estimate)
2. Gallonage - FY86 - 125,159,858, FY87 - 121,642,326
3. Dealer gallonage subject to the deduction - 32,500,000 gallons per year.
4. Deduction - Current law - \$.0006/gallon (.01 X .06). (Effective tax rate - \$.1694.)
5. Deduction - Proposed law - \$.0085 for the first 10,000 gallons per month (.05 X .17).

	<u>Under</u>	<u>FY86</u> <u>Under</u>	<u>Difference</u>	<u>Under</u>	<u>FY87</u> <u>Under</u>	<u>Difference</u>
	<u>Current Law</u>	<u>Proposed Law</u>		<u>Current Law</u>	<u>Proposed Law</u>	
Effect on Revenue by Source:						
Special Fuels Tax	\$21,202,080	\$21,000,925	(\$201,155)	\$20,606,210	\$20,402,945	(\$203,265)
 Earmarked Special Revenue Fund						
Department of Highways	\$21,202,080	\$21,000,925	(\$201,155)	\$20,606,210	\$20,402,945	(\$203,265)

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 5, 1985
HB 617