

1 *Senate* BILL NO. 6
2 INTRODUCED BY *Smith*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE PROJECTED
5 JULY 1, 1990, PREMIUM RATE INCREASE BY INCREASING THE
6 WORKERS' COMPENSATION EMPLOYER'S PAYROLL TAX FOR THE PERIOD
7 FROM JULY 1, 1990, THROUGH JUNE 30, 1991; AMENDING SECTION
8 39-71-2503, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
9 AND AN APPLICABILITY DATE."

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

12 Section 1. Section 39-71-2503, MCA, is amended to read:

13 "39-71-2503. (Temporary) Workers' compensation payroll
14 tax -- penalty. (1) (a) There is imposed on each employer a
15 workers' compensation payroll tax in an amount equal to 0-3%
16 0.55% of the employer's payroll in the preceding calendar
17 quarter for all employments covered under 39-71-401. This
18 payroll tax must be used to reduce the unfunded liability in
19 the state fund. The increase in the employer's payroll tax
20 that commences with the calendar quarter ending September
21 30, 1990, must be used to reduce the projected July 1, 1990,
22 premium rate increase.

23 (b) The tax is due and payable following the end of
24 each calendar quarter, ~~commencing with the quarter ending~~
25 September-30, 1987.

1 (c) The tax must be paid to and collected by the
2 department. The department shall prepare appropriate returns
3 to be filed by each employer or insurer with the payment of
4 the tax.

5 (d) Each employer shall maintain the records the
6 department requires concerning the employer's payroll. The
7 records are subject to inspection by the department and its
8 employees and agents during regular business hours.

9 (e) Taxes not paid when due bear interest at the rate
10 of 1% a month. The employer shall also pay a penalty equal
11 to 10% of the amount of the delinquent payroll tax.

12 (2) All collections of the tax are appropriated to and
13 must be deposited as received in the tax account. The tax is
14 in addition to any other tax or fee assessed against
15 employers subject to the tax.

16 (3) Sections 15-35-112 through 15-35-114, 15-35-121,
17 and 15-35-122 regarding deficiency assessments, credits for
18 overpayment, statute of limitations, penalties, and
19 department rulemaking authority apply to the tax, to
20 employers, and to the department. (Terminates June 30,
21 1991--sec. 10, Ch. 664, L. 1987.)"

22 NEW SECTION. Section 2. Applicability. The workers'
23 compensation employer's payroll tax imposed by [section 1]
24 commences with the calendar quarter ending September 30,
25 1990.

LC 0019/01

1 NEW SECTION. Section 3. Effective date. [This act] is
2 effective on passage and approval.

3 -End-