

HOUSE BILL NO. 677

2/05 Introduced
2/05 Referred to Taxation
2/11 Hearing
Died in Committee

1 HOUSE BILL NO. 677
 2 INTRODUCED BY Wm. J. Schult Ernest Yellowtail
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE TIME
 5 LIMITATION ON THE TAX INCENTIVE OF 50 CENTS PER GALLON FOR
 6 MONTANA DISTILLED ALCOHOL TO BE BLENDED WITH GASOLINE FOR
 7 SALE AS GASOHOL; AMENDING SECTION 15-70-522, MCA."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-70-522, MCA, is amended to read:

11 "15-70-522. Tax incentive for production of alcohol.

12 (1) There is a tax incentive payable to alcohol distributors
 13 for distilling alcohol to be blended with gasoline for sale
 14 as gasohol, provided the alcohol is distilled in Montana
 15 from Montana agricultural products. Payment shall be made by
 16 the department of revenue out of the amount collected under
 17 15-70-204.

18 (2) ~~Except as provided in subsection (3), the~~ The tax
 19 incentive on each gallon of alcohol distilled in accordance
 20 with subsection (1) is:

- 21 (a) ~~beginning July 1, 1983, 70 cents per gallon;~~
- 22 (b) ~~beginning April 1, 1985, 50 cents per gallon;~~
- 23 (c) ~~beginning April 1, 1986, 30 cents per gallon; and~~
- 24 (d) ~~beginning April 1, 1989, and thereafter, there is~~
 25 ~~no tax incentive.~~

1 (3) ~~The incentive schedule provided for in subsection~~
 2 (2) ~~shall be modified in response to market conditions as~~
 3 ~~follows:~~

4 (a) ~~if for any 2 consecutive calendar quarters ending~~
 5 ~~on or before September 30, 1984, the gallons of gasohol sold~~
 6 ~~comprise 8% or more but less than 11% of the total gallons~~
 7 ~~of nonaviation gasoline and gasohol sold, the tax incentive~~
 8 ~~for alcohol shall be 50 cents per gallon, effective~~
 9 ~~beginning the second calendar quarter after the 2~~
 10 ~~consecutive calendar quarters during which the gallons of~~
 11 ~~gasohol sold comprised 8% or more but less than 11% of the~~
 12 ~~total gallons of nonaviation gasoline and gasohol sold.~~

13 (b) ~~if for any 2 consecutive calendar quarters ending~~
 14 ~~on or before September 30, 1986, the gallons of gasohol sold~~
 15 ~~comprise 11% or more but less than 18% of the total gallons~~
 16 ~~of nonaviation gasoline and gasohol sold, the tax incentive~~
 17 ~~for alcohol shall be 30 cents per gallon effective beginning~~
 18 ~~the second calendar quarter after the 2 consecutive calendar~~
 19 ~~quarters during which the gallons of gasohol sold comprised~~
 20 ~~11% or more but less than 18% of the total gallons of~~
 21 ~~nonaviation gasoline and gasohol sold.~~

22 (c) if 50 cents per gallon. However, if for any 2
 23 consecutive calendar quarters ending on or before September
 24 30, 1988, the gallons of gasohol sold comprise 18% or more
 25 of the total gallons of nonaviation gasoline and gasohol



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1 sold, the tax incentive for alcohol shall be eliminated
2 effective beginning the second calendar quarter after the 2
3 consecutive quarters during which the gallons of gasohol
4 sold comprised 18% or more of the total gallons of
5 nonaviation gasoline and gasohol sold.

6 ~~(d)~~(3) Each quarter, the department shall compute the
7 share of the total nonaviation gasoline and gasohol market
8 that is represented by gasohol, according to the information
9 contained in gasoline distributors' returns."

10 NEW SECTION. Section 2. Extension of authority. Any
11 existing authority of the department of revenue to make
12 rules on the subject of the provisions of this act is
13 extended to the provisions of this act.

-End-