

SB 12 INTRODUCED BY AKLESTAD
TAX EXEMPTION FOR PRODUCER-HELD GRAIN

1/02	FISCAL NOTE REQUESTED		
1/05	INTRODUCED		
1/05	REFERRED TO TAXATION		
1/06	HEARING		
1/15	FISCAL NOTE RECEIVED		
	NOT SIGNED BY SPONSOR		
3/06	TABLED IN COMMITTEE		
3/11	TAKEN FROM COMMITTEE	32	18
3/13	2ND READING PASSED	28	22
3/16	3RD READING PASSED	37	13
	TRANSMITTED TO HOUSE		
3/17	REFERRED TO TAXATION		
3/30	HEARING		
4/07	TABLED IN COMMITTEE		

1 ~~(d)~~(e) swine which have not attained the age of 3
2 months as of January 1.

3 (2) Any beet digger, beet topper, beet defoliator,
4 beet thinner, beet cultivator, beet planter, or beet top
5 saver designed exclusively to plant, cultivate, and harvest
6 sugar beets is exempt from taxation if such implement has
7 not been used to plant, cultivate, or harvest sugar beets
8 for the 2 years immediately preceding the current assessment
9 date and there are no available sugar beet contracts in the
10 sugar beet grower's marketing area."

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

15 NEW SECTION. Section 4. Effective date --
16 applicability. This act is effective on passage and approval
17 and applies to taxable years beginning after December 31,
18 1986.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB012, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill to exempt producer-held grain in storage from property taxation; amending Sections 15-6-136 and 15-6-207, MCA; and providing an immediate effective date and an applicability date.

ASSUMPTIONS:

1. The taxable value of producer-held grain in storage remains constant at the 1986 level of \$6,147,888.
2. The total taxable value of the state will be \$1,997,193,000 in FY88 and \$2,024,661,000 in FY89. (REAC)
3. Mill levies are 6 mills for the university levy, 45 mills for the school foundation program and the weighted average local government levy for this type of property remains constant at the 1986 level of 164.78. Therefore, the total levy for this type of property is 215.78 mills (6 + 45 + 164.78).
4. The proportion of total property tax required for all school funding is 60%.

FISCAL IMPACT:Expenditures:

N/A

Revenues:

	FY88			FY89		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
University Levy	11,983,158	11,946,271	(36,887)	12,147,966	12,111,079	(36,887)
School Equalization	89,873,685	89,597,030	(276,655)	91,109,745	90,833,090	(276,655)
Total	101,856,843	101,543,301	(313,542)	103,257,711	102,944,169	(313,542)

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The total impact on local government revenues is a reduction of \$1,013,049 (.16478 X 6,147,888) for each year of the biennium. On average 60% of the total property tax is levied for schools. Thus, 60% of the revenue loss or about \$796,000 (.6 X (.314M + 1.013M)) would be lost in school funding. Counties that would be impacted more significantly by this legislation would include the following: Choteau, Daniels, Dawson, Hill, McCone, Pondera and Valley.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

David L. Hunter DATE 1/5/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

DATE _____
 GARY AKLESTAD, PRIMARY SPONSOR

Fiscal Note for SB012, as introduced.

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2 months as of January 1.

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-End-

1 SENATE BILL NO. 12
 2 INTRODUCED BY AKLESTAD

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT PRODUCER-HELD
 5 GRAIN IN STORAGE FROM PROPERTY TAXATION; AMENDING SECTIONS
 6 15-6-136 AND 15-6-207, MCA; AND PROVIDING AN IMMEDIATE
 7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

10 Section 1. Section 15-6-136, MCA, is amended to read:

11 "15-6-136. Class six property -- description --
 12 taxable percentage. (1) Class six property includes:

13 (a) livestock, poultry, bees, and other species of
 14 domestic animals and wildlife raised in domestication or a
 15 captive environment, except for cats, dogs, and other
 16 household pets not raised for profit, and the unprocessed
 17 products of such animals and wildlife;

18 (b) all unprocessed agricultural products on the farm
 19 or in storage except:

20 (i) all perishable fruits and vegetables in farm
 21 storage and owned by the producer; and

22 (ii) all producer-held grain in storage;

23 (c) items of personal property intended for lease in
 24 the ordinary course of business provided each item of
 25 personal property satisfies all of the following:

1 (i) the full and true value of the personal property
 2 is less than \$5,000;

3 (ii) the personal property is owned by a business whose
 4 primary business income is from rental or lease of personal
 5 property to individuals wherein no one customer of the
 6 business accounts for more than 10% of the total rentals or
 7 leases during a calendar year; and

8 (iii) the lease of the personal property is generally
 9 on an hourly, daily, or weekly basis.

10 (2) Class six property is taxed at 4% of its market
 11 value."

12 Section 2. Section 15-6-207, MCA, is amended to read:

13 "15-6-207. Agricultural exemptions. (1) The following
 14 agricultural products are exempt from taxation:

15 (a) all unprocessed, perishable fruits and vegetables
 16 in farm storage and owned by the producer;

17 (b) all producer-held grain in storage;

18 ~~(b)~~(c) all nonperishable unprocessed agricultural
 19 products, except livestock, held in possession of the
 20 original producer for less than 7 months following harvest;

21 ~~(c)~~(d) except as provided in subsection ~~(1)~~(1)~~(e)~~,
 22 livestock which have not attained the age of 9 months as of
 23 the last day of any month if assessed on the average
 24 inventory basis or on March 1 if assessed as provided in
 25 15-24-911(1)(a); and

THIRD READING
 SB-162



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2 months as of January 1.

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