

SB 346 INTRODUCED BY ABRAMS, GIACOMETTO
REVISE REFUND PROCEDURE FOR GAS TAX -- DELINQUENT
PURCHASERS OF BULK FUEL

2/14 INTRODUCED
2/14 REFERRED TO TAXATION
2/21 HEARING
2/21 TABLED IN COMMITTEE
2/21 FISCAL NOTE REQUESTED
3/05 FISCAL NOTE RECEIVED

1 Senate BILL NO. 346
2 INTRODUCED BY Abraham Diercks

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN APPLICANT
5 FOR A GASOLINE TAX REFUND TO SHOW PROOF OF PAYMENT; ALLOWING
6 THE SELLER OF GASOLINE TO BE REFUNDED FOR A PORTION OF
7 GASOLINE TAX PAID ON GASOLINE FOR WHICH THE PURCHASER FAILS
8 TO PAY WITHIN 6 MONTHS OF THE INVOICE DATE; AND AMENDING
9 SECTIONS 15-70-221 AND 15-70-225, MCA."

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

12 Section 1. Section 15-70-221, MCA, is amended to read:

13 "15-70-221. Refund authorized. (1) Any person who
14 shall purchase and use any gasoline on which the Montana
15 gasoline license tax has been paid for denaturing alcohol to
16 be used in gasohol or operating or propelling stationary
17 gasoline engines, tractors used off the public highways and
18 streets, or for any commercial use other than propelling
19 vehicles upon any of the public highways or streets of this
20 state shall be allowed a refund of the amount of tax paid
21 directly or indirectly on the gasoline so used. Such refund
22 or drawback should in no instance exceed the tax paid or to
23 be paid to the state and no refund shall be allowed of that
24 portion of the tax per gallon upon aviation gasoline
25 allocated to the department of commerce by 67-1-301.

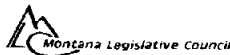
1 (2) Any distributor paying the gasoline license tax to
2 this state erroneously shall be allowed a credit or refund
3 of the amount of tax so paid.

4 (3) Any distributor or person licensed under 15-70-203
5 who sells gasoline on which a refund may be claimed shall be
6 allowed a credit or refund equal to the refundable portion
7 of tax paid on gasoline delivered to a purchaser for which
8 the purchaser fails to make full payment within 6 months of
9 the date of invoice.

10 (4) No person who purchases gasoline from a
11 distributor or person licensed under 15-70-203 may be
12 allowed a refund of the amount of tax previously refunded
13 under subsection (3) to a distributor or person licensed
14 under 15-70-203, but he shall be allowed an offset against
15 the invoice amount for the tax refunded under subsection
16 (3)."

17 Section 2. Section 15-70-225, MCA, is amended to read:

18 "15-70-225. Application for refund -- filing --
19 correction by department. (1) The application for refund
20 shall be a signed statement, on a form furnished by the
21 department of revenue, accompanied by the original bulk
22 delivery invoice or invoices issued to the claimant at the
23 time of each purchase and delivery or, in the case of a
24 claim under 15-70-221(3), a copy of the original bulk
25 delivery invoice issued by the claimant, showing:



1 (a) the total amount of gasoline purchased, the total
2 amount of gasoline on which a refund is claimed, and the
3 amount of the tax claimed for refund;

4 (b) what portion of the invoice amount is paid; and

5 (c) Such such further information pertaining to such
6 the claim ~~shall be furnished~~ as required by the department.

7 (2) A bulk delivery invoice issued by a dealer for a
8 sale that does not qualify as a bulk delivery under
9 15-70-201 is not valid for refund purposes.

10 (3) A bulk delivery invoice issued by a dealer that
11 does not evidence that the invoice amount is fully paid is
12 not valid for refund purposes of the purchaser.

13 (4) A distributor or person licensed under 15-70-203
14 who applies for a refund pursuant to 15-70-221(3) shall
15 state on the application for refund that the purchaser
16 failed to fully pay the invoice amount within 6 months of
17 the invoice date.

18 ~~†3†~~(5) All applications for refunds shall be filed
19 with the department within 14 months after the date on which
20 the gasoline was purchased as shown by invoices or after the
21 date on which the tax was erroneously paid. A distributor
22 may file a claim for refund of taxes erroneously paid within
23 3 years after the date of such erroneous payment.

24 ~~†4†~~(6) Should the department find that the statement
25 contains errors which are not fraudulently inserted, it may

1 correct the statement and approve it as corrected or the
2 department may require the claimant to file an amended
3 statement."

4 NEW SECTION. Section 3. 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 SB346, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act requiring an applicant for a gasoline tax refund to show proof of payment; and allowing the seller of gasoline to be refunded for a portion of gasoline tax paid on gasoline for which the purchaser fails to pay within 6 months of the invoice date.

ASSUMPTIONS:

Under the proposed law, additional administrative expenditures would be incurred checking invoices and contacting refund claimants and dealers (1/2 FTE, grade 6, step 2, salary and benefits @ \$6,795 plus 20% allowance for equipment/operating expenses @ \$1,359).

FISCAL IMPACT:

The proposed law should have no effect on gasoline tax revenues. Implementation of the proposed law would require an additional part-time employee. Additional salary, benefits, and equipment costs would be approximately \$8,154 per year. The Highway Special Revenue Fund would be the source of funding for the additional expenditures.

 DATE 3/2/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE 3-4-87
HUBERT ABRAMS, PRIMARY SPONSOR

Fiscal Note for SB346, as introduced.

SB 346