

SENATE BILL NO. 224

INTRODUCED BY ECK, NEUMAN

IN THE SENATE

JANUARY 27, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FEBRUARY 9, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 10, 1987 PRINTING REPORT.

FEBRUARY 12, 1987 SECOND READING, DO PASS.

FEBRUARY 13, 1987 ENGROSSING REPORT.

FEBRUARY 14, 1987 THIRD READING, PASSED.
AYES, 41; NOES, 8.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 18, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

APRIL 7, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 9, 1987 SECOND READING, CONCURRED IN.

APRIL 10, 1987 THIRD READING, CONCURRED IN.
AYES, 87; NOES, 9.

RETURNED TO SENATE.

IN THE SENATE

APRIL 13, 1987 RECEIVED FROM HOUSE.

SENT TO ENROLLING.

1 *Senate* BILL NO. *224*
2 INTRODUCED BY Ed Newman

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT RAISING THE DEDUCTION
5 FOR EVAPORATION WHEN CALCULATING THE AMOUNT DUE FOR THE
6 GASOLINE DISTRIBUTOR'S LICENSE TAX; AND AMENDING SECTION
7 15-70-205, MCA."

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

10 Section 1. Section 15-70-205, MCA, is amended to read:

11 "15-70-205. Distributor's statement and payment. (1)
12 Each distributor shall, not later than the 25th day of each
13 calendar month, render a true statement, duly signed, to the
14 department of revenue of all gasoline distributed and
15 received by him in this state during the preceding calendar
16 month and containing such other information as the
17 department may reasonably require in order to administer the
18 gasoline license tax law. The statement shall be accompanied
19 by a payment in an amount equal to the tax imposed by
20 15-70-204 less any refund credit issued under 15-70-226 and
21 less 2% of the ~~first--6--cents~~ total tax which shall be
22 deducted by the distributor as an allowance for evaporation
23 and other loss of gasoline distributed by such distributor;
24 provided, however, that no such allowance shall be deducted
25 from the 1 cent tax on aviation gasoline.

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

4 NEW SECTION. Section 2. Extension of authority. Any
5 existing authority of the department of revenue to make
6 rules on the subject of the provisions of this act is
7 extended to the provisions of this act.

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB224, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act raising the deduction for evaporation when computing the amount of tax due for the gasoline distributor's license tax.

ASSUMPTIONS:

1. The Revenue Estimating Advisory Council's estimates of gasoline consumption provide the basis for comparison.
2. Gasoline sales will be 417,248,200 gallons in FY88 and 403,010,520 in FY89. Refunds will be made on approximately 22,371,000 gallons in FY88 and 21,612,000 in FY89.
3. The proposed evaporation discount applies to sales after October 1, 1987. Gas tax collections through November 1987, or 47% of FY88 collections (actual FY86), will be at the current discount rate.
4. Alcohol tax incentive payments will be \$632,000 in FY88 and FY89 (REAC).

FISCAL IMPACT:Revenue Impact:

| | FY88 | | | FY89 | | |
|--|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| Gross Gasoline License Tax Collections | \$ 70,431,000 | \$ 69,945,050 | (\$485,950) | \$ 68,028,000 | \$ 67,142,000 | (\$886,000) |

Fund Information:

| | FY88 | | | FY89 | | |
|--------------------|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| Gross DOH Receipts | \$ 69,440,000 | \$ 68,960,804 | (\$ 479,196) | \$ 67,071,000 | \$ 66,198,000 | (\$ 873,000) |
| Less: Refunds | 3,803,000 | 3,803,000 | 0 | 3,674,000 | 3,674,000 | 0 |
| Alcohol Sub. | 632,000 | 632,000 | 0 | 632,000 | 632,000 | 0 |
| Net DOH Receipts | \$ 65,005,000 | \$ 64,525,804 | (\$ 479,196) | \$ 62,765,000 | \$ 61,892,000 | (\$ 873,000) |
| F.W.& P Snowmobile | \$ 354,000 | \$ 351,474 | (\$ 2,526) | \$ 342,000 | \$ 337,000 | (\$ 5,000) |
| F.W.& P Boat | 637,000 | 632,772 | (\$ 4,228) | \$ 615,000 | \$ 607,000 | (\$ 8,000) |

David L. Hunter DATE 2/2/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Dorothy Eck DATE _____
DOROTHY ECK, PRIMARY SPONSOR

Fiscal Note for SB224, as introduced.

SB 224

APPROVED BY COMMITTEE
ON TAXATION

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 18 gasoline license tax law. The statement shall be accompanied
 19 by a payment in an amount equal to the tax imposed by
 20 15-70-204 less any refund credit issued under 15-70-226 and
 21 less ~~2%~~ 1% of the first-6-cents total tax which shall be
 22 deducted by the distributor as an allowance for evaporation
 23 and other loss of gasoline distributed by such distributor;
 24 provided, however, that no such allowance shall be deducted
 25 from the 1 cent tax on aviation gasoline.

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

1. The Revenue Estimating Advisory Council's estimates of gasoline consumption provide the basis for comparison.
2. Gasoline sales will be 417,248,200 gallons in FY88 and 403,010,520 in FY89. Refunds will be made on approximately 22,371,000 gallons in FY88 and 21,612,000 in FY89.
3. The proposed evaporation discount applies to sales after October 1, 1987. Gas tax collections through November 1987, or 47% of FY88 collections (actual FY86), will be at the current discount rate.
4. Alcohol tax incentive payments will be \$632,000 in FY88 and FY89 (REAC).
5. The gasoline distributor license tax rate is 20 cents per gallon under current law.

FISCAL IMPACT:Revenue Impact:

| | FY88 | | | FY89 | | |
|--|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| Gross Gasoline License Tax Collections | \$ 81,759,790 | \$ 81,582,770 | (\$177,020) | \$ 80,118,000 | \$ 79,796,000 | (\$322,000) |

Fund Information:

| | FY88 | | | FY89 | | |
|----------------------|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| Gross DOH Receipts | \$ 80,576,644 | \$ 80,402,186 | (\$174,458) | \$ 78,958,613 | \$ 78,641,272 | (\$317,341) |
| F.W.& P Snowmobile | \$ 410,843 | \$ 409,953 | (\$ 890) | \$ 402,593 | \$ 400,975 | (\$ 1,618) |
| F.W.& P Boat | \$ 739,599 | \$ 737,998 | (\$ 1,601) | \$ 724,747 | \$ 721,835 | (\$ 2,912) |
| Commerce Aeronautics | \$ 32,704 | \$ 32,633 | (\$ 71) | \$ 32,047 | \$ 31,918 | (\$ 129) |

David L. Hunter DATE 3/1/87
DAVID L. HUNTER, BUDGET DIRECTOR

Office of Budget and Program Planning

Dorothy Eck DATE 3/12/87
DOROTHY ECK, PRIMARY SPONSOR

Fiscal Note for SB224, third reading copy.

SB224
#2

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