

SENATE BILL NO. 30

INTRODUCED BY HARP

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE SENATE

JANUARY 2, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
JANUARY 6, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED. STATEMENT OF INTENT ADOPTED.
JANUARY 7, 1989	PRINTING REPORT.
JANUARY 9, 1989	SECOND READING, DO PASS.
JANUARY 10, 1989	ENGROSSING REPORT.
JANUARY 11, 1989	THIRD READING, PASSED. AYES, 48; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 11, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 20, 1989	FIRST READING.
MARCH 1, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 4, 1989	SECOND READING, CONCURRED IN.
MARCH 6, 1989	THIRD READING, CONCURRED IN. AYES, 93; NOES, 0.

IN THE SENATE

MARCH 7, 1989	RECEIVED FROM HOUSE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 SENATE BILL NO. 30
2 INTRODUCED BY HARP
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
6 DEPARTMENT OF REVENUE TO ENTER INTO THE INTERNATIONAL FUEL
7 TAX AGREEMENT FOR THE TAXATION OF MOTOR FUELS USED BY
8 VEHICLES OPERATED ON AN INTERJURISDICTIONAL BASIS; AND
9 AMENDING SECTIONS 15-70-104 AND 15-70-302, MCA."

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

12 **Section 1. International Fuel Tax Agreement.** (1) The
13 department of revenue may enter into the International Fuel
14 Tax Agreement for audits, exchange of information, and
15 collection and distribution of motor fuel taxes pertaining
16 to users of motor fuel in fleets of motor vehicles operated
17 or intended to operate across jurisdictional boundaries. The
18 International Fuel Tax Agreement is not effective unless it
19 is in writing and is signed by the department and the
20 department has adopted rules implementing the agreement.

21 (2) The agreement may determine:

- 22 (a) the base jurisdiction for motor fuel users;
23 (b) motor fuel user records requirements;
24 (c) audit procedures;
25 (d) procedures for the exchange of information;

- 1 (e) persons eligible for tax licensing;
2 (f) the definition of qualified motor vehicles;
3 (g) bonding requirements;
4 (h) reporting requirements and periods;
5 (i) uniform penalty and interest rates for late
6 reporting or payment of taxes;
7 (j) methods for collecting and forwarding of motor
8 fuel taxes and penalties to another jurisdiction; and
9 (k) other provisions to facilitate the administration
10 of the agreement.

11 (3) The department may, as required by the terms of
12 the agreement, forward to officers of another jurisdiction
13 any information in its possession relative to the
14 manufacture, receipt, sale, use, transportation, or shipment
15 of motor fuel. The department may disclose to officers of
16 another jurisdiction the location of offices, motor
17 vehicles, and other real and personal property of users of
18 motor fuel.

19 (4) The agreement may provide each jurisdiction
20 authority to audit the records of persons based in the
21 jurisdiction to determine if the motor fuel taxes due each
22 jurisdiction are properly reported and paid. Each
23 jurisdiction shall forward the findings of the audits
24 performed on persons based in the jurisdiction to each
25 jurisdiction in which the person has taxable use of motor

fuel. For a person not based in Montana who has taxable use of motor fuel in Montana, the department may serve the audit findings received from another jurisdiction in the form of an assessment on the person, as though an audit was conducted by the department.

(5) The agreement entered into pursuant to this section does not preclude the department from auditing the records of any person covered by the provisions of this chapter.

(6) If the specific requirements of the agreement, as the agreement reads on the effective date of adoption by the department, differ from the general provisions of this chapter or other rules promulgated by the department, the rules implementing the cooperative agreement prevail.

(7) The legal remedies for a person served with an order or assessment under this section are as prescribed in this chapter.

Section 2. Definition. (1) As used in [section 1], "motor fuel" means gasoline as defined in 15-70-201 and special fuel as defined in 15-70-301.

(2) As used in [sections 1 through 3], "agreement" means the International Fuel Tax Agreement provided for in [section 1].

Section 3. Section 15-70-104, MCA, is amended to read:

"15-70-104. Rules to be established by department. (1)

The department of revenue shall have the power and it shall be its duty to adopt, publish, and enforce the rules consistent with and necessary for carrying out the provisions of this chapter.

(2) The department may prescribe, adopt, and enforce reasonable rules relating to the administration and enforcement of:

(a) part 3; and

(b) the International Fuel Tax Agreement authorized by [section 1]."

Section 4. Section 15-70-302, MCA, is amended to read:

"15-70-302. Special fuel dealer's licenses and special fuel user's permits required -- exceptions. (1) ~~It shall be~~ is unlawful for ~~any a~~ person to act as a special fuel dealer in this state unless ~~such the~~ person is the holder of an uncanceled fuel dealer's license issued to him by the department.

(2) Every special fuel user shall obtain annually from the department, prior to the use of ~~such~~ special fuel for the propulsion of a motor vehicle or vehicles in this state, a special fuel user's permit and, except as provided in subsection (5), shall at all times display the original or a reproduced copy of the permit in each ~~such~~ special fuel vehicle ~~or--vehicles~~ operated by him upon the highways, ~~as herein-defined-which-shall~~ The permit must be exhibited for

inspection on request of any checking station officer, Montana highway patrol officer, authorized employee of the department, or any other law enforcement officer. The special fuel user ~~shall be~~ is responsible for reproducing clear and legible copies of the permit.

(3) A special fuel user's permit is not required of any person whose sole use of special fuel is for the propulsion of a privately operated passenger automobile provided the person purchases special fuel, tax paid, from a licensed special fuel dealer in this state. For purposes of this exemption, a privately operated passenger vehicle does not include a motor vehicle used for the transportation of persons for hire or for compensation or designed, used, or maintained primarily for transportation of property.

(4) Any out-of-state user who operates a special fuel vehicle solely for recreation or for religious, charitable, educational, or other eleemosynary purposes shall secure a special fuel user's courtesy vehicle permit. The permit ~~shall~~ is not be transferable and ~~shall be~~ is valid for 90 days. Permits will be issued at no cost to the user by the department, scale house personnel, and gross vehicle weight patrol crews. The department may require the user who has fuel capacity in excess of 30 gallons to file a report and pay the tax on fuel used in Montana on which the tax has not been paid.

(5) A special fuel user need not display the original or reproduced copy of the special fuel user's permit as required by subsection (2) if:

(a) he is registered and licensed pursuant to the International Fuel Tax Agreement as authorized by [section 1] and the vehicle displays a license or decal issued pursuant to the agreement; or

(b) the motor vehicle operated by him is a vehicle that is part of a motor vehicle fleet based in Montana that is proportionally registered under the provisions of 61-3-711 through 61-3-733;

(c) he obtains a registration card issued by the department of highways indicating the special fuel user's permit number; and

(d) the registration card indicating the special fuel user's permit number is carried in the vehicle and is available for inspection."

Section 5. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 6. Extension of authority. Any existing authority to make rules on the subject of the provisions of

LC 0360/01

1 [this act] is extended to the provisions of [this act].

2 **Section 7. Codification instruction.** [Sections 1 and
3 2] are intended to be codified as an integral part of Title
4 15, chapter 70, part 1, and the provisions of Title 15,
5 chapter 70, apply to [sections 1 and 2].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB030, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to authorize the Department of Revenue to enter into the International Fuel Tax Agreement for the taxation of motor fuels used by vehicles operated on an interjurisdictional basis.

ASSUMPTIONS:

1. The proposal will not change administrative expenditures.

FISCAL IMPACT:

Revenue Impact:

No fiscal impact is expected to occur through passage of this bill.

Expenditure Impact:

The savings due to the reduction of accounts and elimination of out-of-state audits would be offset by an increase in in-state audits and cooperation efforts with other fuel tax member states.



RAY SHACKLEFORD, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

1/7/89


JOHN G. HARP, PRIMARY SPONSOR DATE

Fiscal Note for SB030, as introduced

SB 30

APPROVED BY COMMITTEE
ON TAXATION

STATEMENT OF INTENT

SENATE BILL 30

Senate Taxation Committee

[Section 1] of the bill requires the department of revenue to adopt rules implementing the International Fuel Tax Agreement. The rules are intended to provide for the exchange of information with member states, the timely collection and distribution of motor fuel taxes, and the efficient administration and enforcement of the provisions contained in the agreement.

The legislature intends that the rules to be adopted by the department should, at a minimum, address the following:

(1) the issuance of licenses and decals to Montana-based interstate carriers;

(2) the necessary forms and required procedures for an interstate carrier to report mileage, fuel consumption, and taxes due;

(3) the timely collection and distribution of taxes to member states;

(4) auditing and monitoring procedures for the enforcement of the agreement; and

(5) definition of terms and establishment of administrative policies and procedures to adhere to the terms of the agreement.

SECOND READING

SENATE BILL NO. 30

INTRODUCED BY HARP

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPARTMENT OF REVENUE TO ENTER INTO THE INTERNATIONAL FUEL TAX AGREEMENT FOR THE TAXATION OF MOTOR FUELS USED BY VEHICLES OPERATED ON AN INTERJURISDICTIONAL BASIS; AND AMENDING SECTIONS 15-70-104 AND 15-70-302, MCA."

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

NEW SECTION. Section 1. International Fuel Tax Agreement. (1) The department of revenue may enter into the International Fuel Tax Agreement for audits, exchange of information, and collection and distribution of motor fuel taxes pertaining to users of motor fuel in fleets of motor vehicles operated or intended to operate across jurisdictional boundaries. The International Fuel Tax Agreement is not effective unless it is in writing and is signed by the department and the department has adopted rules implementing the agreement.

(2) The agreement may determine:

- (a) the base jurisdiction for motor fuel users;
- (b) motor fuel user records requirements;
- (c) audit procedures;

- (d) procedures for the exchange of information;
- (e) persons eligible for tax licensing;
- (f) the definition of qualified motor vehicles;
- (g) bonding requirements;
- (h) reporting requirements and periods;
- (i) uniform penalty and interest rates for late reporting or payment of taxes;
- (j) methods for collecting and forwarding of motor fuel taxes and penalties to another jurisdiction; and
- (k) other provisions to facilitate the administration of the agreement.

(3) The department may, as required by the terms of the agreement, forward to officers of another jurisdiction any information in its possession relative to the manufacture, receipt, sale, use, transportation, or shipment of motor fuel. The department may disclose to officers of another jurisdiction the location of offices, motor vehicles, and other real and personal property of users of motor fuel.

(4) The agreement may provide each jurisdiction authority to audit the records of persons based in the jurisdiction to determine if the motor fuel taxes due each jurisdiction are properly reported and paid. Each jurisdiction shall forward the findings of the audits performed on persons based in the jurisdiction to each

jurisdiction in which the person has taxable use of motor fuel. For a person not based in Montana who has taxable use of motor fuel in Montana, the department may serve the audit findings received from another jurisdiction in the form of an assessment on the person, as though an audit was conducted by the department.

(5) The agreement entered into pursuant to this section does not preclude the department from auditing the records of any person covered by the provisions of this chapter.

(6) If the specific requirements of the agreement, as the agreement reads on the effective date of adoption by the department, differ from the general provisions of this chapter or other rules promulgated by the department, the rules implementing the cooperative agreement prevail.

(7) The legal remedies for a person served with an order or assessment under this section are as prescribed in this chapter.

NEW SECTION. Section 2. Definition. (1) As used in [section 1], "motor fuel" means gasoline as defined in 15-70-201 and special fuel as defined in 15-70-301.

(2) As used in [sections 1 through 3], "agreement" means the International Fuel Tax Agreement provided for in [section 1].

Section 3. Section 15-70-104, MCA, is amended to read:

"15-70-104. Rules to be established by department. (1) The department of revenue shall have the power and it shall be its duty to adopt, publish, and enforce the rules consistent with and necessary for carrying out the provisions of this chapter.

(2) The department may prescribe, adopt, and enforce reasonable rules relating to the administration and enforcement of:

(a) part 3; and

(b) the International Fuel Tax Agreement authorized by [section 1]."

Section 4. Section 15-70-302, MCA, is amended to read:

"15-70-302. Special fuel dealer's licenses and special fuel user's permits required -- exceptions. (1) It ~~shall be~~ is unlawful for ~~any a~~ person to act as a special fuel dealer in this state unless ~~such the~~ person is the holder of an uncanceled fuel dealer's license issued to him by the department.

(2) Every special fuel user shall obtain annually from the department, prior to the use of ~~such~~ special fuel for the propulsion of a motor vehicle or vehicles in this state, a special fuel user's permit and, except as provided in subsection (5), shall at all times display the original or a reproduced copy of the permit in each ~~such~~ special fuel vehicle ~~or--vehicles~~ operated by him upon the highways, as

1 ~~herein-defined-which-shall~~ The permit must be exhibited for
 2 inspection on request of any checking station officer,
 3 Montana highway patrol officer, authorized employee of the
 4 department, or any other law enforcement officer. The
 5 special fuel user ~~shall-be~~ is responsible for reproducing
 6 clear and legible copies of the permit.

7 (3) A special fuel user's permit is not required of
 8 any person whose sole use of special fuel is for the
 9 propulsion of a privately operated passenger automobile
 10 provided the person purchases special fuel, tax paid, from a
 11 licensed special fuel dealer in this state. For purposes of
 12 this exemption, a privately operated passenger vehicle does
 13 not include a motor vehicle used for the transportation of
 14 persons for hire or for compensation or designed, used, or
 15 maintained primarily for transportation of property.

16 (4) Any out-of-state user who operates a special fuel
 17 vehicle solely for recreation or for religious, charitable,
 18 educational, or other eleemosynary purposes shall secure a
 19 special fuel user's courtesy vehicle permit. The permit
 20 ~~shall~~ is not be transferable and ~~shall-be~~ is valid for 90
 21 days. Permits will be issued at no cost to the user by the
 22 department, scale house personnel, and gross vehicle weight
 23 patrol crews. The department may require the user who has
 24 fuel capacity in excess of 30 gallons to file a report and
 25 pay the tax on fuel used in Montana on which the tax has not

1 been paid.

2 (5) A special fuel user need not display the original
 3 or reproduced copy of the special fuel user's permit as
 4 required by subsection (2) if:

5 (a) he is registered and licensed pursuant to the
 6 International Fuel Tax Agreement as authorized by [section
 7 1] and the vehicle displays a license or decal issued
 8 pursuant to the agreement; or

9 (b) the motor vehicle operated by him is a vehicle
 10 that is part of a motor vehicle fleet based in Montana that
 11 is proportionally registered under the provisions of
 12 61-3-711 through 61-3-733;

13 (c) he obtains a registration card issued by the
 14 department of highways indicating the special fuel user's
 15 permit number; and

16 (d) the registration card indicating the special
 17 fuel user's permit number is carried in the vehicle and is
 18 available for inspection."

19 NEW SECTION. SECTION 5. COLLECTION OF FUEL TAX. THE
 20 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF HIGHWAYS MAY
 21 ESTABLISH PROCEDURES UNDER THE INTERNATIONAL FUEL TAX
 22 AGREEMENT TO PROVIDE FOR THE BILLING, COLLECTION, AND
 23 ADMINISTRATION OF FUEL TAXES FOR THOSE OWNERS WHO
 24 PROPORTIONALLY REGISTER THEIR FLEET VEHICLES THROUGH THE
 25 DEPARTMENT OF HIGHWAYS UNDER 61-3-711 THROUGH 61-3-733.

1 NEW SECTION. **Section 6.** Severability. If a part of
2 [this act] is invalid, all valid parts that are severable
3 from the invalid part remain in effect. If a part of [this
4 act] is invalid in one or more of its applications, the part
5 remains in effect in all valid applications that are
6 severable from the invalid applications.

7 NEW SECTION. **Section 7.** Extension of authority. Any
8 existing authority to make rules on the subject of the
9 provisions of [this act] is extended to the provisions of
10 [this act].

11 NEW SECTION. **Section 8.** Codification instruction.
12 [Sections 1 and, 2, AND 5] are intended to be codified as an
13 integral part of Title 15, chapter 70, part 1, and the
14 provisions of Title 15, chapter 70, apply to [sections 1
15 and, 2, AND 5].

 --End--

1 STATEMENT OF INTENT

2 SENATE BILL 30

3 Senate Taxation Committee
4

5 [Section 1] of the bill requires the department of
6 revenue to adopt rules implementing the International Fuel
7 Tax Agreement. The rules are intended to provide for the
8 exchange of information with member states, the timely
9 collection and distribution of motor fuel taxes, and the
10 efficient administration and enforcement of the provisions
11 contained in the agreement.

12 The legislature intends that the rules to be adopted by
13 the department should, at a minimum, address the following:

14 (1) the issuance of licenses and decals to
15 Montana-based interstate carriers;

16 (2) the necessary forms and required procedures for an
17 interstate carrier to report mileage, fuel consumption, and
18 taxes due;

19 (3) the timely collection and distribution of taxes to
20 member states;

21 (4) auditing and monitoring procedures for the
22 enforcement of the agreement; and

23 (5) definition of terms and establishment of
24 administrative policies and procedures to adhere to the
25 terms of the agreement.

SENATE BILL NO. 30

INTRODUCED BY HARP

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPARTMENT OF REVENUE TO ENTER INTO THE INTERNATIONAL FUEL TAX AGREEMENT FOR THE TAXATION OF MOTOR FUELS USED BY VEHICLES OPERATED ON AN INTERJURISDICTIONAL BASIS; AND AMENDING SECTIONS 15-70-104 AND 15-70-302, MCA."

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

NEW SECTION. **Section 1. International Fuel Tax**

Agreement. (1) The department of revenue may enter into the International Fuel Tax Agreement for audits, exchange of information, and collection and distribution of motor fuel taxes pertaining to users of motor fuel in fleets of motor vehicles operated or intended to operate across jurisdictional boundaries. The International Fuel Tax Agreement is not effective unless it is in writing and is signed by the department and the department has adopted rules implementing the agreement.

(2) The agreement may determine:

- (a) the base jurisdiction for motor fuel users;
- (b) motor fuel user records requirements;
- (c) audit procedures;

- (d) procedures for the exchange of information;
- (e) persons eligible for tax licensing;
- (f) the definition of qualified motor vehicles;
- (g) bonding requirements;
- (h) reporting requirements and periods;
- (i) uniform penalty and interest rates for late reporting or payment of taxes;
- (j) methods for collecting and forwarding of motor fuel taxes and penalties to another jurisdiction; and
- (k) other provisions to facilitate the administration of the agreement.

(3) The department may, as required by the terms of the agreement, forward to officers of another jurisdiction any information in its possession relative to the manufacture, receipt, sale, use, transportation, or shipment of motor fuel. The department may disclose to officers of another jurisdiction the location of offices, motor vehicles, and other real and personal property of users of motor fuel.

(4) The agreement may provide each jurisdiction authority to audit the records of persons based in the jurisdiction to determine if the motor fuel taxes due each jurisdiction are properly reported and paid. Each jurisdiction shall forward the findings of the audits performed on persons based in the jurisdiction to each

jurisdiction in which the person has taxable use of motor fuel. For a person not based in Montana who has taxable use of motor fuel in Montana, the department may serve the audit findings received from another jurisdiction in the form of an assessment on the person, as though an audit was conducted by the department.

(5) The agreement entered into pursuant to this section does not preclude the department from auditing the records of any person covered by the provisions of this chapter.

(6) If the specific requirements of the agreement, as the agreement reads on the effective date of adoption by the department, differ from the general provisions of this chapter or other rules promulgated by the department, the rules implementing the cooperative agreement prevail.

(7) The legal remedies for a person served with an order or assessment under this section are as prescribed in this chapter.

NEW SECTION. Section 2. Definition. (1) As used in [section 1], "motor fuel" means gasoline as defined in 15-70-201 and special fuel as defined in 15-70-301.

(2) As used in [sections 1 through 3], "agreement" means the International Fuel Tax Agreement provided for in [section 1].

Section 3. Section 15-70-104, MCA, is amended to read:

"15-70-104. Rules to be established by department. (1) The department of revenue shall have the power and it shall be its duty to adopt, publish, and enforce the rules consistent with and necessary for carrying out the provisions of this chapter.

(2) The department may prescribe, adopt, and enforce reasonable rules relating to the administration and enforcement of:

(a) part 3; and

(b) the International Fuel Tax Agreement authorized by [section 1]."

Section 4. Section 15-70-302, MCA, is amended to read:

"15-70-302. Special fuel dealer's licenses and special fuel user's permits required -- exceptions. (1) It shall be is unlawful for any a person to act as a special fuel dealer in this state unless such the person is the holder of an uncanceled fuel dealer's license issued to him by the department.

(2) Every special fuel user shall obtain annually from the department, prior to the use of such special fuel for the propulsion of a motor vehicle or vehicles in this state, a special fuel user's permit and, except as provided in subsection (5), shall at all times display the original or a reproduced copy of the permit in each such special fuel vehicle or--vehicles operated by him upon the highways. as

1 ~~herein-defined-which-shall~~ The permit must be exhibited for
 2 inspection on request of any checking station officer,
 3 Montana highway patrol officer, authorized employee of the
 4 department, or any other law enforcement officer. The
 5 special fuel user ~~shall-be~~ is responsible for reproducing
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 8 any person whose sole use of special fuel is for the
 9 propulsion of a privately operated passenger automobile
 10 provided the person purchases special fuel, tax paid, from a
 11 licensed special fuel dealer in this state. For purposes of
 12 this exemption, a privately operated passenger vehicle does
 13 not include a motor vehicle used for the transportation of
 14 persons for hire or for compensation or designed, used, or
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16 (4) Any out-of-state user who operates a special fuel
 17 vehicle solely for recreation or for religious, charitable,
 18 educational, or other eleemosynary purposes shall secure a
 19 special fuel user's courtesy vehicle permit. The permit
 20 ~~shall is~~ is not be transferable and ~~shall-be~~ is valid for 90
 21 days. Permits will be issued at no cost to the user by the
 22 department, scale house personnel, and gross vehicle weight
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 24 fuel capacity in excess of 30 gallons to file a report and
 25 pay the tax on fuel used in Montana on which the tax has not

1 been paid.

2 (5) A special fuel user need not display the original
 3 or reproduced copy of the special fuel user's permit as
 4 required by subsection (2) if:

5 (a) he is registered and licensed pursuant to the
 6 International Fuel Tax Agreement as authorized by [section
 7 1] and the vehicle displays a license or decal issued
 8 pursuant to the agreement; or

9 (a)(b) the motor vehicle operated by him is a vehicle
 10 that is part of a motor vehicle fleet based in Montana that
 11 is proportionally registered under the provisions of
 12 61-3-711 through 61-3-733;

13 (b)(c) he obtains a registration card issued by the
 14 department of highways indicating the special fuel user's
 15 permit number; and

16 (c)(d) the registration card indicating the special
 17 fuel user's permit number is carried in the vehicle and is
 18 available for inspection."

19 NEW SECTION. SECTION 5. COLLECTION OF FUEL TAX. THE
 20 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF HIGHWAYS MAY
 21 ESTABLISH PROCEDURES UNDER THE INTERNATIONAL FUEL TAX
 22 AGREEMENT TO PROVIDE FOR THE BILLING, COLLECTION, AND
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 25 DEPARTMENT OF HIGHWAYS UNDER 61-3-711 THROUGH 61-3-733.

SB 0030/02

1 NEW SECTION. **Section 6.** Severability. If a part of
2 [this act] is invalid, all valid parts that are severable
3 from the invalid part remain in effect. If a part of [this
4 act] is invalid in one or more of its applications, the part
5 remains in effect in all valid applications that are
6 severable from the invalid applications.

7 NEW SECTION. **Section 7.** Extension of authority. Any
8 existing authority to make rules on the subject of the
9 provisions of [this act] is extended to the provisions of
10 [this act].

11 NEW SECTION. **Section 8.** Codification instruction.
12 [Sections 1 and, 2, AND 5] are intended to be codified as an
13 integral part of Title 15, chapter 70, part 1, and the
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11 STATEMENT OF INTENT

12 [Section 1] of the bill requires the department of
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6 administrative policies and procedures to adhere to the
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. **Section 1. International Fuel Tax**
11 **Agreement.** (1) The department of revenue may enter into the
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5 (5) The agreement entered into pursuant to this
 6 section does not preclude the department from auditing the
 7 records of any person covered by the provisions of this
 8 chapter.

9 (6) If the specific requirements of the agreement, as
 10 the agreement reads on the effective date of adoption by the
 11 department, differ from the general provisions of this
 12 chapter or other rules promulgated by the department, the
 13 rules implementing the cooperative agreement prevail.

14 (7) The legal remedies for a person served with an
 15 order or assessment under this section are as prescribed in
 16 this chapter.

17 **NEW SECTION. Section 2. Definition.** (1) As used in
 18 [section 1], "motor fuel" means gasoline as defined in
 19 15-70-201 and special fuel as defined in 15-70-301.

20 (2) As used in [sections 1 through 3], "agreement"
 21 means the International Fuel Tax Agreement provided for in
 22 [section 1].

23 **Section 3. Section 15-70-104, MCA, is amended to read:**

24 **"15-70-104. Rules to be established by department.** (1)
 25 The department of revenue shall have the power and it shall

1 be its duty to adopt, publish, and enforce the rules
2 consistent with and necessary for carrying out the
3 provisions of this chapter.

4 (2) The department may prescribe, adopt, and enforce
5 reasonable rules relating to the administration and
6 enforcement of:

7 (a) part 3; and

8 (b) the International Fuel Tax Agreement authorized by
9 [section 1]."

10 **Section 4.** Section 15-70-302, MCA, is amended to read:

11 "15-70-302. Special fuel dealer's licenses and special
12 fuel user's permits required -- exceptions. (1) It ~~shall be~~
13 is unlawful for any a person to act as a special fuel dealer
14 in this state unless such the person is the holder of an
15 uncanceled fuel dealer's license issued to him by the
16 department.

17 (2) Every special fuel user shall obtain annually from
18 the department, prior to the use of such special fuel for
19 the propulsion of a motor vehicle or vehicles in this state,
20 a special fuel user's permit and, except as provided in
21 subsection (5), shall at all times display the original or a
22 reproduced copy of the permit in each such special fuel
23 vehicle or--vehicles operated by him upon the highways, as
24 herein-defined-which-shall The permit must be exhibited for
25 inspection on request of any checking station officer,

1 Montana highway patrol officer, authorized employee of the
2 department, or any other law enforcement officer. The
3 special fuel user ~~shall be~~ is responsible for reproducing
4 clear and legible copies of the permit.

5 (3) A special fuel user's permit is not required of
6 any person whose sole use of special fuel is for the
7 propulsion of a privately operated passenger automobile
8 provided the person purchases special fuel, tax paid, from a
9 licensed special fuel dealer in this state. For purposes of
10 this exemption, a privately operated passenger vehicle does
11 not include a motor vehicle used for the transportation of
12 persons for hire or for compensation or designed, used, or
13 maintained primarily for transportation of property.

14 (4) Any out-of-state user who operates a special fuel
15 vehicle solely for recreation or for religious, charitable,
16 educational, or other eleemosynary purposes shall secure a
17 special fuel user's courtesy vehicle permit. The permit
18 ~~shall~~ is not be transferable and ~~shall be~~ is valid for 90
19 days. Permits will be issued at no cost to the user by the
20 department, scale house personnel, and gross vehicle weight
21 patrol crews. The department may require the user who has
22 fuel capacity in excess of 30 gallons to file a report and
23 pay the tax on fuel used in Montana on which the tax has not
24 been paid.

25 (5) A special fuel user need not display the original

1 or reproduced copy of the special fuel user's permit as
2 required by subsection (2) if:

3 (a) he is registered and licensed pursuant to the
4 International Fuel Tax Agreement as authorized by [section
5 1] and the vehicle displays a license or decal issued
6 pursuant to the agreement; or

7 ~~(a)~~(b) the motor vehicle operated by him is a vehicle
8 that is part of a motor vehicle fleet based in Montana that
9 is proportionally registered under the provisions of
10 61-3-711 through 61-3-733;

11 ~~(b)~~(c) he obtains a registration card issued by the
12 department of highways indicating the special fuel user's
13 permit number; and

14 ~~(c)~~(d) the registration card indicating the special
15 fuel user's permit number is carried in the vehicle and is
16 available for inspection."

17 NEW SECTION. SECTION 5. COLLECTION OF FUEL TAX. THE
18 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF HIGHWAYS MAY
19 ESTABLISH PROCEDURES UNDER THE INTERNATIONAL FUEL TAX
20 AGREEMENT TO PROVIDE FOR THE BILLING, COLLECTION, AND
21 ADMINISTRATION OF FUEL TAXES FOR THOSE OWNERS WHO
22 PROPORTIONALLY REGISTER THEIR FLEET VEHICLES THROUGH THE
23 DEPARTMENT OF HIGHWAYS UNDER 61-3-711 THROUGH 61-3-733.

24 NEW SECTION. Section 6. Severability. If a part of
25 [this act] is invalid, all valid parts that are severable

1 from the invalid part remain in effect. If a part of [this
2 act] is invalid in one or more of its applications, the part
3 remains in effect in all valid applications that are
4 severable from the invalid applications.

5 NEW SECTION. Section 7. Extension of authority. Any
6 existing authority to make rules on the subject of the
7 provisions of [this act] is extended to the provisions of
8 [this act].

9 NEW SECTION. Section 8. Codification instruction.
10 [Sections 1 and, 2, AND 5] are intended to be codified as an
11 integral part of Title 15, chapter 70, part 1, and the
12 provisions of Title 15, chapter 70, apply to [sections 1
13 and, 2, AND 5].

-End-