

HOUSE BILL NO. 822

2/14 Introduced  
2/14 Referred to Taxation  
2/14 Fiscal Note Requested  
2/18 Fiscal Note Received  
3/12 Hearing  
3/29 Committee Report-Bill Pass As Amended  
3/30 2nd Reading Do Not Pass  
3/30 Bill Killed

HOUSE BILL NO. 822

INTRODUCED BY

Debra Gilbert

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE BY 2 CENTS A GALLON THE TAX ON AVIATION FUEL; TO CREATE AN ACCOUNT IN WHICH TO DEPOSIT PROCEEDS OF THE AVIATION FUEL TAX AND FROM WHICH LOANS AND GRANTS MAY BE PROVIDED TO LOCAL AND STATE GOVERNMENTS FOR AIRPORT AND NAVIGATIONAL AID PURPOSES; AMENDING SECTIONS 15-70-204, 15-70-205, 67-1-301, AND 67-1-303, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-70-204, MCA, is amended to read:

"15-70-204. Gasoline license tax -- rate. (1) Every distributor shall pay to the department of revenue a license tax for the privilege of engaging in and carrying on business in this state in an amount equal to ~~1-cent~~ 3 cents for each gallon of aviation gasoline, which shall be allocated to the department of commerce as provided by 67-1-301, as amended, and 15 cents for each gallon of all other gasoline distributed by him within the state and upon which the gasoline license tax has not been paid by any other distributor.

(2) Gasoline exported or sold for export out of the state shall not be included in the measure of the

distributor's license tax.

(3) Alcohol that is blended or is to be blended with gasoline to be sold as gasohol is subject to a tax per gallon equal to the license tax imposed on nonaviation gasoline distributors under subsection (1)."

Section 2. Section 15-70-205, MCA, is amended to read:

"15-70-205. Distributor's statement and payment. (1)

Each distributor shall, not later than the 25th day of each calendar month, render a true statement, duly signed, to the department of revenue of all gasoline distributed and received by him in this state during the preceding calendar month and containing such other information as the department may reasonably require in order to administer the gasoline license tax law. The statement shall be accompanied by a payment in an amount equal to the tax imposed by 15-70-204 less any refund credit issued under 15-70-226 and less 2% of the first 6 cents tax which shall be deducted by the distributor as an allowance for evaporation and other loss of gasoline distributed by such distributor; provided, however, that no such allowance shall be deducted from the ~~1-cent~~ 3 cents tax on aviation gasoline.

(2) Any distributor engaged in or carrying on his business at more than one place or location in this state may include all such places of business in one statement."

Section 3. Section 67-1-301, MCA, is amended to read:



1 "67-1-301. Money -- receipt and disbursement. (1) All  
 2 costs and expenses of administering this title, including  
 3 the salaries of employees of the department engaged in  
 4 functions pertaining to aeronautics, the expenses of members  
 5 of the board, and all other disbursements necessary to carry  
 6 out the purposes of this title, shall be paid out of the  
 7 following revenues:

8 (a) all gifts and all legislative appropriations to  
 9 the department for aeronautics;

10 (b) all moneys received from any branch or department  
 11 of the federal government or from other sources for the  
 12 purposes mentioned in this title or for the furtherance of  
 13 aeronautics generally in this state.

14 (2) All such moneys shall be deposited in the state  
 15 treasury to the credit of the department.

16 (3) (a) There shall be deposited in the state special  
 17 revenue fund to the credit of the department of  
 18 administration, to be used, upon recommendation of the  
 19 department of commerce, to provide loans to local and state  
 20 government agencies for airport improvement projects in  
 21 amounts not to exceed the required sponsor's share of  
 22 projects authorized by the United States government for  
 23 funding from the federal Airport and Airway Improvement Act  
 24 of 1982:

25 (i) a portion, as provided in House Bill 900, Laws of

1 1983, of the proceeds received from the sale of long-range  
 2 building program bonds upon the authorization and sale of  
 3 the bonds by the state and notwithstanding the provisions of  
 4 Title 17, chapter 7, part 2; and

5 (ii) all repayments of loans, including interest, made  
 6 pursuant to subsections (3)(a) and (3)(b).

7 (b) All loans must:

8 (i) bear an interest rate that fully retires the  
 9 long-range building bonds issued under the authorization  
 10 provided by the 48th legislature;

11 (ii) mature not later than such bonds; and

12 (iii) include reimbursement of administrative costs as  
 13 required by subsection (3)(c).

14 (c) An amount equal to 1% of the loans provided under  
 15 subsection (3)(a) may be allocated from the state special  
 16 revenue fund for administrative purposes.

17 (4) There shall be deposited ~~in--the-state-special~~  
 18 ~~revenue-fund-to--the--credit--of--the--department~~ from the  
 19 ~~proceeds of 1-cent-per-gallon-out-of-the-amount-per-gallon~~  
 20 of the aviation gasoline license tax imposed by the laws of  
 21 this state upon purchases of gasoline used for the operation  
 22 of aircraft;

23 (a) Moneys in the state special revenue fund to the  
 24 credit of the department an amount equal to the proceeds of  
 25 1 cent a gallon, and money so deposited shall be spent by

1 the department, with the prior approval of the board, for  
 2 the sole purpose of carrying out its functions pertaining to  
 3 aeronautics;

4 (b) (i) in a segregated account in the state special  
 5 revenue fund to the credit of the department an amount equal  
 6 to the proceeds of 2 cents a gallon;

7 (ii) notwithstanding subsection (4)(b)(i), in any  
 8 fiscal year beginning after June 30, 1987, when \$400,000 has  
 9 accumulated from the proceeds of the aviation gasoline  
 10 license tax allocated in subsection (4)(b)(i), any amount of  
 11 the aviation gasoline license tax proceeds in excess of  
 12 \$400,000 that the board determines is necessary for the  
 13 department's use for the purposes in subsection (4)(a) is  
 14 available to the department for those purposes only;

15 (iii) money deposited in the segregated account  
 16 established in subsection (4)(b)(i) is for use only to  
 17 provide loans and grants, with approval of the board, to  
 18 local governments and state agencies for airport and  
 19 navigational aid purposes. Proceeds of all repayments,  
 20 including interest, of loans made under this subsection  
 21 (4)(b)(iii) must be deposited in the segregated account  
 22 established in subsection (4)(b)(i).

23 (5) No part of the ~~present~~ 3 cents per gallon of  
 24 aviation gasoline license tax imposed by the laws of this  
 25 state on aviation gasoline purchased and used for the

1 operation of airplanes or aircraft may be refunded.  
 2 (Subsection (3) terminates June 30, 1985--see compiler's  
 3 comments.)"

4 Section 4. Section 67-1-303, MCA, is amended to read:  
 5 "67-1-303. Airline property tax -- state airports. (1)  
 6 Within 30 days of receipt, the county treasurer shall  
 7 transmit to the state treasury 90% of the property tax  
 8 collected on property of airline companies by reason of a  
 9 state airport being located in the county.

10 (2) The state treasurer shall place the money in the  
 11 state special revenue fund to the credit of the department  
 12 of commerce for the purposes provided for in ~~67-1-301~~  
 13 67-1-301(4)(a)."

14 NEW SECTION. Section 5. Extension of authority. Any  
 15 existing authority of the department of commerce 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 6. Effective date. This act is  
 19 effective July 1, 1985.

-End-

## STATE OF MONTANA

## FISCAL NOTE

REQUEST NO. FNN 436-85Form BD-15

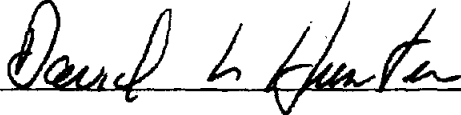
In compliance with a written request received February 14, 19 85, there is hereby submitted a Fiscal Note for H.B. 822 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to increase by 2 cents a gallon the tax on aviation fuel; to create an account in which to deposit proceeds of the aviation fuel tax and from which loans and grants may be provided to local and state governments for airport and navigational aid purposes; and providing an effective date.

FISCAL IMPACT:

	<u>Under</u> <u>Current Law</u>	<u>FY 86</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Increase</u>	<u>Current Law</u>	<u>FY 87</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Increase</u>
Aviation Fuel Tax	328,430	985,290	656,860	331,760	995,280	663,520

  
 BUDGET DIRECTOR  
 Office of Budget and Program Planning

Date: Feb 18, 1985

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 822

INTRODUCED BY SCHYE, GILBERT, IVERSON

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE BY 2 CENTS  
A GALLON THE TAX ON AVIATION FUEL; TO CREATE AN ACCOUNT IN  
WHICH TO DEPOSIT PROCEEDS OF THE AVIATION FUEL TAX AND FROM  
WHICH LOANS AND GRANTS MAY BE PROVIDED TO LOCAL AND STATE  
GOVERNMENTS FOR AIRPORT AND NAVIGATIONAL AID PURPOSES;  
AMENDING SECTIONS 15-70-204, 15-70-205, 67-1-301, AND  
67-1-303, MCA; AND PROVIDING AN EFFECTIVE DATE."

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tax for the privilege of engaging in and carrying on  
business in this state in an amount equal to ~~1-cent~~ 3 cents  
for each gallon of aviation gasoline, which shall be  
allocated to the department of commerce as provided by  
67-1-301, as amended, and 15 cents for each gallon of all  
other gasoline distributed by him within the state and upon  
which the gasoline license tax has not been paid by any  
other distributor.

(2) Gasoline exported or sold for export out of the  
state shall not be included in the measure of the

distributor's license tax.

(3) Alcohol that is blended or is to be blended with  
gasoline to be sold as gasohol is subject to a tax per  
gallon equal to the license tax imposed on nonaviation  
gasoline distributors under subsection (1)."

Section 2. Section 15-70-205, MCA, is amended to read:

"15-70-205. Distributor's statement and payment. (1)  
Each distributor shall, not later than the 25th day of each  
calendar month, render a true statement, duly signed, to the  
department of revenue of all gasoline distributed and  
received by him in this state during the preceding calendar  
month and containing such other information as the  
department may reasonably require in order to administer the  
gasoline license tax law. The statement shall be accompanied  
by a payment in an amount equal to the tax imposed by  
15-70-204 less any refund credit issued under 15-70-226 and  
less 2% of the first 6 cents tax which shall be deducted by  
the distributor as an allowance for evaporation and other  
loss of gasoline distributed by such distributor; provided,  
however, that no such allowance shall be deducted from the ~~1~~  
cent 3 cents tax on aviation gasoline.

(2) Any distributor engaged in or carrying on his  
business at more than one place or location in this state  
may include all such places of business in one statement."

Section 3. Section 67-1-301, MCA, is amended to read:



1 "67-1-301. Money -- receipt and disbursement. (1) All  
 2 costs and expenses of administering this title, including  
 3 the salaries of employees of the department engaged in  
 4 functions pertaining to aeronautics, the expenses of members  
 5 of the board, and all other disbursements necessary to carry  
 6 out the purposes of this title, shall be paid out of the  
 7 following revenues:

8 (a) all gifts and all legislative appropriations to  
 9 the department for aeronautics;

10 (b) all moneys received from any branch or department  
 11 of the federal government or from other sources for the  
 12 purposes mentioned in this title or for the furtherance of  
 13 aeronautics generally in this state.

14 (2) All such moneys shall be deposited in the state  
 15 treasury to the credit of the department.

16 (3) (a) There shall be deposited in the state special  
 17 revenue fund to the credit of the department of  
 18 administration, to be used, upon recommendation of the  
 19 department of commerce, to provide loans to local and state  
 20 government agencies for airport improvement projects in  
 21 amounts not to exceed the required sponsor's share of  
 22 projects authorized by the United States government for  
 23 funding from the federal Airport and Airway Improvement Act  
 24 of 1982:

25 (i) a portion, as provided in House Bill 900, Laws of

1 1983, of the proceeds received from the sale of long-range  
 2 building program bonds upon the authorization and sale of  
 3 the bonds by the state and notwithstanding the provisions of  
 4 Title 17, chapter 7, part 2; and

5 (ii) all repayments of loans, including interest, made  
 6 pursuant to subsections (3)(a) and (3)(b).

7 (b) All loans must:

8 (i) bear an interest rate that fully retires the  
 9 long-range building bonds issued under the authorization  
 10 provided by the 48th legislature;

11 (ii) mature not later than such bonds; and

12 (iii) include reimbursement of administrative costs as  
 13 required by subsection (3)(c).

14 (c) An amount equal to 1% of the loans provided under  
 15 subsection (3)(a) may be allocated from the state special  
 16 revenue fund for administrative purposes.

17 (4) There shall be deposited ~~in--the--state--special~~  
 18 ~~revenue-fund-to--the--credit--of--the--department~~ from the  
 19 ~~proceeds of 1-cent-per-gallon-out-of-the-amount-per-gallon~~  
 20 ~~of the aviation~~ gasoline license tax imposed by the laws of  
 21 this state upon purchases of gasoline used for the operation  
 22 of aircraft-;

23 (a) Moneys in the state special revenue fund to the  
 24 credit of the department an amount equal to the proceeds of:

25 (1) UNTIL JULY 1, 1987, 1 cent a gallon, and money so

1 deposited--shall--be--spent--by--the--department,--with--the--prior  
 2 approval--of--the--board, for--the--sole--purpose--of--carrying--out  
 3 its--functions--pertaining--to--aeronautics; AND

4 (II) BEGINNING JULY 1, 1987, AND THEREAFTER, 1.5 CENTS  
 5 A GALLON; AND

6 (b) ~~(i)~~ in a segregated account in the state special  
 7 revenue fund to the credit of the department an amount equal  
 8 to the proceeds of:

9 (I) UNTIL JULY 1, 1987, 2 cents a gallon; AND

10 (II) BEGINNING JULY 1, 1987, AND THEREAFTER, 1.5 CENTS  
 11 A GALLON.

12 ~~(i)~~--notwithstanding--subsection--(4)(b)(i),--in--any  
 13 fiscal--year--beginning--after--June--30,--1987,--when--\$400,000--has  
 14 accumulated--from--the--proceeds--of--the--aviation--gasoline  
 15 license--tax--allocated--in--subsection--(4)(b)(i),--any--amount--of  
 16 the--aviation--gasoline--license--tax--proceeds--in--excess--of  
 17 \$400,000--that--the--board--determines--is--necessary--for--the  
 18 department's--use--for--the--purposes--in--subsection--(4)(a)--is  
 19 available--to--the--department--for--those--purposes--only;

20 ~~(i)~~--money (5) (A) MONEY DEPOSITED UNDER SUBSECTION  
 21 (4)(A) SHALL BE SPENT BY THE DEPARTMENT FOR THE SOLE PURPOSE  
 22 OF CARRYING OUT ITS FUNCTION PERTAINING TO AERONAUTICS.

23 (B) MONEY deposited in the segregated account  
 24 established in subsection (4)(b)~~(i)~~ is for use only to  
 25 provide loans and grants, with approval of the board, to

1 local governments and state agencies for airport and  
 2 navigation aid purposes.

3 (6) Proceeds of all repayments, including interest, of  
 4 loans made under this subsection ~~(4)(b)(i)~~ (5)(B) must be  
 5 deposited in the segregated account established in  
 6 subsection (4)(b)~~(i)~~.

7 ~~(5)(7) No--part--of--the--1--cent--3--cents~~ per--gallon--of  
 8 aviation gasoline--license--tax--imposed--by--the--laws--of--this  
 9 state--on aviation gasoline--purchased--and--used--for--the  
 10 operation--of--airplanes--or--aircraft--may--be--refunded.

11 (A) UPON APPLICATION MADE BY A SCHEDULED  
 12 PASSENGER-CARRYING AIRLINE TO THE DEPARTMENT BY AUGUST 1 AND  
 13 APPROVED BY THE DEPARTMENT, A REBATE IS ALLOWED FOR A  
 14 PORTION OF THE AVIATION GASOLINE TAX PAID PURSUANT TO  
 15 15-70-205. THE REBATE IS ALLOWED ONLY ON THE TAX PAID ON  
 16 AVIATION GASOLINE PURCHASED IN MONTANA DURING THE STATE  
 17 FISCAL YEAR ENDING THE JUNE 30 PRECEDING THE DATE OF  
 18 APPLICATION. THE AMOUNT OF THE REBATE MUST BE MADE AS  
 19 FOLLOWS:

20 (I) FOR ANY AMOUNT LESS THAN 200,000 GALLONS, NO  
 21 REBATE IS ALLOWED;

22 (II) FOR ANY AMOUNT BETWEEN 200,000 GALLONS AND  
 23 1,000,000 GALLONS, 0.5 CENT PER GALLON;

24 (III) FOR ANY AMOUNT BETWEEN 1,000,001 GALLONS AND  
 25 2,000,000 GALLONS, 0.75 CENT PER GALLON;



1        (IV) FOR ANY AMOUNT BETWEEN 2,000,001 GALLONS AND  
2        5,000,000 GALLONS, 1 CENT PER GALLON; AND

3        (V) FOR ANY AMOUNT IN EXCESS OF 5,000,000 GALLONS, 1.5  
4        CENTS PER GALLON.

5        (B) ANY REBATE PAYMENT APPROVED BY THE DEPARTMENT  
6        SHALL BE PAID FROM THE FUNDS IN THE SEGREGATED ACCOUNT  
7        DESCRIBED IN SUBSECTION (4)(B). (Subsection (3) terminates  
8        June 30, 1985--see compiler's comments.)"

9        Section 4. Section 67-1-303, MCA, is amended to read:

10       "67-1-303. Airline property tax -- state airports. (1)  
11       Within 30 days of receipt, the county treasurer shall  
12       transmit to the state treasury 90% of the property tax  
13       collected on property of airline companies by reason of a  
14       state airport being located in the county.

15       (2) The state treasurer shall place the money in the  
16       state special revenue fund to the credit of the department  
17       of commerce for the purposes provided for in ~~67-1-301~~  
18       67-1-301(4)(a)."

19       NEW SECTION. Section 5. Extension of authority. Any  
20       existing authority of the department of commerce to make  
21       rules on the subject of the provisions of this act is  
22       extended to the provisions of this act.

23       NEW SECTION. Section 6. Effective date. This act is  
24       effective July 1, 1985.

-End-