

HOUSE BILL NO. 848

INTRODUCED BY STANG, RAPP-SVRCEK, C. SMITH, JONES, SWIFT,  
MCCALLUM, DARKO, FARRELL, SEVERSON, THOMAS

IN THE HOUSE

FEBRUARY 21, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

MARCH 20, 1987                   ON MOTION, TAKEN FROM COMMITTEE ON  
TAXATION, PRINTED, AND PLACED ON  
SECOND READING.

MARCH 21, 1987                   PRINTING REPORT.

MARCH 24, 1987                   SECOND READING, DO PASS AS AMENDED.  
  
ENGROSSING REPORT.

MARCH 26, 1987                   THIRD READING, PASSED.  
AYES, 95; NOES, 4.

TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 9, 1987                   ON MOTION, RULES SUSPENDED TO ALLOW  
RECEIPT OF HB NO. 848.

APRIL 10, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

APRIL 13, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

APRIL 14, 1987                   SECOND READING, CONCURRED IN.  
  
ON MOTION, RULES SUSPENDED TO PLACE  
BILL ON THIRD READING THE 83RD  
LEGISLATIVE DAY.

THIRD READING, CONCURRED IN.  
AYES, 45; NOES, 5.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 15, 1987

RECEIVED FROM SENATE.

SENT TO ENROLLING.

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House BILL NO. 848

INTRODUCED BY

*Stacy Kaye Smith Jones*  
*Swift M. Walters* *Darke Farwell* *Thomas*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A REFUND EQUAL TO TAXES PAID IN ANOTHER STATE ON CERTAIN PROPERTY TAXED IN MONTANA; AND AMENDING SECTION 15-16-601, MCA."

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

NEW SECTION. Section 1. Refund of certain taxes paid in other states. Subject to the provisions of 15-16-601 and upon proof that tax was paid in another state, a taxpayer is entitled to a refund equal to the amount of tax paid in another state on a helicopter or property that was assessed in Montana under 15-6-138(1)(g). The refund under this section may not exceed the tax that was paid in Montana on the same property for the same period of time.

Section 2. Section 15-16-601, MCA, is amended to read:

"15-16-601. Taxes or penalties illegally collected or duplicate taxes to be refunded. (1) (a) Any taxes, per centum, and costs paid more than once or erroneously or illegally collected or any amount of tax paid for which a taxpayer is entitled to a refund under 15-16-612 or [section 1] or any part or portion of taxes paid which were mistakenly computed on government bonus or subsidy received by the taxpayer may, by order of the board of county

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commissioners, be refunded by the county treasurer. Whenever any payment shall have been made to the state treasurer as provided in 15-1-504 and it shall afterwards appear to the satisfaction of the board of county commissioners that a portion of the money so paid should be refunded as herein provided, said board of county commissioners may refund such portion of said taxes, penalties, and costs so paid to the state treasurer, and upon the rendering of the report required by 15-1-505 the county clerk and recorder shall certify to the state auditor, in such form as the state auditor may prescribe, all amounts so refunded, and in the next settlement of the county treasurer with the state, the state auditor shall give the county treasurer credit for the state's portion of the amounts so refunded.

(b) When any part of the taxes, penalties, or costs hereinbefore referred to were levied in behalf of any school district or municipal or other public corporation and collected by the county treasurer, the same may be refunded upon the order of the board of county commissioners.

(c) No order for the refund of any taxes, license fees, per centum, or costs under this section shall be made except upon a claim therefor, verified by the person who has paid such tax, license fee, penalty, or costs or his guardian or, in case of his death, by his executor or administrator, which claim must be filed within 10 years



-2- INTRODUCED BILL  
HB-848

1 after the date when the second half of such taxes would have  
2 become delinquent if the same had not been paid.

3 (d) All refunds ordered to be paid by the board of  
4 county commissioners shall be paid by the county treasurer  
5 out of the general fund of the county, and the county  
6 treasurer shall then make such transfers from other county  
7 funds and from state, school district, and other public  
8 corporation funds in his possession as may be necessary to  
9 reimburse the county general fund for payments made  
10 therefrom on account of such other funds.

11 (2) Upon the entering of judgment under 15-2-306, the  
12 county commissioners of the affected county shall order a  
13 refund of such portion of the taxes or license fees as the  
14 state tax appeal board has judged should be refunded."

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

19 NEW SECTION. Section 4. Codification instruction.  
20 Section 1 is intended to be codified as an integral part of  
21 Title 15, chapter 16, part 6, and the provisions of Title  
22 15, chapter 16, part 6, apply to section 1.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB848, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for a refund equal to taxes paid in another state on certain property taxed in Montana.

ASSUMPTIONS:

1. Property affected by the proposal (taxable value x % affected): heavy equipment \$18,266,764 taxable value x 20% = \$3,653,353, oil and gas field equipment \$14,739,451 TV x 10% = \$1,473,945, drill rigs \$2,165,841 TV x 100% = \$2,165,841, seismograph rigs and equipment \$302,565 TV x 80% = \$242,052, service and workover rigs and related oil field equipment \$1,360,893 TV x 30% = \$408,268, locally assessed utility manufacturing machinery \$23,069 TV x 10% = \$2,307. Total taxable value of property affected by the proposal = \$7,945,766. (Estimates by the Department of Revenue).
2. Helicopters would only operate in another state that charged a fee in lieu of tax. Average fee of \$90 per helicopter x 4 = \$360.
3. Statewide average mill levy of 240 mills. Which includes university levy = 6 mills, school equalization = 45 mills, and local government 189 mills.


FISCAL IMPACT:

The total reduction in revenues each year under the proposed legislation would be \$1,906,984, which includes a \$47,675 reduction for the university levy and a \$357,559 reduction for school equalization.

Note: This would be the reduction in revenue assuming the taxes paid in another state on property that was assessed in Montana are equal to or greater than the taxes paid in Montana. If the taxes paid in another state were less than the taxes paid in Montana, then the reduction in revenues would be reduced. For helicopters, the total reduction in revenues each year would be \$360.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE:

The proposed legislation would decrease local revenues \$1,501,750. (See note under fiscal impact).

  
DATE 2/26/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

  
DATE 3/3/87  
SPOOK STANG, PRIMARY SPONSOR

Fiscal Note for HB848, as introduced.

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2 INTRODUCED BY *House* BILL NO. *848*  
*Steve Kopy* *Sarah C. Smith* *Conner*  
*Swift* *M. Holburn* *Darko* *Farrall* *Spencer*  
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