

HOUSE BILL NO. 3
INTRODUCED BY HARRINGTON

IN THE HOUSE

DECEMBER 30, 1988	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 2, 1989	FIRST READING.
JANUARY 6, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 7, 1989	PRINTING REPORT. SECOND READING, DO PASS.
JANUARY 9, 1989	ENGROSSING REPORT.
JANUARY 10, 1989	THIRD READING, PASSED. AYES, 99; NOES, 0. TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
JANUARY 20, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
JANUARY 23, 1989	SECOND READING, CONCURRED IN.
JANUARY 25, 1989	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0. RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

JANUARY 28, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.
AYES, 97; NOES, 0.

JANUARY 31, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 HOUSE BILL NO. 3
2 INTRODUCED BY HARRINGTON
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAXATION
5 OF GASOLINE EXPORTED FROM MONTANA; AMENDING SECTIONS
6 15-70-201, 15-70-202, 15-70-204, 15-70-209, 15-70-221, AND
7 15-70-222, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
8 FOR RULEMAKING AUTHORITY."
9

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

11 **Section 1.** Section 15-70-201, MCA, is amended to read:

12 "15-70-201. Definitions. As used in this part, unless
13 the context requires otherwise, the following definitions
14 apply:

15 (1) "Agricultural use" means use of gasoline by a
16 person whose major endeavor and primary source of earned
17 income is from the business of farming or ranching.

18 (2) "Aviation dealer" means any person in this state
19 engaged in the business of selling aviation gasoline, either
20 from a wholesale or retail outlet, on which the license tax
21 has been paid to a licensed distributor as herein provided
22 for.

23 (3) "Aviation gasoline" means gasoline or any other
24 liquid fuel by whatsoever name such liquid fuel may be known
25 or sold, compounded for use in and sold for use in aircraft,

1 including but not limited to any and all such gasoline or
2 liquid fuel meeting or exceeding the minimum specifications
3 prescribed by the United States for use by its military
4 forces in aircraft.

5 (4) "Bulk delivery" means placing gasoline in storage
6 or containers. The term does not mean gasoline delivered
7 into the supply tank of a motor vehicle.

8 (5) (a) Gasoline refined, produced, manufactured, or
9 compounded in this state and placed in tanks thereat or
10 gasoline transferred from a refinery or pipeline terminal in
11 this state and placed in tanks thereat or gasoline imported
12 into this state and placed in storage at refineries or
13 pipeline terminals shall be deemed to be "distributed", for
14 the purpose of this part, at the time the gasoline is
15 withdrawn from such tanks, refinery, or terminal storage for
16 sale or use in this state or for the transportation to
17 destinations in this state other than by pipeline to another
18 refinery or pipeline terminal in this state. When withdrawn
19 from such tanks, refinery, or terminal, such gasoline may be
20 distributed only by a person who is the holder of a valid
21 distributor's license.

22 (b) Gasoline imported into this state, other than that
23 gasoline placed in storage at refineries or pipeline
24 terminals, shall be deemed to be "distributed" after it has
25 arrived in and is brought to rest in this state.

1 (6) "Distributor" means:

2 (a) any person who engages in the business in this
3 state of producing, refining, manufacturing, or compounding
4 gasoline for sale, use, or distribution;

5 (b) any person who imports gasoline for sale, use, or
6 distribution;

7 (c) any person who engages in the wholesale
8 distribution of gasoline in this state and chooses to become
9 licensed to assume the Montana state gasoline tax liability;

10 (d) any exporter as defined in subsection (8);

11 ~~(d)~~(e) any dealer licensed as of January 1, 1969,
12 except a dealer at an established airport;

13 ~~(e)~~(f) any person in Montana who blends alcohol with
14 gasoline.

15 (7) "Export" means export-as-defined-in-15-70-503 to
16 transport out of Montana, by any means other than in the
17 fuel supply tank of a motor vehicle, gasoline received from
18 a refinery or pipeline terminal within Montana.

19 (8) "Exporter" means any person who transports, other
20 than in the fuel supply tank of a motor vehicle, gasoline
21 received from a refinery or pipeline terminal in Montana to
22 a destination outside Montana for sale, use, or consumption
23 beyond the boundaries of this state.

24 ~~(8)~~(9) "Gasohol" means all products commonly or
25 commercially known or sold as gasohol, used for the purpose

1 of effectively and efficiently operating internal combustion
2 engines, consisting of not less than 10% anhydrous ethanol
3 produced in Montana from Montana agricultural products,
4 including Montana wood or wood products.

5 ~~(9)~~(10) "Gasoline" includes all products commonly or
6 commercially known or sold as gasolines, including
7 casinghead gasoline, natural gasoline, aviation gasoline,
8 and all flammable liquids composed of a mixture of selected
9 hydrocarbons expressly manufactured and blended for the
10 purpose of effectively and efficiently operating internal
11 combustion engines. Gasoline does not include special fuels
12 as defined in 15-70-301.

13 ~~(10)~~(11) "Import" includes and means to receive into
14 any person's possession or custody first after its arrival
15 and coming to rest at destination within the state of any
16 gasoline shipped or transported into this state from point
17 of origin without this state other than in the fuel supply
18 tank of a motor vehicle.

19 ~~(11)~~(12) "Motor vehicle" means all vehicles operated or
20 propelled upon the public highways or streets of this state
21 in whole or in part by the combustion of gasoline.

22 ~~(12)~~(13) "Person" means any person, firm, association,
23 joint-stock company, syndicate, or corporation.

24 ~~(13)~~(14) "Use" includes and means the operation of
25 motor vehicles upon the public roads or highways of the

1 state or of any political subdivision thereof."

2 **Section 2.** Section 15-70-202, MCA, is amended to read:

3 "15-70-202. License, fee, and security of gasoline
4 distributors. (1) All gasoline distributors, including
5 exporters as defined in 15-70-201(8), prior to the
6 commencement of doing business, shall file an application
7 for a license with the department of revenue on forms
8 prescribed and furnished by the department setting forth the
9 information as may be requested by the department. Each
10 distributor shall at the same time file security with the
11 department in an amount to be determined by the department.
12 However, the required amount of security may not exceed
13 twice the estimated amount of gasoline taxes the distributor
14 will pay to this state each month. Upon approval of the
15 application, the department shall issue to the distributor a
16 nonassignable license which shall continue in force until
17 surrendered or canceled.

18 (2) Any person who engages in the wholesale
19 distribution of gasoline in this state exercising the option
20 under 15-70-201(6)(c) shall pay an annual license fee of
21 \$200 and upon renewal of the license shall pay an annual fee
22 of \$200.

23 (3) "Security" means:

24 (a) a bond executed by a distributor as principal with
25 a corporate surety qualified under the laws of Montana,

1 payable to the state of Montana, and conditioned upon
2 faithful performance of all requirements of this part,
3 including the payment of all taxes and penalties; or

4 (b) a deposit made by the distributor with the
5 department, under such conditions as the department may
6 prescribe, of certificates of deposit or irrevocable letters
7 of credit issued by a bank and insured by the federal
8 deposit insurance corporation."

9 **Section 3.** Section 15-70-204, MCA, is amended to read:

10 "15-70-204. Gasoline license tax -- rate. (1) Every
11 distributor shall pay to the department of revenue a license
12 tax for the privilege of engaging in and carrying on
13 business in this state in an amount equal to 1 cent for each
14 gallon of aviation gasoline, which shall be allocated to the
15 department of commerce as provided by 67-1-301, as amended,
16 and 20 cents for each gallon of all other gasoline
17 distributed by him within the state and upon which the
18 gasoline license tax has not been paid by any other
19 distributor.

20 (2) Gasoline ~~exported or sold for export--out--of--the~~
21 ~~state~~ shall not be included in the measure of the
22 distributor's license tax.

23 (3) Alcohol that is blended or is to be blended with
24 gasoline to be sold as gasohol is subject to a tax per
25 gallon equal to the license tax imposed on nonaviation

1 gasoline distributors under subsection (1)."

2 **Section 4.** Section 15-70-209, MCA, is amended to read:

3 "15-70-209. Information reports. (1) Any person
4 receiving gasoline, including every exporter, common
5 carrier, private carrier, and contract carrier of property
6 who shall haul, receive, transport, or ship any gasoline
7 from any other state or foreign country into this state or
8 from this state to any other state or foreign country or
9 from any refinery or pipeline terminal in this state to
10 another point within this state, shall submit to the
11 department of revenue, upon its request and within the time
12 specified, a statement showing the number of gallons of
13 gasoline contained in each shipment in interstate commerce
14 and the movement of such products from any refinery or
15 pipeline terminal located within this state to another point
16 within this state during the preceding calendar month, the
17 names and addresses of the consignor and the consignee, and
18 the date of delivery to the consignee.

19 (2) In case of any person, except licensed
20 distributors or exporters, who refuses or fails to file a
21 statement as herein provided for, there is hereby imposed a
22 penalty of \$25 for each failure or refusal; provided,
23 however, that if any person shall establish to the
24 satisfaction of the department that his failure to file a
25 statement as prescribed by the department was due to

1 reasonable cause, the department shall waive the penalty."

2 **Section 5.** Section 15-70-221, MCA, is amended to read:

3 "15-70-221. Refund authorized. (1) Any person who
4 shall purchase and use any gasoline on which the Montana
5 gasoline license tax has been paid for denaturing alcohol to
6 be used in gasohol or operating or propelling stationary
7 gasoline engines, tractors used off the public highways and
8 streets, or for any commercial use other than propelling
9 vehicles upon any of the public highways or streets of this
10 state shall be allowed a refund of the amount of tax paid
11 directly or indirectly on the gasoline so used. Such refund
12 or drawback should in no instance exceed the tax paid or to
13 be paid to the state and no refund shall be allowed of that
14 portion of the tax per gallon upon aviation gasoline
15 allocated to the department of commerce by 67-1-301.

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

19 (3) Any person who purchases and exports for sale,
20 use, or consumption outside Montana any gasoline on which
21 the Montana gasoline tax has been paid is entitled to a
22 credit or refund of the amount of tax so paid upon
23 completion of the information reports required under
24 15-70-209 and presentation to the department of such other
25 proof of delivery outside Montana as it may by rule

1 require."

2 **Section 6.** Section 15-70-222, MCA, is amended to read:

3 **"15-70-222. Required records.** (1) Gasoline purchased
4 and delivered into bulk storage for use in motor vehicles on
5 public roads and nonhighway use must be fully accounted for
6 by detailed withdrawal records to accurately show the manner
7 in which used. Gasoline on hand, determined by actual
8 measurement, shall be deducted from a claim and shall be
9 reported as an opening inventory on the next claim.

10 (2) If separate storage tanks are maintained on
11 claimant's premises for use in licensed vehicles and in
12 unlicensed equipment, the bulk delivery invoices shall be so
13 marked by the dealer at the time of delivery. No further
14 record is required, provided refunds are claimed only on the
15 number of gallons delivered into the unlicensed equipment
16 tank. Withdrawal of gasoline from the unlicensed vehicle
17 tank for licensed vehicles will invalidate this method of
18 determining refundable gallonage.

19 (3) Special storage facilities used for certain
20 periods must be identified and explained. If such storage is
21 used entirely for off-highway purposes and is not used in
22 licensed vehicles, no records will be required other than
23 purchase invoices showing the delivery into such storage.

24 (4) Service stations, bulk dealers, and marinas must
25 prepare a separate and complete invoice for each withdrawal

1 of gasoline for own use upon which a refund is to be
2 claimed.

3 (5) When no highway use of gasoline is deducted from
4 the claim, the applicant must substantiate purchases of
5 gasoline and miles traveled for licensed motor vehicles upon
6 request of the department of revenue.

7 (6) Any person who operates a licensed motor vehicle
8 on and off the public roads for commercial purposes may
9 claim refund of the state license tax on the gasoline used
10 to operate the vehicle on roads or property in private
11 ownership if such person has maintained the following
12 records:

13 (a) the total number of miles traveled on and off
14 public roads by each licensed vehicle;

15 (b) total gallons of gasoline used in each vehicle;

16 (c) purchase invoices supporting all gasoline handled
17 through bulk storage, as well as all fuels purchased at
18 service stations or received from other sources.

19 (7) An exporter or any other person who transports
20 gasoline out of Montana for sale, use, or consumption
21 outside of Montana shall maintain detailed and
22 contemporaneous records of withdrawal, transportation, and
23 delivery of the gasoline to destinations outside of Montana
24 as required by the department of revenue."

25 **Section 7. Extension of authority.** Any existing

1 authority to make rules on the subject of the provisions of
2 [this act] is extended to the provisions of [this act].

3 **Section 8. Saving clause.** [This act] does not affect
4 rights and duties that matured, penalties that were
5 incurred, or proceedings that were begun before [the
6 effective date of this act].

7 **Section 9. Severability.** If a part of [this act] is
8 invalid, all valid parts that are severable from the invalid
9 part remain in effect. If a part of [this act] is invalid
10 in one or more of its applications, the part remains in
11 effect in all valid applications that are severable from the
12 invalid applications.

13 **Section 10. Effective date.** [Section 7 and this
14 section] are effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB003, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION:

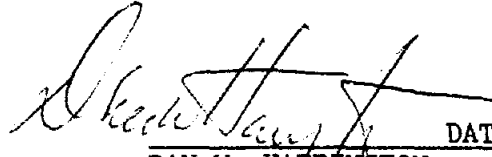
An act to clarify the taxation of gasoline exported from Montana; and provide an effective date.

FISCAL IMPACT:

Current law provides for the application procedure and the receipt of shipment information for gasoline distributors. This bill would clarify the application of this law to gasoline exporters operating in Montana.

This bill is not anticipated to impact expenditures or revenues.

 DATE 1/4/89
RAY SHACKLEFORD, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE 1/05/89
DAN W. HARRINGTON
PRIMARY SPONSOR

Fiscal Note for HB 003, as introduced

HB 3

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 3
INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAXATION OF GASOLINE EXPORTED FROM MONTANA; AMENDING SECTIONS 15-70-201, 15-70-202, 15-70-204, 15-70-209, 15-70-221, AND 15-70-222, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR RULEMAKING AUTHORITY."

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

Section 1. Section 15-70-201, MCA, is amended to read:

"15-70-201. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Agricultural use" means use of gasoline by a person whose major endeavor and primary source of earned income is from the business of farming or ranching.

(2) "Aviation dealer" means any person in this state engaged in the business of selling aviation gasoline, either from a wholesale or retail outlet, on which the license tax has been paid to a licensed distributor as herein provided for.

(3) "Aviation gasoline" means gasoline or any other liquid fuel by whatsoever name such liquid fuel may be known or sold, compounded for use in and sold for use in aircraft,

including but not limited to any and all such gasoline or liquid fuel meeting or exceeding the minimum specifications prescribed by the United States for use by its military forces in aircraft.

(4) "Bulk delivery" means placing gasoline in storage or containers. The term does not mean gasoline delivered into the supply tank of a motor vehicle.

(5) (a) Gasoline refined, produced, manufactured, or compounded in this state and placed in tanks thereat or gasoline transferred from a refinery or pipeline terminal in this state and placed in tanks thereat or gasoline imported into this state and placed in storage at refineries or pipeline terminals shall be deemed to be "distributed", for the purpose of this part, at the time the gasoline is withdrawn from such tanks, refinery, or terminal storage for sale or use in this state or for the transportation to destinations in this state other than by pipeline to another refinery or pipeline terminal in this state. When withdrawn from such tanks, refinery, or terminal, such gasoline may be distributed only by a person who is the holder of a valid distributor's license.

(b) Gasoline imported into this state, other than that gasoline placed in storage at refineries or pipeline terminals, shall be deemed to be "distributed" after it has arrived in and is brought to rest in this state.

1 (6) "Distributor" means:

2 (a) any person who engages in the business in this
3 state of producing, refining, manufacturing, or compounding
4 gasoline for sale, use, or distribution;

5 (b) any person who imports gasoline for sale, use, or
6 distribution;

7 (c) any person who engages in the wholesale
8 distribution of gasoline in this state and chooses to become
9 licensed to assume the Montana state gasoline tax liability;

10 (d) any exporter as defined in subsection (8);

11 (d)(e) any dealer licensed as of January 1, 1969,
12 except a dealer at an established airport;

13 (e)(f) any person in Montana who blends alcohol with
14 gasoline.

15 (7) "Export" means export-as-defined-in-15-70-503 to
16 transport out of Montana, by any means other than in the
17 fuel supply tank of a motor vehicle, gasoline received from
18 a refinery or pipeline terminal within Montana.

19 (8) "Exporter" means any person who transports, other
20 than in the fuel supply tank of a motor vehicle, gasoline
21 received from a refinery or pipeline terminal in Montana to
22 a destination outside Montana for sale, use, or consumption
23 beyond the boundaries of this state.

24 (8)(9) "Gasohol" means all products commonly or
25 commercially known or sold as gasohol, used for the purpose

1 of effectively and efficiently operating internal combustion
2 engines, consisting of not less than 10% anhydrous ethanol
3 produced in Montana from Montana agricultural products,
4 including Montana wood or wood products.

5 (9)(10) "Gasoline" includes all products commonly or
6 commercially known or sold as gasolines, including
7 casinghead gasoline, natural gasoline, aviation gasoline,
8 and all flammable liquids composed of a mixture of selected
9 hydrocarbons expressly manufactured and blended for the
10 purpose of effectively and efficiently operating internal
11 combustion engines. Gasoline does not include special fuels
12 as defined in 15-70-301.

13 (10)(11) "Import" includes and means to receive into
14 any person's possession or custody first after its arrival
15 and coming to rest at destination within the state of any
16 gasoline shipped or transported into this state from point
17 of origin without this state other than in the fuel supply
18 tank of a motor vehicle.

19 (11)(12) "Motor vehicle" means all vehicles operated or
20 propelled upon the public highways or streets of this state
21 in whole or in part by the combustion of gasoline.

22 (12)(13) "Person" means any person, firm, association,
23 joint-stock company, syndicate, or corporation.

24 (13)(14) "Use" includes and means the operation of
25 motor vehicles upon the public roads or highways of the

state or of any political subdivision thereof."

Section 2. Section 15-70-202, MCA, is amended to read:

"15-70-202. License, fee, and security of gasoline distributors. (1) All gasoline distributors, including exporters as defined in 15-70-201(8), prior to the commencement of doing business, shall file an application for a license with the department of revenue on forms prescribed and furnished by the department setting forth the information as may be requested by the department. Each distributor shall at the same time file security with the department in an amount to be determined by the department. However, the required amount of security may not exceed twice the estimated amount of gasoline taxes the distributor will pay to this state each month. Upon approval of the application, the department shall issue to the distributor a nonassignable license which shall continue in force until surrendered or canceled.

(2) Any person who engages in the wholesale distribution of gasoline in this state exercising the option under 15-70-201(6)(c) shall pay an annual license fee of \$200 and upon renewal of the license shall pay an annual fee of \$200.

(3) "Security" means:

(a) a bond executed by a distributor as principal with a corporate surety qualified under the laws of Montana,

payable to the state of Montana, and conditioned upon faithful performance of all requirements of this part, including the payment of all taxes and penalties; or

(b) a deposit made by the distributor with the department, under such conditions as the department may prescribe, of certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation."

Section 3. 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 for each gallon of aviation gasoline, which shall be allocated to the department of commerce as provided by 67-1-301, as amended, and 20 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

1 gasoline distributors under subsection (1)."

2 **Section 4.** Section 15-70-209, MCA, is amended to read:

3 "15-70-209. Information reports. (1) Any person
4 receiving gasoline, including every exporter, common
5 carrier, private carrier, and contract carrier of property
6 who shall haul, receive, transport, or ship any gasoline
7 from any other state or foreign country into this state or
8 from this state to any other state or foreign country or
9 from any refinery or pipeline terminal in this state to
10 another point within this state, shall submit to the
11 department of revenue, upon its request and within the time
12 specified, a statement showing the number of gallons of
13 gasoline contained in each shipment in interstate commerce
14 and the movement of such products from any refinery or
15 pipeline terminal located within this state to another point
16 within this state during the preceding calendar month, the
17 names and addresses of the consignor and the consignee, and
18 the date of delivery to the consignee.

19 (2) In case of any person, except licensed
20 distributors or exporters, who refuses or fails to file a
21 statement as herein provided for, there is hereby imposed a
22 penalty of \$25 for each failure or refusal; provided,
23 however, that if any person shall establish to the
24 satisfaction of the department that his failure to file a
25 statement as prescribed by the department was due to

1 reasonable cause, the department shall waive the penalty."

2 **Section 5.** Section 15-70-221, MCA, is amended to read:

3 "15-70-221. Refund authorized. (1) Any person who
4 shall purchase and use any gasoline on which the Montana
5 gasoline license tax has been paid for denaturing alcohol to
6 be used in gasohol or operating or propelling stationary
7 gasoline engines, tractors used off the public highways and
8 streets, or for any commercial use other than propelling
9 vehicles upon any of the public highways or streets of this
10 state shall be allowed a refund of the amount of tax paid
11 directly or indirectly on the gasoline so used. Such refund
12 or drawback should in no instance exceed the tax paid or to
13 be paid to the state and no refund shall be allowed of that
14 portion of the tax per gallon upon aviation gasoline
15 allocated to the department of commerce by 67-1-301.

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

19 (3) Any person who purchases and exports for sale,
20 use, or consumption outside Montana any gasoline on which
21 the Montana gasoline tax has been paid is entitled to a
22 credit or refund of the amount of tax so paid upon
23 completion of the information reports required under
24 15-70-209 and presentation to the department of such other
25 proof of delivery outside Montana as it may by rule

1 require."

2 **Section 6.** Section 15-70-222, MCA, is amended to read:

3 "15-70-222. Required records. (1) Gasoline purchased
4 and delivered into bulk storage for use in motor vehicles on
5 public roads and nonhighway use must be fully accounted for
6 by detailed withdrawal records to accurately show the manner
7 in which used. Gasoline on hand, determined by actual
8 measurement, shall be deducted from a claim and shall be
9 reported as an opening inventory on the next claim.

10 (2) If separate storage tanks are maintained on
11 claimant's premises for use in licensed vehicles and in
12 unlicensed equipment, the bulk delivery invoices shall be so
13 marked by the dealer at the time of delivery. No further
14 record is required, provided refunds are claimed only on the
15 number of gallons delivered into the unlicensed equipment
16 tank. Withdrawal of gasoline from the unlicensed vehicle
17 tank for licensed vehicles will invalidate this method of
18 determining refundable gallonage.

19 (3) Special storage facilities used for certain
20 periods must be identified and explained. If such storage is
21 used entirely for off-highway purposes and is not used in
22 licensed vehicles, no records will be required other than
23 purchase invoices showing the delivery into such storage.

24 (4) Service stations, bulk dealers, and marinas must
25 prepare a separate and complete invoice for each withdrawal

1 of gasoline for own use upon which a refund is to be
2 claimed.

3 (5) When no highway use of gasoline is deducted from
4 the claim, the applicant must substantiate purchases of
5 gasoline and miles traveled for licensed motor vehicles upon
6 request of the department of revenue.

7 (6) Any person who operates a licensed motor vehicle
8 on and off the public roads for commercial purposes may
9 claim refund of the state license tax on the gasoline used
10 to operate the vehicle on roads or property in private
11 ownership if such person has maintained the following
12 records:

13 (a) the total number of miles traveled on and off
14 public roads by each licensed vehicle;

15 (b) total gallons of gasoline used in each vehicle;

16 (c) purchase invoices supporting all gasoline handled
17 through bulk storage, as well as all fuels purchased at
18 service stations or received from other sources.

19 (7) An exporter or any other person who transports
20 gasoline out of Montana for sale, use, or consumption
21 outside of Montana shall maintain detailed and
22 contemporaneous records of withdrawal, transportation, and
23 delivery of the gasoline to destinations outside of Montana
24 as required by the department of revenue."

25 **Section 7.** Extension of authority. Any existing

1 authority to make rules on the subject of the provisions of
2 [this act] is extended to the provisions of [this act].

3 **Section 8. Saving clause.** [This act] does not affect
4 rights and duties that matured, penalties that were
5 incurred, or proceedings that were begun before [the
6 effective date of this act].

7 **Section 9. Severability.** If a part of [this act] is
8 invalid, all valid parts that are severable from the invalid
9 part remain in effect. If a part of [this act] is invalid
10 in one or more of its applications, the part remains in
11 effect in all valid applications that are severable from the
12 invalid applications.

13 **Section 10. Effective date.** [Section 7 and this
14 section] are effective on passage and approval.

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1 HOUSE BILL NO. 3
2 INTRODUCED BY HARRINGTON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAXATION
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16 person whose major endeavor and primary source of earned
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18 (2) "Aviation dealer" means any person in this state
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22 for.

23 (3) "Aviation gasoline" means gasoline or any other
24 liquid fuel by whatsoever name such liquid fuel may be known
25 or sold, compounded for use in and sold for use in aircraft,

1 including but not limited to any and all such gasoline or
2 liquid fuel meeting or exceeding the minimum specifications
3 prescribed by the United States for use by its military
4 forces in aircraft.

5 (4) "Bulk delivery" means placing gasoline in storage
6 or containers. The term does not mean gasoline delivered
7 into the supply tank of a motor vehicle.

8 (5) (a) Gasoline refined, produced, manufactured, or
9 compounded in this state and placed in tanks thereat or
10 gasoline transferred from a refinery or pipeline terminal in
11 this state and placed in tanks thereat or gasoline imported
12 into this state and placed in storage at refineries or
13 pipeline terminals shall be deemed to be "distributed", for
14 the purpose of this part, at the time the gasoline is
15 withdrawn from such tanks, refinery, or terminal storage for
16 sale or use in this state or for the transportation to
17 destinations in this state other than by pipeline to another
18 refinery or pipeline terminal in this state. When withdrawn
19 from such tanks, refinery, or terminal, such gasoline may be
20 distributed only by a person who is the holder of a valid
21 distributor's license.

22 (b) Gasoline imported into this state, other than that
23 gasoline placed in storage at refineries or pipeline
24 terminals, shall be deemed to be "distributed" after it has
25 arrived in and is brought to rest in this state.

(6) "Distributor" means:

(a) any person who engages in the business in this state of producing, refining, manufacturing, or compounding gasoline for sale, use, or distribution;

(b) any person who imports gasoline for sale, use, or distribution;

(c) any person who engages in the wholesale distribution of gasoline in this state and chooses to become licensed to assume the Montana state gasoline tax liability;

(d) any exporter as defined in subsection (8);

~~(d)~~(e) any dealer licensed as of January 1, 1969, except a dealer at an established airport;

~~(e)~~(f) any person in Montana who blends alcohol with gasoline.

(7) "Export" means export-as-defined-in-15-70-503 to transport out of Montana, by any means other than in the fuel supply tank of a motor vehicle, gasoline received from a refinery or pipeline terminal within Montana.

(8) "Exporter" means any person who transports, other than in the fuel supply tank of a motor vehicle, gasoline received from a refinery or pipeline terminal in Montana to a destination outside Montana for sale, use, or consumption beyond the boundaries of this state.

~~(8)~~(9) "Gasohol" means all products commonly or commercially known or sold as gasohol, used for the purpose

of effectively and efficiently operating internal combustion engines, consisting of not less than 10% anhydrous ethanol produced in Montana from Montana agricultural products, including Montana wood or wood products.

~~(9)~~(10) "Gasoline" includes all products commonly or commercially known or sold as gasolines, including casinghead gasoline, natural gasoline, aviation gasoline, and all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating internal combustion engines. Gasoline does not include special fuels as defined in 15-70-301.

~~(10)~~(11) "Import" includes and means to receive into any person's possession or custody first after its arrival and coming to rest at destination within the state of any gasoline shipped or transported into this state from point of origin without this state other than in the fuel supply tank of a motor vehicle.

~~(11)~~(12) "Motor vehicle" means all vehicles operated or propelled upon the public highways or streets of this state in whole or in part by the combustion of gasoline.

~~(12)~~(13) "Person" means any person, firm, association, joint-stock company, syndicate, or corporation.

~~(13)~~(14) "Use" includes and means the operation of motor vehicles upon the public roads or highways of the

state or of any political subdivision thereof."

Section 2. Section 15-70-202, MCA, is amended to read:

"15-70-202. License, fee, and security of gasoline distributors. (1) All gasoline distributors, including exporters as defined in 15-70-201(8), prior to the commencement of doing business, shall file an application for a license with the department of revenue on forms prescribed and furnished by the department setting forth the information as may be requested by the department. Each distributor shall at the same time file security with the department in an amount to be determined by the department. However, the required amount of security may not exceed twice the estimated amount of gasoline taxes the distributor will pay to this state each month. Upon approval of the application, the department shall issue to the distributor a nonassignable license which shall continue in force until surrendered or canceled.

(2) Any person who engages in the wholesale distribution of gasoline in this state exercising the option under 15-70-201(6)(c) shall pay an annual license fee of \$200 and upon renewal of the license shall pay an annual fee of \$200.

(3) "Security" means:

(a) a bond executed by a distributor as principal with a corporate surety qualified under the laws of Montana,

payable to the state of Montana, and conditioned upon faithful performance of all requirements of this part, including the payment of all taxes and penalties; or

(b) a deposit made by the distributor with the department, under such conditions as the department may prescribe, of certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation."

Section 3. 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 for each gallon of aviation gasoline, which shall be allocated to the department of commerce as provided by 67-1-301, as amended, and 20 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

1 gasoline distributors under subsection (1)."

2 **Section 4.** Section 15-70-209, MCA, is amended to read:

3 "15-70-209. Information reports. (1) Any person
4 receiving gasoline, including every exporter, common
5 carrier, private carrier, and contract carrier of property
6 who shall haul, receive, transport, or ship any gasoline
7 from any other state or foreign country into this state or
8 from this state to any other state or foreign country or
9 from any refinery or pipeline terminal in this state to
10 another point within this state, shall submit to the
11 department of revenue, upon its request and within the time
12 specified, a statement showing the number of gallons of
13 gasoline contained in each shipment in interstate commerce
14 and the movement of such products from any refinery or
15 pipeline terminal located within this state to another point
16 within this state during the preceding calendar month, the
17 names and addresses of the consignor and the consignee, and
18 the date of delivery to the consignee.

19 (2) In case of any person, except licensed
20 distributors or exporters, who refuses or fails to file a
21 statement as herein provided for, there is hereby imposed a
22 penalty of \$25 for each failure or refusal; provided,
23 however, that if any person shall establish to the
24 satisfaction of the department that his failure to file a
25 statement as prescribed by the department was due to

1 reasonable cause, the department shall waive the penalty."

2 **Section 5.** Section 15-70-221, MCA, is amended to read:

3 "15-70-221. Refund authorized. (1) Any person who
4 shall purchase and use any gasoline on which the Montana
5 gasoline license tax has been paid for denaturing alcohol to
6 be used in gasohol or operating or propelling stationary
7 gasoline engines, tractors used off the public highways and
8 streets, or for any commercial use other than propelling
9 vehicles upon any of the public highways or streets of this
10 state shall be allowed a refund of the amount of tax paid
11 directly or indirectly on the gasoline so used. Such refund
12 or drawback should in no instance exceed the tax paid or to
13 be paid to the state and no refund shall be allowed of that
14 portion of the tax per gallon upon aviation gasoline
15 allocated to the department of commerce by 67-1-301.

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

19 (3) Any person who purchases and exports for sale,
20 use, or consumption outside Montana any gasoline on which
21 the Montana gasoline tax has been paid is entitled to a
22 credit or refund of the amount of tax so paid upon
23 completion of the information reports required under
24 15-70-209 and presentation to the department of such other
25 proof of delivery outside Montana as it may by rule

1 require."

2 **Section 6.** Section 15-70-222, MCA, is amended to read:

3 "15-70-222. **Required records.** (1) Gasoline purchased
4 and delivered into bulk storage for use in motor vehicles on
5 public roads and nonhighway use must be fully accounted for
6 by detailed withdrawal records to accurately show the manner
7 in which used. Gasoline on hand, determined by actual
8 measurement, shall be deducted from a claim and shall be
9 reported as an opening inventory on the next claim.

10 (2) If separate storage tanks are maintained on
11 claimant's premises for use in licensed vehicles and in
12 unlicensed equipment, the bulk delivery invoices shall be so
13 marked by the dealer at the time of delivery. No further
14 record is required, provided refunds are claimed only on the
15 number of gallons delivered into the unlicensed equipment
16 tank. Withdrawal of gasoline from the unlicensed vehicle
17 tank for licensed vehicles will invalidate this method of
18 determining refundable gallonage.

19 (3) Special storage facilities used for certain
20 periods must be identified and explained. If such storage is
21 used entirely for off-highway purposes and is not used in
22 licensed vehicles, no records will be required other than
23 purchase invoices showing the delivery into such storage.

24 (4) Service stations, bulk dealers, and marinas must
25 prepare a separate and complete invoice for each withdrawal

1 of gasoline for own use upon which a refund is to be
2 claimed.

3 (5) When no highway use of gasoline is deducted from
4 the claim, the applicant must substantiate purchases of
5 gasoline and miles traveled for licensed motor vehicles upon
6 request of the department of revenue.

7 (6) Any person who operates a licensed motor vehicle
8 on and off the public roads for commercial purposes may
9 claim refund of the state license tax on the gasoline used
10 to operate the vehicle on roads or property in private
11 ownership if such person has maintained the following
12 records:

13 (a) the total number of miles traveled on and off
14 public roads by each licensed vehicle;

15 (b) total gallons of gasoline used in each vehicle;

16 (c) purchase invoices supporting all gasoline handled
17 through bulk storage, as well as all fuels purchased at
18 service stations or received from other sources.

19 (7) An exporter or any other person who transports
20 gasoline out of Montana for sale, use, or consumption
21 outside of Montana shall maintain detailed and
22 contemporaneous records of withdrawal, transportation, and
23 delivery of the gasoline to destinations outside of Montana
24 as required by the department of revenue."

25 **Section 7.** Extension of authority. Any existing

1 authority to make rules on the subject of the provisions of
2 [this act] is extended to the provisions of [this act].

3 **Section 8. Saving clause.** [This act] does not affect
4 rights and duties that matured, penalties that were
5 incurred, or proceedings that were begun before [the
6 effective date of this act].

7 **Section 9. Severability.** If a part of [this act] is
8 invalid, all valid parts that are severable from the invalid
9 part remain in effect. If a part of [this act] is invalid
10 in one or more of its applications, the part remains in
11 effect in all valid applications that are severable from the
12 invalid applications.

13 **Section 10. Effective date.** [Section 7 and this
14 section] are effective on passage and approval.

-End-

STANDING COMMITTEE REPORT

January 19, 1989

MR. PRESIDENT:

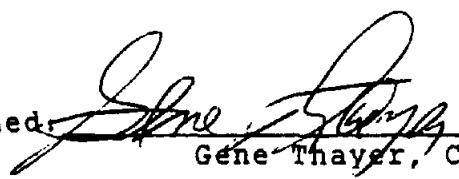
We, your committee on Business and Industry, having had under consideration HB 3 (third reading copy -- blue), respectfully report that HB 3 be amended and as so amended be concurred in:

1. Page 10, line 22.

Following: "transportation."

Insert: "ownership,"

AND AS SO AMENDED BE CONCURRED IN

Signed: 
Gene Thayer, Chairman

SENATE

HOUSE BILL NO. 3

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAXATION OF GASOLINE EXPORTED FROM MONTANA; AMENDING SECTIONS 15-70-201, 15-70-202, 15-70-204, 15-70-209, 15-70-221, AND 15-70-222, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR RULEMAKING AUTHORITY."

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

Section 1. Section 15-70-201, MCA, is amended to read:

"15-70-201. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Agricultural use" means use of gasoline by a person whose major endeavor and primary source of earned income is from the business of farming or ranching.

(2) "Aviation dealer" means any person in this state engaged in the business of selling aviation gasoline, either from a wholesale or retail outlet, on which the license tax has been paid to a licensed distributor as herein provided for.

(3) "Aviation gasoline" means gasoline or any other liquid fuel by whatsoever name such liquid fuel may be known or sold, compounded for use in and sold for use in aircraft,

including but not limited to any and all such gasoline or liquid fuel meeting or exceeding the minimum specifications prescribed by the United States for use by its military forces in aircraft.

(4) "Bulk delivery" means placing gasoline in storage or containers. The term does not mean gasoline delivered into the supply tank of a motor vehicle.

(5) (a) Gasoline refined, produced, manufactured, or compounded in this state and placed in tanks thereat or gasoline transferred from a refinery or pipeline terminal in this state and placed in tanks thereat or gasoline imported into this state and placed in storage at refineries or pipeline terminals shall be deemed to be "distributed", for the purpose of this part, at the time the gasoline is withdrawn from such tanks, refinery, or terminal storage for sale or use in this state or for the transportation to destinations in this state other than by pipeline to another refinery or pipeline terminal in this state. When withdrawn from such tanks, refinery, or terminal, such gasoline may be distributed only by a person who is the holder of a valid distributor's license.

(b) Gasoline imported into this state, other than that gasoline placed in storage at refineries or pipeline terminals, shall be deemed to be "distributed" after it has arrived in and is brought to rest in this state.

(6) "Distributor" means:

(a) any person who engages in the business in this state of producing, refining, manufacturing, or compounding gasoline for sale, use, or distribution;

(b) any person who imports gasoline for sale, use, or distribution;

(c) any person who engages in the wholesale distribution of gasoline in this state and chooses to become licensed to assume the Montana state gasoline tax liability;

(d) any exporter as defined in subsection (8);

~~(d)~~(e) any dealer licensed as of January 1, 1969, except a dealer at an established airport;

~~(e)~~(f) any person in Montana who blends alcohol with gasoline.

(7) "Export" means ~~export-as-defined-in-15-70-503 to transport out of Montana, by any means other than in the fuel supply tank of a motor vehicle, gasoline received from a refinery or pipeline terminal within Montana.~~

(8) "Exporter" means any person who transports, other than in the fuel supply tank of a motor vehicle, gasoline received from a refinery or pipeline terminal in Montana to a destination outside Montana for sale, use, or consumption beyond the boundaries of this state.

~~(8)~~(9) "Gasohol" means all products commonly or commercially known or sold as gasohol, used for the purpose

of effectively and efficiently operating internal combustion engines, consisting of not less than 10% anhydrous ethanol produced in Montana from Montana agricultural products, including Montana wood or wood products.

~~(9)~~(10) "Gasoline" includes all products commonly or commercially known or sold as gasolines, including casinghead gasoline, natural gasoline, aviation gasoline, and all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating internal combustion engines. Gasoline does not include special fuels as defined in 15-70-301.

~~(10)~~(11) "Import" includes and means to receive into any person's possession or custody first after its arrival and coming to rest at destination within the state of any gasoline shipped or transported into this state from point of origin without this state other than in the fuel supply tank of a motor vehicle.

~~(11)~~(12) "Motor vehicle" means all vehicles operated or propelled upon the public highways or streets of this state in whole or in part by the combustion of gasoline.

~~(12)~~(13) "Person" means any person, firm, association, joint-stock company, syndicate, or corporation.

~~(13)~~(14) "Use" includes and means the operation of motor vehicles upon the public roads or highways of the

state or of any political subdivision thereof."

Section 2. Section 15-70-202, MCA, is amended to read:

"15-70-202. License, fee, and security of gasoline distributors. (1) All gasoline distributors, including exporters as defined in 15-70-201(8), prior to the commencement of doing business, shall file an application for a license with the department of revenue on forms prescribed and furnished by the department setting forth the information as may be requested by the department. Each distributor shall at the same time file security with the department in an amount to be determined by the department. However, the required amount of security may not exceed twice the estimated amount of gasoline taxes the distributor will pay to this state each month. Upon approval of the application, the department shall issue to the distributor a nonassignable license which shall continue in force until surrendered or canceled.

(2) Any person who engages in the wholesale distribution of gasoline in this state exercising the option under 15-70-201(6)(c) shall pay an annual license fee of \$200 and upon renewal of the license shall pay an annual fee of \$200.

(3) "Security" means:

(a) a bond executed by a distributor as principal with a corporate surety qualified under the laws of Montana,

payable to the state of Montana, and conditioned upon faithful performance of all requirements of this part, including the payment of all taxes and penalties; or

(b) a deposit made by the distributor with the department, under such conditions as the department may prescribe, of certificates of deposit or irrevocable letters of credit issued by a bank and insured by the federal deposit insurance corporation."

Section 3. 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 for each gallon of aviation gasoline, which shall be allocated to the department of commerce as provided by 67-1-301, as amended, and 20 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

1 gasoline distributors under subsection (1)."

2 **Section 4.** Section 15-70-209, MCA, is amended to read:

3 "15-70-209. Information reports. (1) Any person
4 receiving gasoline, including every exporter, common
5 carrier, private carrier, and contract carrier of property
6 who shall haul, receive, transport, or ship any gasoline
7 from any other state or foreign country into this state or
8 from this state to any other state or foreign country or
9 from any refinery or pipeline terminal in this state to
10 another point within this state, shall submit to the
11 department of revenue, upon its request and within the time
12 specified, a statement showing the number of gallons of
13 gasoline contained in each shipment in interstate commerce
14 and the movement of such products from any refinery or
15 pipeline terminal located within this state to another point
16 within this state during the preceding calendar month, the
17 names and addresses of the consignor and the consignee, and
18 the date of delivery to the consignee.

19 (2) In case of any person, except licensed
20 distributors or exporters, who refuses or fails to file a
21 statement as herein provided for, there is hereby imposed a
22 penalty of \$25 for each failure or refusal; provided,
23 however, that if any person shall establish to the
24 satisfaction of the department that his failure to file a
25 statement as prescribed by the department was due to

1 reasonable cause, the department shall waive the penalty."

2 **Section 5.** Section 15-70-221, MCA, is amended to read:

3 "15-70-221. Refund authorized. (1) Any person who
4 shall purchase and use any gasoline on which the Montana
5 gasoline license tax has been paid for denaturing alcohol to
6 be used in gasohol or operating or propelling stationary
7 gasoline engines, tractors used off the public highways and
8 streets, or for any commercial use other than propelling
9 vehicles upon any of the public highways or streets of this
10 state shall be allowed a refund of the amount of tax paid
11 directly or indirectly on the gasoline so used. Such refund
12 or drawback should in no instance exceed the tax paid or to
13 be paid to the state and no refund shall be allowed of that
14 portion of the tax per gallon upon aviation gasoline
15 allocated to the department of commerce by 67-1-301.

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

19 (3) Any person who purchases and exports for sale,
20 use, or consumption outside Montana any gasoline on which
21 the Montana gasoline tax has been paid is entitled to a
22 credit or refund of the amount of tax so paid upon
23 completion of the information reports required under
24 15-70-209 and presentation to the department of such other
25 proof of delivery outside Montana as it may by rule

1 require."

2 **Section 6.** Section 15-70-222, MCA, is amended to read:

3 "15-70-222. Required records. (1) Gasoline purchased
4 and delivered into bulk storage for use in motor vehicles on
5 public roads and nonhighway use must be fully accounted for
6 by detailed withdrawal records to accurately show the manner
7 in which used. Gasoline on hand, determined by actual
8 measurement, shall be deducted from a claim and shall be
9 reported as an opening inventory on the next claim.

10 (2) If separate storage tanks are maintained on
11 claimant's premises for use in licensed vehicles and in
12 unlicensed equipment, the bulk delivery invoices shall be so
13 marked by the dealer at the time of delivery. No further
14 record is required, provided refunds are claimed only on the
15 number of gallons delivered into the unlicensed equipment
16 tank. Withdrawal of gasoline from the unlicensed vehicle
17 tank for licensed vehicles will invalidate this method of
18 determining refundable gallonage.

19 (3) Special storage facilities used for certain
20 periods must be identified and explained. If such storage is
21 used entirely for off-highway purposes and is not used in
22 licensed vehicles, no records will be required other than
23 purchase invoices showing the delivery into such storage.

24 (4) Service stations, bulk dealers, and marinas must
25 prepare a separate and complete invoice for each withdrawal

1 of gasoline for own use upon which a refund is to be
2 claimed.

3 (5) When no highway use of gasoline is deducted from
4 the claim, the applicant must substantiate purchases of
5 gasoline and miles traveled for licensed motor vehicles upon
6 request of the department of revenue.

7 (6) Any person who operates a licensed motor vehicle
8 on and off the public roads for commercial purposes may
9 claim refund of the state license tax on the gasoline used
10 to operate the vehicle on roads or property in private
11 ownership if such person has maintained the following
12 records:

13 (a) the total number of miles traveled on and off
14 public roads by each licensed vehicle;

15 (b) total gallons of gasoline used in each vehicle;

16 (c) purchase invoices supporting all gasoline handled
17 through bulk storage, as well as all fuels purchased at
18 service stations or received from other sources.

19 (7) An exporter or any other person who transports
20 gasoline out of Montana for sale, use, or consumption
21 outside of Montana shall maintain detailed and
22 contemporaneous records of withdrawal, transportation,
23 OWNERSHIP, and delivery of the gasoline to destinations
24 outside of Montana as required by the department of
25 revenue."

1 NEW SECTION. **Section 7.** Extension of authority. Any
2 existing authority to make rules on the subject of the
3 provisions of [this act] is extended to the provisions of
4 [this act].

5 NEW SECTION. **Section 8.** Saving clause. [This act]
6 does not affect rights and duties that matured, penalties
7 that were incurred, or proceedings that were begun before
8 [the effective date of this act].

9 NEW SECTION. **Section 9.** Severability. If a part of
10 [this act] is invalid, all valid parts that are severable
11 from the invalid part remain in effect. If a part of [this
12 act] is invalid in one or more of its applications, the part
13 remains in effect in all valid applications that are
14 severable from the invalid applications.

15 NEW SECTION. **Section 10.** Effective date. [Section 7
16 and this section] are effective on passage and approval.

-End-