

HOUSE BILL NO. 690

2/06 Introduced
2/06 Referred to Taxation
2/06 Fiscal Note Requested
2/11 Fiscal Note Received
2/12 Hearing
Died in Committee

1 "15-38-104. Tax on mineral production. The annual tax
2 to be paid by the person engaged in or carrying on the
3 business of mining, extracting, or producing a mineral shall
4 be \$25, together with an additional sum or amount computed
5 on the gross value of product which may have been derived
6 from the business work or operation within this state during
7 the calendar year immediately preceding at the rate of 1/2
8 of 1% of the amount of gross value of product ~~at-the-time-of~~
9 ~~extraction-from-the-ground~~, if in excess of \$5,000. Unless
10 otherwise provided in a contract or lease, the pro rata
11 share of any royalty owner or owners may be deducted from
12 any settlements under the lease or leases or division of
13 proceeds orders or other contracts."

14 NEW SECTION. Section 3. Extension of authority. Any
15 existing authority of the department of revenue to make
16 rules on the subject of the provisions of this act is
17 extended to the provisions of this act.

18 NEW SECTION. Section 4. Effective date --
19 applicability. This act is effective on passage and approval
20 and applies to tax quarters beginning on or after the
21 effective date of this act.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN350-85

Form BD-15

In compliance with a written request received February 6, 19 85, there is hereby submitted a Fiscal Note for H.B. 690 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

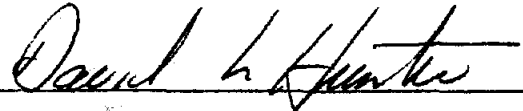
An act to make the determination of the value of minerals pursuant to the resource indemnity trust tax consistent with the same determination for certain other natural resource taxes; amending sections 15-38-103 and 15-38-104, MCA; and providing an immediate effective date and an applicability date.

ASSUMPTIONS

1. Resource Indemnity Trust Tax Revenues - FY86 - \$6,692,000, FY87 - \$6,582,000 (OBPP estimate).
2. Increase in Resource Indemnity Trust Tax Revenues due to proposed legislation -

Coal	\$962,000
Metal Mines	280,000
Miscellaneous Mines	183,000
Total	<u>\$1,425,000</u>

	<u>Under</u> <u>Current Law</u>	<u>FY86</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Increase</u>	<u>Under</u> <u>Current Law</u>	<u>FY87</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Increase</u>
Effect on Revenue:						
Resource Indemnity Trust Tax	\$6,692,000	\$8,117,000	\$1,425,000	\$6,582,000	\$8,007,000	\$1,425,000
Fund Information:						
Resource Indemnity Trust Fund	\$6,692,000	\$8,117,000	\$1,425,000	\$6,582,000	\$8,007,000	\$1,425,000


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 9, 1985
LR2140