



CONCURRED IN.  
AYES, 50; NOES, 46.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 44  
2 INTRODUCED BY Ream Trux

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 7 PERCENT  
5 SURTAX ON TAXES LEVIED BY THE STATE OF MONTANA; LIMITING  
6 EACH SURTAX TO 1 YEAR; ALLOCATING THE ADDITIONAL REVENUE  
7 OTHER THAN THE ADDITIONAL FUEL TAX REVENUE TO THE GENERAL  
8 FUND; AMENDING SECTIONS 15-31-121, 15-37-117, 16-1-404,  
9 16-1-410, 16-1-411, 16-11-111, 16-11-119, 16-11-202,  
10 23-5-610, 33-2-705, 61-3-502, AND 82-11-135, MCA; AND  
11 PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES,  
12 AND TERMINATION DATES."

13  
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Surtax -- distribution. (1)  
16 Each person required to pay the coal gross proceeds tax  
17 under this part shall pay, in addition to the tax liability  
18 determined under 15-23-703, a surtax of 7% of the tax  
19 liability.

20 (2) Notwithstanding the provisions of 15-23-707, the  
21 money received from county treasurers from the surtax  
22 collected under this section must be deposited to the credit  
23 of the state general fund.

24 NEW SECTION. Section 2. Surtax. Each person required  
25 to file a Montana individual income tax return shall pay, in

1 addition to the tax liability computed as required in  
2 15-30-103, a surtax of 7% of the tax liability.

3 **Section 3.** Section 15-31-121, MCA, is amended to read:  
4 "15-31-121. Rate of tax -- minimum tax -- surtax. (1)  
5 Except as provided in subsection (2), the percentage of net  
6 income to be paid under 15-31-101 shall be 6 3/4% of all net  
7 income for the taxable period. The rate set forth in this  
8 subsection (1) shall be effective for all taxable years  
9 ending on or after February 28, 1971. This rate is  
10 retroactive to and effective for all taxable years ending on  
11 or after February 28, 1971.

12 (2) For a taxpayer making a water's-edge election, the  
13 percentage of net income to be paid under 15-31-101 shall be  
14 7% of all taxable net income for the taxable period.

15 (3) Every corporation subject to taxation under this  
16 part shall, in any event, pay a minimum tax of not less than  
17 \$50.

18 (4) After the amount of tax liability has been computed  
19 under subsections (1) through (3), each corporation subject  
20 to taxation under this part shall add, as a surtax ~~for--tax~~  
21 ~~year--1988,~~ ~~4%~~ 7% of the tax liability, and the amount so  
22 derived is the amount due the state."

23 NEW SECTION. Section 4. Surtax. (1) Each coal mine  
24 operator required to pay the severance tax under this  
25 chapter shall pay, in addition to the tax liability computed

1 under 15-35-103, a surtax of 7% of the tax liability.

2 (2) The additional tax must be deposited to the credit  
3 of the state general fund.

4 NEW SECTION. Section 5. Surtax. (1) Each person  
5 required to pay the state severance tax under this chapter  
6 on oil and gas production, other than production from a  
7 stripper well, shall pay, in addition to the tax liability  
8 computed as required in 15-36-101 and 15-36-121, a surtax of  
9 7% of the tax liability.

10 (2) Except as provided in Article IX, section 5, of the  
11 Montana constitution, the additional tax must be deposited  
12 to the credit of the state general fund.

13 NEW SECTION. Section 6. Surtax -- distribution. Each  
14 person required to pay the metal mines license tax under  
15 this part shall pay, in addition to the tax liability  
16 computed as required in 15-37-103, a surtax of 7% of the tax  
17 liability.

18 **Section 7.** Section 15-37-117, MCA, is amended to read:

19 "15-37-117. **Disposition of metalliferous mines license**  
20 **taxes.** (1) Metalliferous Except as provided in subsection  
21 (4), metalliferous mines license taxes collected under the  
22 provisions of this part are allocated as follows:

23 (a) to the credit of the general fund of the state, 58%  
24 of total collections each year;

25 (b) to the state special revenue fund to the credit of

1 a hard-rock mining impact trust account, 1.5% of total  
2 collections each year;

3 (c) to the state resource indemnity trust fund, 15.5%  
4 of total collections each year;

5 (d) to the county or counties identified as  
6 experiencing fiscal and economic impacts, resulting in  
7 increased employment or local government costs, under an  
8 impact plan for a large-scale mineral development prepared  
9 and approved pursuant to 90-6-307, in direct proportion to  
10 the fiscal and economic impacts determined in the plan or,  
11 if no impact plan has been prepared, to the county in which  
12 the mine is located, 25% of total collections each year, to  
13 be allocated by the county commissioners as follows:

14 (i) not less than 40% to the county hard-rock mine  
15 trust reserve account established in 7-6-2225; and

16 (ii) all money not allocated to the account pursuant to  
17 subsection (1)(d)(i) to be further allocated as follows:

18 (A) 33 1/3% is allocated to the county for planning or  
19 economic development activities;

20 (B) 33 1/3% is allocated to the elementary school  
21 districts within the county that have been affected by the  
22 development or operation of the metal mine; and

23 (C) 33 1/3% is allocated to the high school districts  
24 within the county that have been affected by the development  
25 or operation of the metal mine.

1 (2) When an impact plan for a large-scale mineral  
2 development approved pursuant to 90-6-307 identifies a  
3 jurisdictional revenue disparity, the county shall  
4 distribute the proceeds allocated under subsection (1)(d) in  
5 a manner similar to that provided for property tax sharing  
6 under Title 90, chapter 6, part 4.

7 (3) The department shall return to the county in which  
8 metals are produced the tax collections allocated under  
9 subsection (1)(d). The allocation to the county described by  
10 subsection (1)(d) is a statutory appropriation pursuant to  
11 17-7-502.

12 (4) The proceeds of the surtax collected under [section  
13 6] must be deposited to the credit of the general fund."

14 NEW SECTION. Section 8. Surtax. Each person required  
15 to pay the license tax on micaceous minerals under this part  
16 shall pay, in addition to the tax liability computed as  
17 required in 15-37-201, a surtax of 7% of the tax liability.

18 NEW SECTION. Section 9. Surtax. (1) Each person  
19 required to pay the resource indemnity trust tax under this  
20 part shall pay, in addition to the tax liability computed as  
21 required in 15-38-104, a surtax of 7% of the tax liability.

22 (2) The additional tax must be deposited to the credit  
23 of the state general fund.

24 NEW SECTION. Section 10. Surtax. Each person required  
25 to pay the electric energy producers' license tax under this

1 part shall pay, in addition to the tax liability computed as  
2 required in 15-51-101, a surtax of 7% of the tax liability.

3 NEW SECTION. Section 11. Surtax. Each person required  
4 to pay the telephone company license tax under this part  
5 shall pay, in addition to the tax liability, computed as  
6 required in 15-53-101, a surtax of 7% of the tax liability.

7 NEW SECTION. Section 12. Surtax. Each person required  
8 to pay the freight line company license tax under this part  
9 shall pay, in addition to the tax liability computed as  
10 required in 15-55-102, a surtax of 7% of the tax liability.

11 NEW SECTION. Section 13. Surtax. Each person required  
12 to pay the cement and gypsum producers' license tax under  
13 this part shall pay, in addition to the tax liability  
14 computed as required in 15-59-102, a surtax of 7% of the tax  
15 liability.

16 NEW SECTION. Section 14. Surtax. Each person required  
17 to pay the cement dealers' license tax under this part shall  
18 pay, in addition to the tax liability computed as required  
19 in 15-59-201, a surtax of 7% of the tax liability.

20 NEW SECTION. Section 15. Additional tax -- allocation.  
21 (1) An additional tax is imposed on the user of a facility  
22 at a rate equal to 0.28% of the accommodation charge  
23 collected by the facility.

24 (2) The additional tax must be deposited to the credit  
25 of the state general fund.

1 NEW SECTION. Section 16. Surtax. Each distributor  
2 required to pay the gasoline license tax under this part  
3 shall pay, in addition to the tax liability computed as  
4 required in 15-70-204, a surtax of 7% of the tax liability.

5 NEW SECTION. Section 17. Surtax -- diesel fuel and  
6 volatile liquids. Each special fuel dealer subject to  
7 taxation under this part shall pay, in addition to the tax  
8 liability computed as required in 15-70-321, a surtax of 7%  
9 of the tax liability.

10 NEW SECTION. Section 18. Surtax -- special fuels. Each  
11 special fuel user subject to taxation under this part shall  
12 pay, in addition to the tax liability computed as required  
13 in 15-70-322, a surtax of 7% of the tax liability.

14 NEW SECTION. Section 19. Surtax. Each owner or  
15 operator subject to a license tax fee under this part shall  
16 pay, in addition to the license tax fee determined under  
17 15-71-101(1), a surtax of 7% of the liability.

18 NEW SECTION. Section 20. Surtax on liquor --  
19 **distribution.** (1) In addition to the amount of tax liability  
20 determined under 16-1-401 through 16-1-404, each person  
21 subject to taxation under this part shall pay, as a surtax,  
22 7% of the tax liability.

23 (2) The surtax imposed by this section must be  
24 deposited to the credit of the state general fund.

25 NEW SECTION. Section 21. Surtax on beer --

1 **distribution.** (1) After the amount of tax liability has been  
2 determined under 16-1-406 and 16-1-408, each wholesaler  
3 subject to taxation under this part shall pay, as a surtax,  
4 7% of the tax liability.

5 (2) The surtax imposed by this section must be  
6 deposited to the credit of the state general fund.

7 NEW SECTION. Section 22. Surtax on table wine --  
8 **distribution.** (1) In addition to the amount of tax liability  
9 determined under 16-1-411, each table wine distributor  
10 subject to taxation under this part shall pay, as a surtax,  
11 7% of the tax liability.

12 (2) The surtax imposed by this section must be  
13 deposited to the credit of the state general fund.

14 **Section 23.** Section 16-1-404, MCA, is amended to read:

15 **"16-1-404. License tax on liquor -- amount --**  
16 **distribution of proceeds.** (1) The department is hereby  
17 authorized and directed to charge, receive, and collect at  
18 the time of sale and delivery of any liquor under any  
19 provisions of the laws of the state of Montana a license tax  
20 of:

21 (a) 10% of the retail selling price on all liquor sold  
22 and delivered in the state by a company that manufactured,  
23 distilled, rectified, bottled, or processed, and sold more  
24 than 200,000 proof gallons of liquor nationwide in the  
25 calendar year preceding imposition of the tax pursuant to

1 this section;

2 (b) 8.6% of the retail selling price on all liquor sold  
3 and delivered in the state by a company that manufactured,  
4 distilled, rectified, bottled, or processed, and sold not  
5 more than 200,000 proof gallons of liquor nationwide in the  
6 calendar year preceding imposition of the tax pursuant to  
7 this section.

8 (2) The license tax shall be charged and collected on  
9 all liquor brought into the state and taxed by the  
10 department. The retail selling price shall be computed by  
11 adding to the cost of said liquor the state markup as  
12 designated by the department. The license tax shall be  
13 figured in the same manner as the state excise tax and shall  
14 be in addition to said state excise tax. The Except as  
15 provided in [section 20], the department shall retain in a  
16 separate account the amount of the license tax so received.  
17 Thirty percent of these revenues are statutorily  
18 appropriated, as provided in 17-7-502, to the department and  
19 shall be allocated to the counties according to the amount  
20 of liquor purchased in each county to be distributed to the  
21 incorporated cities and towns, as provided in subsection  
22 (3). Four and one-half percent of these revenues are  
23 statutorily appropriated, as provided in 17-7-502, and shall  
24 be allocated to the counties according to the amount of  
25 liquor purchased in each county, and this money may be used

1 for county purposes. The remaining revenues shall be  
2 deposited in the state special revenue fund to the credit of  
3 the department of corrections and human services for the  
4 treatment, rehabilitation, and prevention of alcoholism.  
5 Provided, however, in the case of purchases of liquor by a  
6 retail liquor licensee for use in his business, the  
7 department shall make such regulations as are necessary to  
8 apportion that proportion of license tax so generated to the  
9 county where the licensed establishment is located, for use  
10 as provided in 16-1-405. That proportion of the license tax  
11 is statutorily appropriated, as provided in 17-7-502, to the  
12 department, which shall pay quarterly to each county  
13 treasurer the proportion of the license tax due each county  
14 to be allocated to the incorporated cities and towns of the  
15 county.

16 (3) The license tax proceeds allocated to the county  
17 under subsection (2) for use by cities and towns shall be  
18 distributed by the county treasurer to the incorporated  
19 cities and towns within 30 days of receipt from the  
20 department. The distribution of funds to the cities and  
21 towns shall be based on the proportion that the gross sale  
22 of liquor in each city or town is to the gross sale of  
23 liquor in all of the cities and towns of the county.

24 (4) The license tax proceeds that are allocated to the  
25 department of corrections and human services for the

1 treatment, rehabilitation, and prevention of alcoholism  
 2 shall be credited quarterly to the department of corrections  
 3 and human services. The legislature may appropriate a  
 4 portion of the license tax proceeds to support alcohol  
 5 programs. The remainder shall be distributed as provided in  
 6 53-24-206."

7 **Section 24.** Section 16-1-410, MCA, is amended to read:

8 "16-1-410. Tax revenue allocation. At Subject to  
 9 [section 21], all revenue received from taxes on beer under  
 10 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31  
 11 gallons shall be deposited with the state treasurer to the  
 12 credit of the incorporated cities and towns beer tax account  
 13 in the state special revenue fund. The money in the account  
 14 is statutorily appropriated, as provided in 17-7-502, to the  
 15 state treasurer who shall, monthly, distribute this amount  
 16 of money to the incorporated cities and towns in the direct  
 17 proportion that the population of each city and town bears  
 18 to the total population of all incorporated cities and towns  
 19 as shown in the latest official federal census. For cities  
 20 and towns incorporated after the latest official federal  
 21 census, the census shall be determined as of the date of  
 22 incorporation as evidenced by the certificate of the  
 23 incorporating officials of that city or town. If a city or  
 24 town disincorporates, it may not receive any funds under  
 25 this section and the amount previously distributed to the

1 city or town shall be distributed to the remaining  
 2 incorporated cities and towns. All funds received by cities  
 3 and towns under this section shall be expended for state  
 4 purposes such as law enforcement, maintenance of the  
 5 transportation system, and public health."

6 **Section 25.** Section 16-1-411, MCA, is amended to read:

7 \*16-1-411. Tax on wine. (1) A tax of 27 cents per liter  
 8 is hereby levied and imposed on table wine imported by any  
 9 table wine distributor or the department.

10 (2) (a) The tax on table wine imported by a table wine  
 11 distributor shall be paid by the table wine distributor by  
 12 the 15th day of the month following sale of the table wine  
 13 from the table wine distributor's warehouse. Failure to file  
 14 a table wine tax return or failure to pay the tax required  
 15 by this section subjects the table wine distributor to the  
 16 penalties and interest provided for in 16-1-409.

17 (b) The tax on table wine imported by the department  
 18 shall be collected at the time of sale.

19 (3) The tax paid by a table wine distributor in  
 20 accordance with subsection (2)(a) and the tax collected by  
 21 the department in accordance with subsection (2)(b) shall be  
 22 distributed as follows:

23 (a) 16 cents to the state general fund; and

24 (b) of the remaining 11 cents:

25 (i) 8.34 cents to the state special revenue fund to the



1 credit of the department of corrections and human services  
2 for the treatment, rehabilitation, and prevention of  
3 alcoholism;

4 (ii) 1 1/3 cents is statutorily appropriated, as  
5 provided in 17-7-502, to the department, for allocation to  
6 the counties, based on population, for the purpose  
7 established in 16-1-404; and

8 (iii) 1 1/3 cents is statutorily appropriated, as  
9 provided in 17-7-502, to the department, for allocation to  
10 the cities and towns, based on population, for the purpose  
11 established in 16-1-405.

12 (4) The tax taxes computed and paid in accordance with  
13 16-2-301, [section 22], and this section shall be the only  
14 tax taxes imposed by the state or any of its subdivisions,  
15 including cities and towns.

16 (5) The proceeds of the surtax imposed by [section 22]  
17 must be deposited in the state general fund."

18 **Section 26.** Section 16-11-111, MCA, is amended to read:

19 "16-11-111. Cigarette sales tax. There is levied,  
20 imposed, and assessed and there must be collected and paid  
21 to the state of Montana upon cigarettes sold or possessed in  
22 this state an excise tax of ~~18~~ 19.26 cents on each package  
23 containing 20 cigarettes and, when packages contain more or  
24 less than 20 cigarettes, a tax on each cigarette equal to  
25 1/20th the tax on a package containing 20 cigarettes."

1 **Section 27.** Section 16-11-119, MCA, is amended to read:

2 "16-11-119. Disposition of taxes -- retirement of  
3 bonds. All moneys collected under the provisions of  
4 16-11-111, less the expense of collecting all the taxes  
5 levied, imposed, and assessed by said section, shall be paid  
6 to the state treasurer and deposited as follows: ~~70-09%~~  
7 72.79% in the long-range building program fund in the debt  
8 service fund type and ~~29-11%~~ 27.21% in the long-range  
9 building program fund in the capital projects fund type."

10 **Section 28.** Section 16-11-202, MCA, is amended to read:

11 "16-11-202. Tax on sale of tobacco other than  
12 cigarettes -- imposed on retail consumer -- rate of tax. (1)  
13 All taxes paid pursuant to the provisions of this section  
14 shall be exclusively presumed to be direct taxes on the  
15 retail consumer, precollected for the purpose of convenience  
16 and facility only. When the tax is paid by any other person,  
17 such payment shall be considered as an advance payment and  
18 shall be added to the price of tobacco products other than  
19 cigarettes and recovered from the ultimate consumer or user.  
20 Any person selling tobacco products other than cigarettes at  
21 retail shall state or separately display in the premises  
22 where such products are sold a notice of the tax included in  
23 the selling price and charged or payable pursuant to this  
24 section. The provisions of this section shall in no way  
25 affect the method of collection of such tax as hereinafter

1 provided.

2 (2) There is hereby levied, imposed, and assessed upon  
3 tobacco products other than cigarettes sold or possessed in  
4 this state and there shall be collected and paid to the  
5 state of Montana a tax of ~~12-1/2%~~ 13.38% of the wholesale  
6 price of such products to the wholesaler, excepting  
7 therefrom such products as may be shipped from Montana and  
8 destined for retail sale and consumption outside the state  
9 of Montana."

10 **NEW SECTION. Section 29. Surtax -- distribution.** (1)

11 In addition to the amount of tax liability determined under  
12 23-5-610, each licensed operator subject to taxation under  
13 this part shall pay, as a surtax, 7% of the tax liability.

14 (2) The surtax imposed by this section must be  
15 deposited to the credit of the state general fund.

16 **Section 30.** Section 23-5-610, MCA, is amended to read:

17 **"23-5-610. Video gambling machine gross income tax --**  
18 **records -- distribution -- quarterly statement and payment.**

19 (1) A licensed operator issued a permit under this part  
20 shall pay to the department a video gambling machine tax of  
21 15% of the gross income from each video gambling machine  
22 licensed under this part. A licensed operator may deduct  
23 from the gross income amounts equal to amounts stolen from  
24 machines if the amounts are not repaid by insurance and if a  
25 law enforcement agency investigated the theft.

1 (2) A licensed operator issued a permit under this part  
2 shall keep a record of the gross income from each machine in  
3 such form as the department may require. The records must at  
4 all times during the business hours of the licensee be  
5 subject to inspection by the department.

6 (3) A licensed operator issued a permit under this part  
7 shall, within 15 days after the end of each quarter,  
8 complete and deliver to the department a statement showing  
9 the total gross income from each video gambling machine  
10 licensed to him, together with the total amount due the  
11 state as video gambling machine gross income tax for the  
12 preceding quarter. The statement must contain other relevant  
13 information as the department may require.

14 (4) (a) The department shall forward one-third of the  
15 tax collected under subsection (3) and the surtax imposed by  
16 [section 29] to the general fund.

17 (b) The department shall forward the remaining  
18 two-thirds of the tax collected under subsection (3) to the  
19 treasurer of the county or the clerk, finance officer, or  
20 treasurer of the city or town in which the licensed machine  
21 is located, for deposit to the county or municipal treasury.  
22 Counties are not entitled to proceeds from taxes on income  
23 from video gambling machines located in incorporated cities  
24 and towns. The two-thirds local government portion of tax  
25 collected under subsection (3) is statutorily appropriated

1 to the department as provided in 17-7-502 for deposit to the  
2 county or municipal treasury."

3 **Section 31.** Section 33-2-705, MCA, is amended to read:

4 "33-2-705. Report on premiums and other consideration  
5 -- tax. (1) Each authorized insurer and each formerly  
6 authorized insurer with respect to premiums so received  
7 while an authorized insurer in this state shall file with  
8 the commissioner, on or before March 1 each year, a report  
9 in form as prescribed by the commissioner showing total  
10 direct premium income, including policy, membership, and  
11 other fees, premiums paid by application of dividends,  
12 refunds, savings, savings coupons, and similar returns or  
13 credits to payment of premiums for new or additional or  
14 extended or renewed insurance, charges for payment of  
15 premium in installments, and all other consideration for  
16 insurance from all kinds and classes of insurance, whether  
17 designated as a premium or otherwise, received by a life  
18 insurer or written by an insurer other than a life insurer  
19 during the preceding calendar year on account of policies  
20 covering property, subjects, or risks located, resident, or  
21 to be performed in Montana, with proper proportionate  
22 allocation of premium as to such property, subjects, or  
23 risks in Montana insured under policies or contracts  
24 covering property, subjects, or risks located or resident in  
25 more than one state, after deducting from such total direct

1 premium income applicable cancellations, returned premiums,  
2 the unabsorbed portion of any deposit premium, the amount of  
3 reduction in or refund of premiums allowed to industrial  
4 life policyholders for payment of premiums direct to an  
5 office of the insurer, all policy dividends, refunds,  
6 savings, savings coupons, and other similar returns paid or  
7 credited to policyholders with respect to such policies. As  
8 to title insurance, "premium" includes the total charge for  
9 such insurance. No deduction shall be made of the cash  
10 surrender values of policies. Considerations received on  
11 annuity contracts shall not be included in total direct  
12 premium income and shall not be subject to tax.

13 (2) Coincident with the filing of the tax report  
14 referred to in subsection (1) above, each such insurer shall  
15 pay to the commissioner a tax upon such net premiums  
16 computed at the rate of 2 3/4%.

17 (3) That portion of the tax paid hereunder by an  
18 insurer on account of premiums received for fire insurance  
19 shall be separately specified in the report as required by  
20 the commissioner, for apportionment as provided by law.  
21 Where insurance against fire is included with insurance of  
22 property against other perils at an undivided premium, the  
23 insurer shall make such reasonable allocation from such  
24 entire premium to the fire portion of the coverage as shall  
25 be stated in such report and as may be approved or accepted

1 by the commissioner.

2 (4) With respect to authorized insurers, the premium  
3 tax taxes provided by this section part shall be payment in  
4 full and in lieu of all other demands for any and all state,  
5 county, city, district, municipal, and school taxes,  
6 licenses, fees, and excises of whatever kind or character,  
7 excepting only those prescribed by this code, taxes on real  
8 and tangible personal property located in this state, and  
9 taxes payable under 50-3-109.

10 (5) The commissioner may suspend or revoke the  
11 certificate of authority of any insurer which fails to pay  
12 its taxes as required under this section.

13 (6) In addition to the penalty provided for in  
14 subsection (5), the commissioner may impose upon an insurer  
15 who fails to pay the tax required under this section a fine  
16 of \$100 a day for each day the tax remains unpaid past the  
17 due date or 1% of the amount owed in tax, whichever is  
18 greater.

19 (7) The commissioner may by rule provide a quarterly  
20 schedule for payment of portions of the premium tax under  
21 this section during the year in which such tax liability is  
22 accrued."

23 NEW SECTION. **Section 32. Surtax -- distribution.** (1)  
24 In addition to the amount of tax liability determined under  
25 33-2-311, 33-2-705, 33-2-710, or 33-22-1205, each insurer

1 subject to taxation under 33-2-311, 33-2-705, 33-2-710, or  
2 33-22-1205 shall pay, as a surtax, 7% of the tax liability.

3 (2) The surtax imposed by this section must be  
4 deposited to the credit of the state general fund.

5 **Section 33.** Section 61-3-502, MCA, is amended to read:

6 "61-3-502. Sales tax on new motor vehicles --  
7 exemptions. (1) In consideration of the right to use the  
8 highways of the state, there is imposed a tax upon all sales  
9 of new motor vehicles, excluding trailers, semitrailers, and  
10 housetrailer, for which a license is sought and an original  
11 application for title is made. The tax must be paid by the  
12 purchaser when he applies for his original Montana license  
13 through the county treasurer.

14 (2) Except as provided in subsections (4) and (5), the  
15 sales tax is:

16 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
17 port-of-entry list price, during the first quarter of the  
18 year or for a registration period other than a calendar year  
19 or calendar quarter;

20 (b) 1 1/8% of the list price during the second quarter  
21 of the year;

22 (c) 3/4 of 1% during the third quarter of the year;

23 (d) 3/8 of 1% during the fourth quarter of the year.

24 (3) If the manufacturer or importer fails to furnish  
25 the f.o.b. factory list price or f.o.b. port-of-entry list

1 price, the department may use published price lists.

2 (4) The new car sales tax on vehicles subject to the  
3 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
4 f.o.b. factory list price or f.o.b. port-of-entry list price  
5 regardless of the month in which the new vehicle is  
6 purchased.

7 (5) The sales tax on new motor vehicles registered as  
8 part of a fleet under 61-3-318 is 3/4 of 1% of the f.o.b.  
9 factory list price or f.o.b. port-of-entry list price.

10 (6) The Except as provided in [section 34], the  
11 proceeds from this tax must be remitted to the state  
12 treasurer every 30 days for credit to the state highway  
13 account of the state special revenue fund.

14 (7) The new vehicle is not subject to any other  
15 assessment, fee in lieu of tax, or tax during the calendar  
16 year in which the original application for title is made.

17 (8) (a) The applicant for original registration of any  
18 new and unused motor vehicle, or a new motor vehicle  
19 furnished without charge by a dealer to a school district  
20 for use as a traffic education motor vehicle by a school  
21 district operating a state-approved traffic education  
22 program within the state, whether or not previously licensed  
23 or titled to the school district (except a mobile home as  
24 defined in 15-1-101(1)), acquired by original contract after  
25 January 1 of any year, is required, whenever the vehicle has

1 not been otherwise assessed, to pay the motor vehicle sales  
2 tax provided by this section irrespective of whether the  
3 vehicle was in the state of Montana on January 1 of the  
4 year.

5 (b) No motor vehicle may be registered or licensed  
6 under the provisions of this subsection unless the  
7 application for registration is accompanied by a statement  
8 of origin to be furnished by the dealer selling the vehicle,  
9 showing that the vehicle has not previously been registered  
10 or owned, except as otherwise provided herein, by any  
11 person, firm, corporation, or association that is not a new  
12 motor vehicle dealer holding a franchise or distribution  
13 agreement from a new car manufacturer, distributor, or  
14 importer.

15 (9) (a) Motor vehicles operating exclusively for  
16 transportation of persons for hire within the limits of  
17 incorporated cities or towns and within 15 miles from such  
18 limits are exempt from subsection (1).

19 (b) Motor vehicles brought or driven into Montana by a  
20 nonresident, migratory, bona fide agricultural worker  
21 temporarily employed in agricultural work in this state  
22 where those motor vehicles are used exclusively for  
23 transportation of agricultural workers are also exempt from  
24 subsection (1).

25 (c) Vehicles lawfully displaying a licensed dealer's

1 plate as provided in 61-4-103 are exempt from subsection (1)  
 2 when moving to or from a dealer's place of business when  
 3 unloaded or loaded with dealer's property only, and in the  
 4 case of vehicles having a gross loaded weight of less than  
 5 24,000 pounds, while being demonstrated in the course of the  
 6 dealer's business."

7 NEW SECTION. Section 34. Surtax -- distribution. (1)  
 8 In addition to the amount of tax liability determined under  
 9 61-3-502, each purchaser of a new vehicle subject to  
 10 taxation under this part shall pay, as a surtax, 7% of the  
 11 tax liability.

12 (2) The surtax imposed by this section must be  
 13 deposited to the credit of the state general fund.

14 NEW SECTION. Section 35. Surtax. Each person required  
 15 to pay a fee under this part shall pay, in addition to the  
 16 fee, a surtax of 7% of the fee.

17 NEW SECTION. Section 36. Surtax. Each person required  
 18 to pay the inheritance tax under the provisions of parts 1  
 19 through 8 shall pay, in addition to the tax liability  
 20 determined under 72-16-321 and 72-16-322, a surtax of 7% of  
 21 the tax liability.

22 NEW SECTION. Section 37. Surtax. Each person required  
 23 to pay the generation-skipping transfer tax under this part  
 24 shall pay, in addition to the tax liability determined under  
 25 72-16-1002, a surtax of 7% of the tax liability.

1 **Section 38.** Section 82-11-135, MCA, is amended to read:

2 **"82-11-135. Money earmarked for board expenses. A**~~tt~~  
 3 Except as provided in [section 39], all money collected  
 4 under this chapter shall be deposited in the state special  
 5 revenue fund by the state treasurer and shall be used for  
 6 the purpose of paying all expenses of the board and for no  
 7 other purpose. All these moneys shall be used by the board  
 8 subject to biennial appropriations by the legislature.  
 9 Income and interest from investment of the board's moneys in  
 10 the state special revenue fund shall be credited to the  
 11 board."

12 NEW SECTION. Section 39. Surtax. (1) Each person  
 13 required to pay the tax under this part shall pay, in  
 14 addition to the tax liability determined under 82-11-131, a  
 15 surtax of 7% of the tax liability.

16 (2) The additional tax must be deposited to the credit  
 17 of the general fund.

18 NEW SECTION. Section 40. Codification instruction. (1)  
 19 [Section 1] is intended to be codified as an integral part  
 20 of Title 15, chapter 23, part 7, and the provisions of Title  
 21 15, chapter 23, part 7, apply to [section 1].

22 (2) [Section 2] is intended to be codified as an  
 23 integral part of Title 15, chapter 30, part 1, and the  
 24 provisions of Title 15, chapter 30, part 1, apply to  
 25 [section 2].

1 (3) [Section 4] is intended to be codified as an  
2 integral part of Title 15, chapter 35, part 1, and the  
3 provisions of Title 15, chapter 35, part 1, apply to  
4 [section 4].

5 (4) [Section 5] is intended to be codified as an  
6 integral part of Title 15, chapter 36, part 1, and the  
7 provisions of Title 15, chapter 36, part 1, apply to  
8 [section 5].

9 (5) [Section 6] is intended to be codified as an  
10 integral part of Title 15, chapter 37, part 1, and the  
11 provisions of Title 15, chapter 37, part 1, apply to  
12 [section 6].

13 (6) [Section 8] is intended to be codified as an  
14 integral part of Title 15, chapter 37, part 2, and the  
15 provisions of Title 15, chapter 37, part 2, apply to  
16 [section 8].

17 (7) [Section 9] is intended to be codified as an  
18 integral part of Title 15, chapter 38, part 1, and the  
19 provisions of Title 15, chapter 38, part 1, apply to  
20 [section 9].

21 (8) [Section 10] is intended to be codified as an  
22 integral part of Title 15, chapter 51, part 1, and the  
23 provisions of Title 15, chapter 51, part 1, apply to  
24 [section 10].

25 (9) [Section 11] is intended to be codified as an

1 integral part of Title 15, chapter 53, part 1, and the  
2 provisions of Title 15, chapter 53, part 1, apply to  
3 [section 11].

4 (10) [Section 12] is intended to be codified as an  
5 integral part of Title 15, chapter 55, part 1, and the  
6 provisions of Title 15, chapter 55, part 1, apply to  
7 [section 12].

8 (11) [Section 13] is intended to be codified as an  
9 integral part of Title 15, chapter 59, part 1, and the  
10 provisions of Title 15, chapter 59, part 1, apply to  
11 [section 13].

12 (12) [Section 14] is intended to be codified as an  
13 integral part of Title 15, chapter 59, part 2, and the  
14 provisions of Title 15, chapter 59, part 2, apply to  
15 [section 14].

16 (13) [Section 15] is intended to be codified as an  
17 integral part of Title 15, chapter 65, part 1, and the  
18 provisions of Title 15, chapter 65, part 1, apply to  
19 [section 15].

20 (14) [Section 16] is intended to be codified as an  
21 integral part of Title 15, chapter 70, part 2, and the  
22 provisions of Title 15, chapter 70, part 2, apply to  
23 [section 16].

24 (15) [Sections 17 and 18] are intended to be codified as  
25 an integral part of Title 15, chapter 70, part 3, and the

1 provisions of Title 15, chapter 70, part 3, apply to  
2 [sections 17 and 18].

3 (16) [Section 19] is intended to be codified as an  
4 integral part of Title 15, chapter 71, part 1, and the  
5 provisions of Title 15, chapter 71, part 1, apply to  
6 [section 19].

7 (17) [Sections 20 through 22] are intended to be  
8 codified as an integral part of Title 16, chapter 1, part 4,  
9 and the provisions of Title 16, chapter 1, part 4, apply to  
10 [sections 20 through 22].

11 (18) [Section 29] is intended to be codified as an  
12 integral part of Title 23, chapter 5, part 6, and the  
13 provisions of Title 23, chapter 5, part 6, apply to [section  
14 29].

15 (19) [Section 32] is intended to be codified as an  
16 integral part of Title 33, chapter 2, part 7, and the  
17 provisions of Title 33, chapter 2, part 7, apply to [section  
18 32].

19 (20) [Section 34] is intended to be codified as an  
20 integral part of Title 61, chapter 3, part 5, and the  
21 provisions of Title 61, chapter 3, part 5, apply to [section  
22 34].

23 (21) [Section 35] is intended to be codified as an  
24 integral part of Title 61, chapter 10, part 2, and the  
25 provisions of Title 61, chapter 10, part 2, apply to

1 [section 35].

2 (22) [Section 36] is intended to be codified as an  
3 integral part of Title 72, chapter 16, part 3, and the  
4 provisions of Title 72, chapter 16, part 3, apply to  
5 [section 36].

6 (23) [Section 37] is intended to be codified as an  
7 integral part of Title 72, chapter 16, part 10, and the  
8 provisions of Title 72, chapter 16, part 10, apply to  
9 [section 37].

10 (24) [Section 39] is intended to be codified as an  
11 integral part of Title 82, chapter 11, part 1, and the  
12 provisions of Title 82, chapter 11, part 1, apply to  
13 [section 39].

14 **NEW SECTION. Section 41.** Effective date. [This act] is  
15 effective on passage and approval.

16 **NEW SECTION. Section 42.** Applicability -- termination.  
17 (1) (a) [Sections 2, 3, and 12] apply retroactively, within  
18 the meaning of 1-2-109, to the tax year beginning after  
19 December 31, 1991, and ending before January 1, 1993.

20 (b) [Sections 2, 3, and 12] terminate upon receipt of  
21 taxes for tax year 1992.

22 (2) (a) [Sections 4, 5, and 8] apply retroactively,  
23 within the meaning of 1-2-109, to production occurring after  
24 June 30, 1992, and before July 1, 1993.

25 (b) [Sections 4, 5, and 8] terminate upon receipt of



1 taxes on production occurring prior to July 1, 1993.

2 (3) (a) [Sections 1, 6, 7, and 9] apply retroactively,  
3 within the meaning of 1-2-109, to production occurring after  
4 December 31, 1991, and before January 1, 1993.

5 (b) [Sections 1, 6, 7, and 9] terminate upon receipt of  
6 taxes on production occurring prior to January 1, 1993.

7 (4) (a) [Sections 10, 11, 13 through 15, 18, 20, 23,  
8 and 29 through 32] apply retroactively, within the meaning  
9 of 1-2-109, to tax liabilities for calendar quarters  
10 beginning after June 30, 1992, and before July 1, 1993.

11 (b) [Sections 10, 11, 13 through 15, 18, 20, 23, and 29  
12 through 32] terminate upon receipt of taxes for the quarter  
13 ending June 30, 1993.

14 (5) (a) [Sections 16, 17, 21, 22, 24 through 28, and 33  
15 through 35] apply for 1 calendar year to tax or fee  
16 liabilities for months beginning after [the effective date  
17 of this act].

18 (b) [Sections 16, 17, 21, 22, 24 through 28, and 33  
19 through 35] terminate upon receipt of taxes or fees for the  
20 final month of applicability.

21 (6) (a) [Sections 19, 38, and 39] apply to the tax year  
22 beginning after December 31, 1992, and ending before January  
23 1, 1994.

24 (b) [Sections 19, 38, and 39] terminate upon receipt of  
25 taxes for tax year 1993.

1 (7) (a) [Sections 36 and 37] apply to the estate of a  
2 person who dies after [the effective date of this act] and  
3 before [1 year from the effective date of this act].

4 (b) [Sections 36 and 37] terminate upon receipt of  
5 taxes from the estates of persons who died during the period  
6 of applicability.

-End-

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 44

INTRODUCED BY REAM, TOWE

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 7 PERCENT SURTAX ON TAXES LEVIED BY THE STATE OF MONTANA; LIMITING THE APPLICABILITY OF EACH SURTAX ~~FOR~~ YEAR; IMPOSING A 2.3 PERCENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME TAXES FOR TAX YEAR 1992 AND A 4.66 PERCENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME TAXES FOR TAX YEAR 1993; IMPOSING A GENERAL FUND STABILIZATION TAX ON COAL; ALLOCATING THE ADDITIONAL REVENUE OTHER THAN THE ADDITIONAL FUEL TAX REVENUE TO THE GENERAL FUND; AMENDING SECTIONS 15-31-121, 15-37-117, ~~16-1-404~~ 16-1-410, 16-1-411, 16-11-111, 16-11-119, 16-11-202, 23-5-610, 33-2-705, 61-3-502, AND 82-11-135, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES, AND TERMINATION DATES."

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

NEW SECTION. **Section 1.** Surtax -- distribution. (1)

Each person required to pay the coal gross proceeds tax under this part shall pay, in addition to the tax liability determined under 15-23-703, a surtax of 7% of the tax liability.

(2) Notwithstanding the provisions of 15-23-707, the money received from county treasurers from the surtax

collected under this section must be deposited to the credit of the state general fund.

NEW SECTION. **Section 2.** Surtax. Each person required to file a Montana individual income tax return shall pay, in addition to the tax liability computed as required in 15-30-103, a surtax of 7% 2.3% OF THE TAX LIABILITY FOR TAX YEAR 1992 AND A SURTAX OF 4.66% of the tax liability FOR TAX YEAR 1993.

**Section 3.** Section 15-31-121, MCA, is amended to read:

"15-31-121. Rate of tax -- minimum tax -- surtax. (1) Except as provided in subsection (2), the percentage of net income to be paid under 15-31-101 shall be 6 3/4% of all net income for the taxable period. The rate set forth in this subsection (1) shall be effective for all taxable years ending on or after February 28, 1971. This rate is retroactive to and effective for all taxable years ending on or after February 28, 1971.

(2) For a taxpayer making a water's-edge election, the percentage of net income to be paid under 15-31-101 shall be 7% of all taxable net income for the taxable period.

(3) Every corporation subject to taxation under this part shall, in any event, pay a minimum tax of not less than \$50.

(4) After the amount of tax liability has been computed under subsections (1) through (3), each corporation subject

1 to taxation under this part shall add, as a surtax for--tax  
 2 year--1988, 4% 7% FOR TAX YEAR 1992, 2.3% OF THE TAX  
 3 LIABILITY AND, AS A SURTAX FOR TAX YEAR 1993, 4.66% of the  
 4 tax liability, and the amount so derived is the amount due  
 5 the state."

6 ~~NEW SECTION. Section 4. Surtax. (1) Each coal mine  
 7 operator required to pay the severance tax under this  
 8 chapter shall pay, in addition to the tax liability computed  
 9 under 15-35-103, a surtax of 7% of the tax liability.  
 10 (2) The additional tax must be deposited to the credit  
 11 of the state general fund.~~

12 NEW SECTION. SECTION 4. GENERAL FUND STABILIZATION  
 13 TAX. (1) EACH COAL MINE OPERATOR REQUIRED TO PAY THE  
 14 SEVERANCE TAX UNDER TITLE 15, CHAPTER 35, SHALL PAY A  
 15 GENERAL FUND STABILIZATION TAX. THE GENERAL FUND  
 16 STABILIZATION TAX IS AN AMOUNT EQUAL TO 7% OF THE TAX  
 17 LIABILITY COMPUTED UNDER 15-35-103.

18 (2) THE TAX MUST BE DEPOSITED TO THE CREDIT OF THE  
 19 STATE GENERAL FUND.

20 NEW SECTION. Section 5. Surtax. (1) Each person  
 21 required to pay the state severance tax under this chapter  
 22 on oil and gas production, other than production from a  
 23 stripper well, shall pay, in addition to the tax liability  
 24 computed as required in 15-36-101 and 15-36-121, a surtax of  
 25 7% of the tax liability.

1 (2) Except as provided in Article IX, section 5, of the  
 2 Montana constitution, the additional tax must be deposited  
 3 to the credit of the state general fund.

4 NEW SECTION. Section 6. Surtax -- distribution. Each  
 5 person required to pay the metal mines license tax under  
 6 this part shall pay, in addition to the tax liability  
 7 computed as required in 15-37-103, a surtax of 7% of the tax  
 8 liability.

9 Section 7. Section 15-37-117, MCA, is amended to read:

10 "15-37-117. Disposition of metalliferous mines license  
 11 taxes. (1) Metalliferous Except as provided in subsection  
 12 (4), metalliferous mines license taxes collected under the  
 13 provisions of this part are allocated as follows:

14 (a) to the credit of the general fund of the state, 58%  
 15 of total collections each year;

16 (b) to the state special revenue fund to the credit of  
 17 a hard-rock mining impact trust account, 1.5% of total  
 18 collections each year;

19 (c) to the state resource indemnity trust fund, 15.5%  
 20 of total collections each year;

21 (d) to the county or counties identified as  
 22 experiencing fiscal and economic impacts, resulting in  
 23 increased employment or local government costs, under an  
 24 impact plan for a large-scale mineral development prepared  
 25 and approved pursuant to 90-6-307, in direct proportion to

1 the fiscal and economic impacts determined in the plan or,  
 2 if no impact plan has been prepared, to the county in which  
 3 the mine is located, 25% of total collections each year, to  
 4 be allocated by the county commissioners as follows:

5 (i) not less than 40% to the county hard-rock mine  
 6 trust reserve account established in 7-6-2225; and

7 (ii) all money not allocated to the account pursuant to  
 8 subsection (1)(d)(i) to be further allocated as follows:

9 (A) 33 1/3% is allocated to the county for planning or  
 10 economic development activities;

11 (B) 33 1/3% is allocated to the elementary school  
 12 districts within the county that have been affected by the  
 13 development or operation of the metal mine; and

14 (C) 33 1/3% is allocated to the high school districts  
 15 within the county that have been affected by the development  
 16 or operation of the metal mine.

17 (2) When an impact plan for a large-scale mineral  
 18 development approved pursuant to 90-6-307 identifies a  
 19 jurisdictional revenue disparity, the county shall  
 20 distribute the proceeds allocated under subsection (1)(d) in  
 21 a manner similar to that provided for property tax sharing  
 22 under Title 90, chapter 6, part 4.

23 (3) The department shall return to the county in which  
 24 metals are produced the tax collections allocated under  
 25 subsection (1)(d). The allocation to the county described by

1 subsection (1)(d) is a statutory appropriation pursuant to  
 2 17-7-502.

3 (4) The proceeds of the surtax collected under [section  
 4 6] must be deposited to the credit of the general fund."

5 NEW SECTION. Section 8. Surtax. Each person required  
 6 to pay the license tax on micaceous minerals under this part  
 7 shall pay, in addition to the tax liability computed as  
 8 required in 15-37-201, a surtax of 7% of the tax liability.

9 NEW SECTION. Section 9. Surtax. (1) Each person  
 10 required to pay the resource indemnity trust tax under this  
 11 part shall pay, in addition to the tax liability computed as  
 12 required in 15-38-104, a surtax of 7% of the tax liability.

13 (2) The additional tax must be deposited to the credit  
 14 of the state general fund.

15 NEW SECTION. Section 10. Surtax. Each person required  
 16 to pay the electric energy producers' license tax under this  
 17 part shall pay, in addition to the tax liability computed as  
 18 required in 15-51-101, a surtax of 7% of the tax liability.

19 NEW SECTION. Section 11. Surtax. Each person required  
 20 to pay the telephone company license tax under this part  
 21 shall pay, in addition to the tax liability computed as  
 22 required in 15-53-101, a surtax of 7% of the tax liability.

23 NEW SECTION. Section 12. Surtax. Each person required  
 24 to pay the freight line company license tax under this part  
 25 shall pay, in addition to the tax liability computed as

1 required in 15-55-102, a surtax of 7% of the tax liability.

2 NEW SECTION. **Section 13.** Surtax. Each person required  
3 to pay the cement and gypsum producers' license tax under  
4 this part shall pay, in addition to the tax liability  
5 computed as required in 15-59-102, a surtax of 7% of the tax  
6 liability.

7 NEW SECTION. **Section 14.** Surtax. Each person required  
8 to pay the cement dealers' license tax under this part shall  
9 pay, in addition to the tax liability computed as required  
10 in 15-59-201, a surtax of 7% of the tax liability.

11 NEW SECTION. **Section 15.** Additional tax -- allocation.  
12 (1) An additional tax is imposed on the user of a facility  
13 at a rate equal to 0.28% of the accommodation charge  
14 collected by the facility.

15 (2) The additional tax must be deposited to the credit  
16 of the state general fund.

17 NEW SECTION. **Section 16.** Surtax. Each distributor  
18 required to pay the gasoline license tax under this part  
19 shall pay, in addition to the tax liability computed as  
20 required in 15-70-204, a surtax of 7% of the tax liability.

21 NEW SECTION. **Section 17.** Surtax -- diesel fuel and  
22 volatile liquids. Each special fuel dealer subject to  
23 taxation under this part shall pay, in addition to the tax  
24 liability computed as required in 15-70-321, a surtax of 7%  
25 of the tax liability.

1 NEW SECTION. **Section 18.** Surtax -- special fuels. Each  
2 special fuel user subject to taxation under this part shall  
3 pay, in addition to the tax liability computed as required  
4 in 15-70-322, a surtax of 7% of the tax liability.

5 NEW SECTION. **Section 19.** Surtax. Each owner or  
6 operator subject to a license tax fee under this part shall  
7 pay, in addition to the license tax fee determined under  
8 15-71-101(1), a surtax of 7% of the liability.

9 NEW SECTION. **Section 20.** Surtax on liquor --  
10 distribution. (1) In addition to the amount of tax liability  
11 determined under 16-1-401 through ~~16-1-404~~ 16-1-403, each  
12 person subject to taxation under ~~this part~~ 16-1-401 THROUGH  
13 16-1-403 shall pay, as a surtax, 7% of the tax liability.

14 (2) The surtax imposed by this section must be  
15 deposited to the credit of the state general fund.

16 NEW SECTION. **Section 21.** Surtax on beer --  
17 distribution. (1) After the amount of tax liability has been  
18 determined under 16-1-406 and 16-1-408, each wholesaler  
19 subject to taxation under this part shall pay, as a surtax,  
20 7% of the tax liability.

21 (2) The surtax imposed by this section must be  
22 deposited to the credit of the state general fund.

23 NEW SECTION. **Section 22.** Surtax on table wine --  
24 distribution. (1) In addition to the amount of tax liability  
25 determined under 16-1-411, each table wine distributor

1 subject to taxation under this part shall pay, as a surtax,  
 2 7% of the tax liability.

3 (2) The surtax imposed by this section must be  
 4 deposited to the credit of the state general fund.

5 **Section 23.** Section 16-1-404, MCA, is amended to read:

6 "16-1-404. License tax on liquor. Amount  
 7 distribution of proceeds. (1) The department is hereby  
 8 authorized and directed to charge, receive, and collect at  
 9 the time of sale and delivery of any liquor under any  
 10 provisions of the laws of the state of Montana a license tax  
 11 of:

12 (a) 10% of the retail selling price on all liquor sold  
 13 and delivered in the state by a company that manufactured,  
 14 distilled, rectified, bottled, or processed, and sold more  
 15 than 200,000 proof gallons of liquor nationwide in the  
 16 calendar year preceding imposition of the tax pursuant to  
 17 this section;

18 (b) 8.6% of the retail selling price on all liquor sold  
 19 and delivered in the state by a company that manufactured,  
 20 distilled, rectified, bottled, or processed, and sold not  
 21 more than 200,000 proof gallons of liquor nationwide in the  
 22 calendar year preceding imposition of the tax pursuant to  
 23 this section;

24 (2) The license tax shall be charged and collected on  
 25 all liquor brought into the state and taxed by the

1 department. The retail selling price shall be computed by  
 2 adding to the cost of said liquor the state markup as  
 3 designated by the department. The license tax shall be  
 4 figured in the same manner as the state excise tax and shall  
 5 be in addition to said state excise tax. The Except as  
 6 provided in section 20, the department shall retain in a  
 7 separate account the amount of the license tax so received.  
 8 Thirty percent of these revenues are statutorily  
 9 appropriated, as provided in 17-7-502, to the department and  
 10 shall be allocated to the counties according to the amount  
 11 of liquor purchased in each county to be distributed to the  
 12 incorporated cities and towns, as provided in subsection  
 13 (3). Four and one-half percent of these revenues are  
 14 statutorily appropriated, as provided in 17-7-502, and shall  
 15 be allocated to the counties according to the amount of  
 16 liquor purchased in each county, and this money may be used  
 17 for county purposes. The remaining revenues shall be  
 18 deposited in the state special revenue fund to the credit of  
 19 the department of corrections and human services for the  
 20 treatment, rehabilitation, and prevention of alcoholism.  
 21 Provided, however, in the case of purchases of liquor by a  
 22 retail liquor licensee for use in his business, the  
 23 department shall make such regulations as are necessary to  
 24 apportion that proportion of license tax so generated to the  
 25 county where the licensed establishment is located, for use

~~as provided in 16-1-405. That proportion of the license tax is statutorily appropriated, as provided in 17-7-502, to the department, which shall pay quarterly to each county treasurer the proportion of the license tax due each county to be allocated to the incorporated cities and towns of the county.~~

~~(3) The license tax proceeds allocated to the county under subsection (2) for use by cities and towns shall be distributed by the county treasurer to the incorporated cities and towns within 30 days of receipt from the department. The distribution of funds to the cities and towns shall be based on the proportion that the gross sale of liquor in each city or town is to the gross sale of liquor in all of the cities and towns of the county.~~

~~(4) The license tax proceeds that are allocated to the department of corrections and human services for the treatment, rehabilitation, and prevention of alcoholism shall be credited quarterly to the department of corrections and human services. The legislature may appropriate a portion of the license tax proceeds to support alcohol programs. The remainder shall be distributed as provided in 53-24-206."~~

**Section 23.** Section 16-1-410, MCA, is amended to read:

"16-1-410. Tax revenue allocation. All Subject to [section 21], all revenue received from taxes on beer under

16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31 gallons shall be deposited with the state treasurer to the credit of the incorporated cities and towns beer tax account in the state special revenue fund. The money in the account is statutorily appropriated, as provided in 17-7-502, to the state treasurer who shall, monthly, distribute this amount of money to the incorporated cities and towns in the direct proportion that the population of each city and town bears to the total population of all incorporated cities and towns as shown in the latest official federal census. For cities and towns incorporated after the latest official federal census, the census shall be determined as of the date of incorporation as evidenced by the certificate of the incorporating officials of that city or town. If a city or town disincorporates, it may not receive any funds under this section and the amount previously distributed to the city or town shall be distributed to the remaining incorporated cities and towns. All funds received by cities and towns under this section shall be expended for state purposes such as law enforcement, maintenance of the transportation system, and public health."

**Section 24.** Section 16-1-411, MCA, is amended to read:

"16-1-411. Tax on wine. (1) A tax of 27 cents per liter is hereby levied and imposed on table wine imported by any table wine distributor or the department.

1 (2) (a) The tax on table wine imported by a table wine  
2 distributor shall be paid by the table wine distributor by  
3 the 15th day of the month following sale of the table wine  
4 from the table wine distributor's warehouse. Failure to file  
5 a table wine tax return or failure to pay the tax required  
6 by this section subjects the table wine distributor to the  
7 penalties and interest provided for in 16-1-409.

8 (b) The tax on table wine imported by the department  
9 shall be collected at the time of sale.

10 (3) The tax paid by a table wine distributor in  
11 accordance with subsection (2)(a) and the tax collected by  
12 the department in accordance with subsection (2)(b) shall be  
13 distributed as follows:

14 (a) 16 cents to the state general fund; and

15 (b) of the remaining 11 cents:

16 (i) 8.34 cents to the state special revenue fund to the  
17 credit of the department of corrections and human services  
18 for the treatment, rehabilitation, and prevention of  
19 alcoholism;

20 (ii) 1 1/3 cents is statutorily appropriated, as  
21 provided in 17-7-502, to the department, for allocation to  
22 the counties, based on population, for the purpose  
23 established in 16-1-404; and

24 (iii) 1 1/3 cents is statutorily appropriated, as  
25 provided in 17-7-502, to the department, for allocation to

1 the cities and towns, based on population, for the purpose  
2 established in 16-1-405.

3 (4) The tax taxes computed and paid in accordance with  
4 16-2-301, [section 22], and this section shall be the only  
5 tax taxes imposed by the state or any of its subdivisions,  
6 including cities and towns.

7 (5) The proceeds of the surtax imposed by [section 22]  
8 must be deposited in the state general fund."

9 **Section 25.** Section 16-11-111, MCA, is amended to read:

10 "16-11-111. Cigarette sales tax. There is levied,  
11 imposed, and assessed and there must be collected and paid  
12 to the state of Montana upon cigarettes sold or possessed in  
13 this state an excise tax of ~~18~~ 19.26 cents on each package  
14 containing 20 cigarettes and, when packages contain more or  
15 less than 20 cigarettes, a tax on each cigarette equal to  
16 1/20th the tax on a package containing 20 cigarettes."

17 **Section 26.** Section 16-11-119, MCA, is amended to read:

18 "16-11-119. Disposition of taxes -- retirement of  
19 bonds. All moneys collected under the provisions of  
20 16-11-111, less the expense of collecting all the taxes  
21 levied, imposed, and assessed by said section, shall be paid  
22 to the state treasurer and deposited as follows: ~~70.89%~~  
23 72.79% in the long-range building program fund in the debt  
24 service fund type and ~~29.11%~~ 27.21% in the long-range  
25 building program fund in the capital projects fund type."



1 **Section 27.** Section 16-11-202, MCA, is amended to read:

2 "16-11-202. Tax on sale of tobacco other than  
3 cigarettes -- imposed on retail consumer -- rate of tax. (1)  
4 All taxes paid pursuant to the provisions of this section  
5 shall be exclusively presumed to be direct taxes on the  
6 retail consumer, precollected for the purpose of convenience  
7 and facility only. When the tax is paid by any other person,  
8 such payment shall be considered as an advance payment and  
9 shall be added to the price of tobacco products other than  
10 cigarettes and recovered from the ultimate consumer or user.  
11 Any person selling tobacco products other than cigarettes at  
12 retail shall state or separately display in the premises  
13 where such products are sold a notice of the tax included in  
14 the selling price and charged or payable pursuant to this  
15 section. The provisions of this section shall in no way  
16 affect the method of collection of such tax as hereinafter  
17 provided.

18 (2) There is hereby levied, imposed, and assessed upon  
19 tobacco products other than cigarettes sold or possessed in  
20 this state and there shall be collected and paid to the  
21 state of Montana a tax of ~~12-1/2%~~ 13.38% of the wholesale  
22 price of such products to the wholesaler, excepting  
23 therefrom such products as may be shipped from Montana and  
24 destined for retail sale and consumption outside the state  
25 of Montana."

1 **NEW SECTION. Section 28.** Surtax -- distribution. (1)

2 In addition to the amount of tax liability determined under  
3 23-5-610, each licensed operator subject to taxation under  
4 this part shall pay, as a surtax, 7% of the tax liability.

5 (2) The surtax imposed by this section must be  
6 deposited to the credit of the state general fund.

7 **Section 29.** Section 23-5-610, MCA, is amended to read:

8 "23-5-610. Video gambling machine gross income tax --  
9 records -- distribution -- quarterly statement and payment.

10 (1) A licensed operator issued a permit under this part  
11 shall pay to the department a video gambling machine tax of  
12 15% of the gross income from each video gambling machine  
13 licensed under this part. A licensed operator may deduct  
14 from the gross income amounts equal to amounts stolen from  
15 machines if the amounts are not repaid by insurance and if a  
16 law enforcement agency investigated the theft.

17 (2) A licensed operator issued a permit under this part  
18 shall keep a record of the gross income from each machine in  
19 such form as the department may require. The records must at  
20 all times during the business hours of the licensee be  
21 subject to inspection by the department.

22 (3) A licensed operator issued a permit under this part  
23 shall, within 15 days after the end of each quarter,  
24 complete and deliver to the department a statement showing  
25 the total gross income from each video gambling machine

1 licensed to him, together with the total amount due the  
 2 state as video gambling machine gross income tax for the  
 3 preceding quarter. The statement must contain other relevant  
 4 information as the department may require.

5 (4) (a) The department shall forward one-third of the  
 6 tax collected under subsection (3) and the surtax imposed by  
 7 [section 29 28] to the general fund.

8 (b) The department shall forward the remaining  
 9 two-thirds of the tax collected under subsection (3) to the  
 10 treasurer of the county or the clerk, finance officer, or  
 11 treasurer of the city or town in which the licensed machine  
 12 is located, for deposit to the county or municipal treasury.  
 13 Counties are not entitled to proceeds from taxes on income  
 14 from video gambling machines located in incorporated cities  
 15 and towns. The two-thirds local government portion of tax  
 16 collected under subsection (3) is statutorily appropriated  
 17 to the department as provided in 17-7-502 for deposit to the  
 18 county or municipal treasury."

19 **Section 30.** Section 33-2-705, MCA, is amended to read:

20 "33-2-705. Report on premiums and other consideration  
 21 -- tax. (1) Each authorized insurer and each formerly  
 22 authorized insurer with respect to premiums so received  
 23 while an authorized insurer in this state shall file with  
 24 the commissioner, on or before March 1 each year, a report  
 25 in form as prescribed by the commissioner showing total

1 direct premium income, including policy, membership, and  
 2 other fees, premiums paid by application of dividends,  
 3 refunds, savings, savings coupons, and similar returns or  
 4 credits to payment of premiums for new or additional or  
 5 extended or renewed insurance, charges for payment of  
 6 premium in installments, and all other consideration for  
 7 insurance from all kinds and classes of insurance, whether  
 8 designated as a premium or otherwise, received by a life  
 9 insurer or written by an insurer other than a life insurer  
 10 during the preceding calendar year on account of policies  
 11 covering property, subjects, or risks located, resident, or  
 12 to be performed in Montana, with proper proportionate  
 13 allocation of premium as to such property, subjects, or  
 14 risks in Montana insured under policies or contracts  
 15 covering property, subjects, or risks located or resident in  
 16 more than one state, after deducting from such total direct  
 17 premium income applicable cancellations, returned premiums,  
 18 the unabsorbed portion of any deposit premium, the amount of  
 19 reduction in or refund of premiums allowed to industrial  
 20 life policyholders for payment of premiums direct to an  
 21 office of the insurer, all policy dividends, refunds,  
 22 savings, savings coupons, and other similar returns paid or  
 23 credited to policyholders with respect to such policies. As  
 24 to title insurance, "premium" includes the total charge for  
 25 such insurance. No deduction shall be made of the cash

1 surrender values of policies. Considerations received on  
2 annuity contracts shall not be included in total direct  
3 premium income and shall not be subject to tax.

4 (2) Coincident with the filing of the tax report  
5 referred to in subsection (1) above, each such insurer shall  
6 pay to the commissioner a tax upon such net premiums  
7 computed at the rate of 2 3/4%.

8 (3) That portion of the tax paid hereunder by an  
9 insurer on account of premiums received for fire insurance  
10 shall be separately specified in the report as required by  
11 the commissioner, for apportionment as provided by law.  
12 Where insurance against fire is included with insurance of  
13 property against other perils at an undivided premium, the  
14 insurer shall make such reasonable allocation from such  
15 entire premium to the fire portion of the coverage as shall  
16 be stated in such report and as may be approved or accepted  
17 by the commissioner.

18 (4) With respect to authorized insurers, the premium  
19 tax taxes provided by this section part shall be payment in  
20 full and in lieu of all other demands for any and all state,  
21 county, city, district, municipal, and school taxes,  
22 licenses, fees, and excises of whatever kind or character,  
23 excepting only those prescribed by this code, taxes on real  
24 and tangible personal property located in this state, and  
25 taxes payable under 50-3-109.

1 (5) The commissioner may suspend or revoke the  
2 certificate of authority of any insurer which fails to pay  
3 its taxes as required under this section.

4 (6) In addition to the penalty provided for in  
5 subsection (5), the commissioner may impose upon an insurer  
6 who fails to pay the tax required under this section a fine  
7 of \$100 a day for each day the tax remains unpaid past the  
8 due date or 1% of the amount owed in tax, whichever is  
9 greater.

10 (7) The commissioner may by rule provide a quarterly  
11 schedule for payment of portions of the premium tax under  
12 this section during the year in which such tax liability is  
13 accrued."

14 **NEW SECTION. Section 31. Surtax -- distribution.** (1)  
15 In addition to the amount of tax liability determined under  
16 33-2-311, 33-2-705, 33-2-710, or 33-22-1205, each insurer  
17 subject to taxation under 33-2-311, 33-2-705, 33-2-710, or  
18 33-22-1205 shall pay, as a surtax, 7% of the tax liability.

19 (2) The surtax imposed by this section must be  
20 deposited to the credit of the state general fund.

21 **Section 32.** Section 61-3-502, MCA, is amended to read:

22 "61-3-502. Sales tax on new motor vehicles --  
23 exemptions. (1) In consideration of the right to use the  
24 highways of the state, there is imposed a tax upon all sales  
25 of new motor vehicles, excluding trailers, semitrailers, and

1 housetrailers, for which a license is sought and an original  
2 application for title is made. The tax must be paid by the  
3 purchaser when he applies for his original Montana license  
4 through the county treasurer.

5 (2) Except as provided in subsections (4) and (5), the  
6 sales tax is:

7 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
8 port-of-entry list price, during the first quarter of the  
9 year or for a registration period other than a calendar year  
10 or calendar quarter;

11 (b) 1 1/8% of the list price during the second quarter  
12 of the year;

13 (c) 3/4 of 1% during the third quarter of the year;

14 (d) 3/8 of 1% during the fourth quarter of the year.

15 (3) If the manufacturer or importer fails to furnish  
16 the f.o.b. factory list price or f.o.b. port-of-entry list  
17 price, the department may use published price lists.

18 (4) The new car sales tax on vehicles subject to the  
19 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
20 f.o.b. factory list price or f.o.b. port-of-entry list price  
21 regardless of the month in which the new vehicle is  
22 purchased.

23 (5) The sales tax on new motor vehicles registered as  
24 part of a fleet under 61-3-318 is 3/4 of 1% of the f.o.b.  
25 factory list price or f.o.b. port-of-entry list price.

1 (6) ~~The~~ Except as provided in [section 34 33], the  
2 proceeds from this tax must be remitted to the state  
3 treasurer every 30 days for credit to the state highway  
4 account of the state special revenue fund.

5 (7) The new vehicle is not subject to any other  
6 assessment, fee in lieu of tax, or tax during the calendar  
7 year in which the original application for title is made.

8 (8) (a) The applicant for original registration of any  
9 new and unused motor vehicle, or a new motor vehicle  
10 furnished without charge by a dealer to a school district  
11 for use as a traffic education motor vehicle by a school  
12 district operating a state-approved traffic education  
13 program within the state, whether or not previously licensed  
14 or titled to the school district (except a mobile home as  
15 defined in 15-1-101(1)), acquired by original contract after  
16 January 1 of any year, is required, whenever the vehicle has  
17 not been otherwise assessed, to pay the motor vehicle sales  
18 tax provided by this section irrespective of whether the  
19 vehicle was in the state of Montana on January 1 of the  
20 year.

21 (b) No motor vehicle may be registered or licensed  
22 under the provisions of this subsection unless the  
23 application for registration is accompanied by a statement  
24 of origin to be furnished by the dealer selling the vehicle,  
25 showing that the vehicle has not previously been registered

1 or owned, except as otherwise provided herein, by any  
2 person, firm, corporation, or association that is not a new  
3 motor vehicle dealer holding a franchise or distribution  
4 agreement from a new car manufacturer, distributor, or  
5 importer.

6 (9) (a) Motor vehicles operating exclusively for  
7 transportation of persons for hire within the limits of  
8 incorporated cities or towns and within 15 miles from such  
9 limits are exempt from subsection (1).

10 (b) Motor vehicles brought or driven into Montana by a  
11 nonresident, migratory, bona fide agricultural worker  
12 temporarily employed in agricultural work in this state  
13 where those motor vehicles are used exclusively for  
14 transportation of agricultural workers are also exempt from  
15 subsection (1).

16 (c) Vehicles lawfully displaying a licensed dealer's  
17 plate as provided in 61-4-103 are exempt from subsection (1)  
18 when moving to or from a dealer's place of business when  
19 unloaded or loaded with dealer's property only, and in the  
20 case of vehicles having a gross loaded weight of less than  
21 24,000 pounds, while being demonstrated in the course of the  
22 dealer's business."

23 NEW SECTION. Section 33. Surtax -- distribution. (1)  
24 In addition to the amount of tax liability determined under  
25 61-3-502, each purchaser of a new vehicle subject to

1 taxation under this part shall pay, as a surtax, 7% of the  
2 tax liability.

3 (2) The surtax imposed by this section must be  
4 deposited to the credit of the state general fund.

5 NEW SECTION. Section 34. Surtax. Each person required  
6 to pay a fee under this part shall pay, in addition to the  
7 fee, a surtax of 7% of the fee.

8 ~~NEW SECTION. Section 36. Surtax. Each person required~~  
9 ~~to pay the inheritance tax under the provisions of parts 1~~  
10 ~~through 8 shall pay, in addition to the tax liability~~  
11 ~~determined under 72-16-321 and 72-16-322, a surtax of 7% of~~  
12 ~~the tax liability.~~

13 ~~NEW SECTION. Section 37. Surtax. Each person required~~  
14 ~~to pay the generation skipping transfer tax under this part~~  
15 ~~shall pay, in addition to the tax liability determined under~~  
16 ~~72-16-1002, a surtax of 7% of the tax liability.~~

17 **Section 35.** Section 82-11-135, MCA, is amended to read:

18 "82-11-135. Money earmarked for board expenses. All  
19 Except as provided in [section 39 36], all money collected  
20 under this chapter shall be deposited in the state special  
21 revenue fund by the state treasurer and shall be used for  
22 the purpose of paying all expenses of the board and for no  
23 other purpose. All these moneys shall be used by the board  
24 subject to biennial appropriations by the legislature.  
25 Income and interest from investment of the board's moneys in

1 the state special revenue fund shall be credited to the  
2 board."

3 NEW SECTION. Section 36. Surtax. (1) Each person  
4 required to pay the tax under this part shall pay, in  
5 addition to the tax liability determined under 82-11-131, a  
6 surtax of 7% of the tax liability.

7 (2) The additional tax must be deposited to the credit  
8 of the general fund.

9 NEW SECTION. Section 37. Codification instruction. (1)  
10 [Section 1] is intended to be codified as an integral part  
11 of Title 15, chapter 23, part 7, and the provisions of Title  
12 15, chapter 23, part 7, apply to [section 1].

13 (2) [Section 2] is intended to be codified as an  
14 integral part of Title 15, chapter 30, part 1, and the  
15 provisions of Title 15, chapter 30, part 1, apply to  
16 [section 2].

17 (3) [Section 4] is intended to be codified as an  
18 integral part of Title 15, ~~chapter--357--part--17~~ and the  
19 provisions of Title 15, ~~chapter--357--part--17~~ apply to  
20 [section 4].

21 (4) [Section 5] is intended to be codified as an  
22 integral part of Title 15, chapter 36, part 1, and the  
23 provisions of Title 15, chapter 36, part 1, apply to  
24 [section 5].

25 (5) [Section 6] is intended to be codified as an

1 integral part of Title 15, chapter 37, part 1, and the  
2 provisions of Title 15, chapter 37, part 1, apply to  
3 [section 6].

4 (6) [Section 8] is intended to be codified as an  
5 integral part of Title 15, chapter 37, part 2, and the  
6 provisions of Title 15, chapter 37, part 2, apply to  
7 [section 8].

8 (7) [Section 9] is intended to be codified as an  
9 integral part of Title 15, chapter 38, part 1, and the  
10 provisions of Title 15, chapter 38, part 1, apply to  
11 [section 9].

12 (8) [Section 10] is intended to be codified as an  
13 integral part of Title 15, chapter 51, part 1, and the  
14 provisions of Title 15, chapter 51, part 1, apply to  
15 [section 10].

16 (9) [Section 11] is intended to be codified as an  
17 integral part of Title 15, chapter 53, part 1, and the  
18 provisions of Title 15, chapter 53, part 1, apply to  
19 [section 11].

20 (10) [Section 12] is intended to be codified as an  
21 integral part of Title 15, chapter 55, part 1, and the  
22 provisions of Title 15, chapter 55, part 1, apply to  
23 [section 12].

24 (11) [Section 13] is intended to be codified as an  
25 integral part of Title 15, chapter 59, part 1, and the

1 provisions of Title 15, chapter 59, part 1, apply to  
2 [section 13].

3 (12) [Section 14] is intended to be codified as an  
4 integral part of Title 15, chapter 59, part 2, and the  
5 provisions of Title 15, chapter 59, part 2, apply to  
6 [section 14].

7 (13) [Section 15] is intended to be codified as an  
8 integral part of Title 15, chapter 65, part 1, and the  
9 provisions of Title 15, chapter 65, part 1, apply to  
10 [section 15].

11 (14) [Section 16] is intended to be codified as an  
12 integral part of Title 15, chapter 70, part 2, and the  
13 provisions of Title 15, chapter 70, part 2, apply to  
14 [section 16].

15 (15) [Sections 17 and 18] are intended to be codified as  
16 an integral part of Title 15, chapter 70, part 3, and the  
17 provisions of Title 15, chapter 70, part 3, apply to  
18 [sections 17 and 18].

19 (16) [Section 19] is intended to be codified as an  
20 integral part of Title 15, chapter 71, part 1, and the  
21 provisions of Title 15, chapter 71, part 1, apply to  
22 [section 19].

23 (17) [Sections 20 through 22] are intended to be  
24 codified as an integral part of Title 16, chapter 1, part 4,  
25 and the provisions of Title 16, chapter 1, part 4, apply to

1 [sections 20 through 22].

2 (18) [Section 29 28] is intended to be codified as an  
3 integral part of Title 23, chapter 5, part 6, and the  
4 provisions of Title 23, chapter 5, part 6, apply to [section  
5 29 28].

6 (19) [Section 32 31] is intended to be codified as an  
7 integral part of Title 33, chapter 2, part 7, and the  
8 provisions of Title 33, chapter 2, part 7, apply to [section  
9 32 31].

10 (20) [Section 34 33] is intended to be codified as an  
11 integral part of Title 61, chapter 3, part 5, and the  
12 provisions of Title 61, chapter 3, part 5, apply to [section  
13 34 33].

14 (21) [Section 35 34] is intended to be codified as an  
15 integral part of Title 61, chapter 10, part 2, and the  
16 provisions of Title 61, chapter 10, part 2, apply to  
17 [section 35 34].

18 ~~{22}-[Section-36]-is-intended-to-be-codified-as-an~~  
19 ~~integral-part-of-Title-72,--chapter--16,--part--3,--and--the~~  
20 ~~provisions--of--Title--72,--chapter--16,--part--3,--apply-to~~  
21 ~~{section-36}.~~

22 ~~{23}-[Section-37]-is-intended-to-be-codified--as--an~~  
23 ~~integral--part--of--Title--72,--chapter-16,--part-10,--and--the~~  
24 ~~provisions-of-Title--72,--chapter--16,--part--10,--apply-to~~  
25 ~~{section-37}.~~

1 ~~†24†~~(22) [Section 39 36] is intended to be codified as  
2 an integral part of Title 82, chapter 11, part 1, and the  
3 provisions of Title 82, chapter 11, part 1, apply to  
4 [section 39 36].

5 NEW SECTION. Section 38. Effective date. [This act] is  
6 effective on passage and approval.

7 NEW SECTION. Section 39. Applicability -- termination.

8 (1) (a) [Sections 2, 3, and 12] apply retroactively, within  
9 the meaning of 1-2-109, to the tax year beginning after  
10 December 31, 1991, and ending before January 1, 1993.

11 (b) [~~Sections--27--37---and~~ SECTION 12] terminate  
12 TERMINATES upon receipt of taxes for tax year 1992.  
13 [SECTIONS 2 AND 3] TERMINATE UPON RECEIPT OF TAXES FOR TAX  
14 YEAR 1993.

15 (2) (a) [Sections 4, 5, and 8] apply retroactively,  
16 within the meaning of 1-2-109, to production occurring after  
17 June 30, 1992, and before July 1, 1993.

18 (b) [Sections 4, 5, and 8] terminate upon receipt of  
19 taxes on production occurring prior to July 1, 1993.

20 (3) (a) [Sections 1, 6, 7, and 9] apply retroactively,  
21 within the meaning of 1-2-109, to production occurring after  
22 December 31, 1991, and before January 1, 1993.

23 (b) [Sections 1, 6, 7, and 9] terminate upon receipt of  
24 taxes on production occurring prior to January 1, 1993.

25 (4) (a) [Sections 10, 11, 13 through 15, 18, ~~207--237~~

1 and 29 28 through 32 31] apply retroactively, within the  
2 meaning of 1-2-109, to tax liabilities for calendar quarters  
3 beginning after June 30, 1992, and before July 1, 1993.

4 (b) [Sections 10, 11, 13 through 15, 18, ~~207--237~~ and 29  
5 28 through 32 31] terminate upon receipt of taxes for the  
6 quarter ending June 30, 1993.

7 (5) (a) [Sections 16, 17, 20, 21, 22, ~~23--24~~ through 28 27,  
8 and 33 32 through 35 34] apply for 1 calendar year to tax or  
9 fee liabilities for months beginning after [the effective  
10 date of this act].

11 (b) [Sections 16, 17, 20, 21, 22, ~~23--24~~ through 28 27, and  
12 33 32 through 35 34] terminate upon receipt of taxes or fees  
13 for the final month of applicability.

14 (6) (a) [Sections 19, ~~307--and--39~~ 35, AND 36] apply to  
15 the tax year beginning after December 31, 1992, and ending  
16 before January 1, 1994.

17 (b) [Sections 19, ~~307--and--39~~ 35, AND 36] terminate upon  
18 receipt of taxes for tax year 1993.

19 ~~†7†--(a)--{Sections-36-and-37}-apply-to-the-estate--of--a~~  
20 ~~person--who--dies--after--{the-effective-date-of-this-act}-and~~  
21 ~~before--{1-year-from-the-effective-date-of-this-act}-~~

22 ~~(b)--{Sections-36-and--37}-terminate--upon--receipt--of~~  
23 ~~taxes--from--the--estates--of--persons--who--died--during--the--period~~  
24 ~~of--applicability-~~

-End-



1 HOUSE BILL NO. 44

2 INTRODUCED BY REAM, TOWE

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 7 PERCENT  
5 SURTAX ON TAXES LEVIED BY THE STATE OF MONTANA; LIMITING THE  
6 APPLICABILITY OF EACH SURTAX TO ONE YEAR; IMPOSING A 2.3  
7 PERCENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME TAXES FOR  
8 TAX YEAR 1992 AND A 4.66 PERCENT SURTAX ON INDIVIDUAL AND  
9 CORPORATE INCOME TAXES FOR TAX YEAR 1993; IMPOSING A GENERAL  
10 FUND STABILIZATION TAX ON COAL; ALLOCATING THE ADDITIONAL  
11 REVENUE OTHER THAN THE ADDITIONAL FUEL TAX REVENUE TO THE  
12 GENERAL FUND; AMENDING SECTIONS 15-31-121, 15-37-117,  
13 16-1-404, 16-1-410, 16-1-411, 16-11-111, 16-11-119,  
14 16-11-202, 23-5-610, 33-2-705, 61-3-502, AND 82-11-135, MCA;  
15 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY  
16 DATES, AND TERMINATION DATES."

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 NEW SECTION. Section 1. Surtax -- distribution. (1)

20 Each person required to pay the coal gross proceeds tax  
21 under this part shall pay, in addition to the tax liability  
22 determined under 15-23-703, a surtax of 7% of the tax  
23 liability.

24 (2) Notwithstanding the provisions of 15-23-707, the  
25 money received from county treasurers from the surtax

1 collected under this section must be deposited to the credit  
2 of the state general fund.

3 NEW SECTION. Section 2. Surtax. Each person required  
4 to file a Montana individual income tax return shall pay, in  
5 addition to the tax liability computed as required in  
6 15-30-103, a surtax of 7% 2.3% OF THE TAX LIABILITY FOR TAX  
7 YEAR 1992 AND A SURTAX OF 4.66% of the tax liability FOR TAX  
8 YEAR 1993.

9 Section 3. Section 15-31-121, MCA, is amended to read:

10 "15-31-121. Rate of tax -- minimum tax -- surtax. (1)  
11 Except as provided in subsection (2), the percentage of net  
12 income to be paid under 15-31-101 shall be 6 3/4% of all net  
13 income for the taxable period. The rate set forth in this  
14 subsection (1) shall be effective for all taxable years  
15 ending on or after February 28, 1971. This rate is  
16 retroactive to and effective for all taxable years ending on  
17 or after February 28, 1971.

18 (2) For a taxpayer making a water's-edge election, the  
19 percentage of net income to be paid under 15-31-101 shall be  
20 7% of all taxable net income for the taxable period.

21 (3) Every corporation subject to taxation under this  
22 part shall, in any event, pay a minimum tax of not less than  
23 \$50.

24 (4) After the amount of tax liability has been computed  
25 under subsections (1) through (3), each corporation subject

1 to taxation under this part shall add, as a surtax for--tax  
 2 year--1988, 4% 7% FOR TAX YEAR 1992, 2.3% OF THE TAX  
 3 LIABILITY AND, AS A SURTAX FOR TAX YEAR 1993, 4.66% of the  
 4 tax liability, and the amount so derived is the amount due  
 5 the state."

6 ~~NEW SECTION. Section 4. Surtax. (1) Each coal mine~~  
 7 ~~operator required to pay the severance tax under this~~  
 8 ~~chapter shall pay, in addition to the tax liability computed~~  
 9 ~~under 15-35-103, a surtax of 7% of the tax liability.~~

10 ~~(2) The additional tax must be deposited to the credit~~  
 11 ~~of the state general fund.~~

12 NEW SECTION. SECTION 4. GENERAL FUND STABILIZATION  
 13 TAX. (1) EACH COAL MINE OPERATOR REQUIRED TO PAY THE  
 14 SEVERANCE TAX UNDER TITLE 15, CHAPTER 35, SHALL PAY A  
 15 GENERAL FUND STABILIZATION TAX. THE GENERAL FUND  
 16 STABILIZATION TAX IS AN AMOUNT EQUAL TO 7% OF THE TAX  
 17 LIABILITY COMPUTED UNDER 15-35-103.

18 (2) THE TAX MUST BE DEPOSITED TO THE CREDIT OF THE  
 19 STATE GENERAL FUND.

20 NEW SECTION. Section 5. Surtax. (1) Each person  
 21 required to pay the state severance tax under this chapter  
 22 on oil and gas production, other than production from a  
 23 stripper well, shall pay, in addition to the tax liability  
 24 computed as required in 15-36-101 and 15-36-121, a surtax of  
 25 7% of the tax liability.

1 (2) Except as provided in Article IX, section 5, of the  
 2 Montana constitution, the additional tax must be deposited  
 3 to the credit of the state general fund.

4 NEW SECTION. Section 6. Surtax -- distribution. Each  
 5 person required to pay the metal mines license tax under  
 6 this part shall pay, in addition to the tax liability  
 7 computed as required in 15-37-103, a surtax of 7% of the tax  
 8 liability.

9 Section 7. Section 15-37-117, MCA, is amended to read:

10 "15-37-117. Disposition of metalliferous mines license  
 11 taxes. (1) Metalliferous Except as provided in subsection  
 12 (4), metalliferous mines license taxes collected under the  
 13 provisions of this part are allocated as follows:

14 (a) to the credit of the general fund of the state, 58%  
 15 of total collections each year;

16 (b) to the state special revenue fund to the credit of  
 17 a hard-rock mining impact trust account, 1.5% of total  
 18 collections each year;

19 (c) to the state resource indemnity trust fund, 15.5%  
 20 of total collections each year;

21 (d) to the county or counties identified as  
 22 experiencing fiscal and economic impacts, resulting in  
 23 increased employment or local government costs, under an  
 24 impact plan for a large-scale mineral development prepared  
 25 and approved pursuant to 90-6-307, in direct proportion to

1 the fiscal and economic impacts determined in the plan or,  
 2 if no impact plan has been prepared, to the county in which  
 3 the mine is located, 25% of total collections each year, to  
 4 be allocated by the county commissioners as follows:

5 (i) not less than 40% to the county hard-rock mine  
 6 trust reserve account established in 7-6-2225; and

7 (ii) all money not allocated to the account pursuant to  
 8 subsection (1)(d)(i) to be further allocated as follows:

9 (A) 33 1/3% is allocated to the county for planning or  
 10 economic development activities;

11 (B) 33 1/3% is allocated to the elementary school  
 12 districts within the county that have been affected by the  
 13 development or operation of the metal mine; and

14 (C) 33 1/3% is allocated to the high school districts  
 15 within the county that have been affected by the development  
 16 or operation of the metal mine.

17 (2) When an impact plan for a large-scale mineral  
 18 development approved pursuant to 90-6-307 identifies a  
 19 jurisdictional revenue disparity, the county shall  
 20 distribute the proceeds allocated under subsection (1)(d) in  
 21 a manner similar to that provided for property tax sharing  
 22 under Title 90, chapter 6, part 4.

23 (3) The department shall return to the county in which  
 24 metals are produced the tax collections allocated under  
 25 subsection (1)(d). The allocation to the county described by

1 subsection (1)(d) is a statutory appropriation pursuant to  
 2 17-7-502.

3 (4) The proceeds of the surtax collected under [section  
 4 6] must be deposited to the credit of the general fund."

5 NEW SECTION. Section 8. Surtax. Each person required  
 6 to pay the license tax on micaceous minerals under this part  
 7 shall pay, in addition to the tax liability computed as  
 8 required in 15-37-201, a surtax of 7% of the tax liability.

9 NEW SECTION. Section 9. Surtax. (1) Each person  
 10 required to pay the resource indemnity trust tax under this  
 11 part shall pay, in addition to the tax liability computed as  
 12 required in 15-38-104, a surtax of 7% of the tax liability.

13 (2) The additional tax must be deposited to the credit  
 14 of the state general fund.

15 NEW SECTION. Section 10. Surtax. Each person required  
 16 to pay the electric energy producers' license tax under this  
 17 part shall pay, in addition to the tax liability computed as  
 18 required in 15-51-101, a surtax of 7% of the tax liability.

19 NEW SECTION. Section 11. Surtax. Each person required  
 20 to pay the telephone company license tax under this part  
 21 shall pay, in addition to the tax liability computed as  
 22 required in 15-53-101, a surtax of 7% of the tax liability.

23 NEW SECTION. Section 12. Surtax. Each person required  
 24 to pay the freight line company license tax under this part  
 25 shall pay, in addition to the tax liability computed as

1 required in 15-55-102, a surtax of 7% of the tax liability.

2 NEW SECTION. Section 13. Surtax. Each person required  
3 to pay the cement and gypsum producers' license tax under  
4 this part shall pay, in addition to the tax liability  
5 computed as required in 15-59-102, a surtax of 7% of the tax  
6 liability.

7 NEW SECTION. Section 14. Surtax. Each person required  
8 to pay the cement dealers' license tax under this part shall  
9 pay, in addition to the tax liability computed as required  
10 in 15-59-201, a surtax of 7% of the tax liability.

11 NEW SECTION. Section 15. Additional tax -- allocation.  
12 (1) An additional tax is imposed on the user of a facility  
13 at a rate equal to 0.28% of the accommodation charge  
14 collected by the facility.

15 (2) The additional tax must be deposited to the credit  
16 of the state general fund.

17 NEW SECTION. Section 16. Surtax. Each distributor  
18 required to pay the gasoline license tax under this part  
19 shall pay, in addition to the tax liability computed as  
20 required in 15-70-204, a surtax of 7% of the tax liability.

21 NEW SECTION. Section 17. Surtax -- diesel fuel and  
22 volatile liquids. Each special fuel dealer subject to  
23 taxation under this part shall pay, in addition to the tax  
24 liability computed as required in 15-70-321, a surtax of 7%  
25 of the tax liability.

1 NEW SECTION. Section 18. Surtax -- special fuels. Each  
2 special fuel user subject to taxation under this part shall  
3 pay, in addition to the tax liability computed as required  
4 in 15-70-322, a surtax of 7% of the tax liability.

5 NEW SECTION. Section 19. Surtax. Each owner or  
6 operator subject to a license tax fee under this part shall  
7 pay, in addition to the license tax fee determined under  
8 15-71-101(1), a surtax of 7% of the liability.

9 NEW SECTION. Section 20. Surtax on liquor --  
10 distribution. (1) In addition to the amount of tax liability  
11 determined under 16-1-401 through ~~16-1-404~~ 16-1-403, each  
12 person subject to taxation under this part 16-1-401 THROUGH  
13 16-1-403 shall pay, as a surtax, 7% of the tax liability.

14 (2) The surtax imposed by this section must be  
15 deposited to the credit of the state general fund.

16 NEW SECTION. Section 21. Surtax on beer --  
17 distribution. (1) After the amount of tax liability has been  
18 determined under 16-1-406 and 16-1-408, each wholesaler  
19 subject to taxation under this part shall pay, as a surtax,  
20 7% of the tax liability.

21 (2) The surtax imposed by this section must be  
22 deposited to the credit of the state general fund.

23 NEW SECTION. Section 22. Surtax on table wine --  
24 distribution. (1) In addition to the amount of tax liability  
25 determined under 16-1-411, each table wine distributor

1 subject to taxation under this part shall pay, as a surtax,  
 2 7% of the tax liability.

3 (2) The surtax imposed by this section must be  
 4 deposited to the credit of the state general fund.

5 **Section 23.** Section 16-1-404, MCA, is amended to read:

6 "16-1-404. License tax on liquor amount  
 7 distribution of proceeds. (1) The department is hereby  
 8 authorized and directed to charge, receive, and collect at  
 9 the time of sale and delivery of any liquor under any  
 10 provisions of the laws of the state of Montana a license tax  
 11 of:

12 (a) 10% of the retail selling price on all liquor sold  
 13 and delivered in the state by a company that manufactured,  
 14 distilled, rectified, bottled, or processed, and sold more  
 15 than 200,000 proof gallons of liquor nationwide in the  
 16 calendar year preceding imposition of the tax pursuant to  
 17 this section;

18 (b) 8.6% of the retail selling price on all liquor sold  
 19 and delivered in the state by a company that manufactured,  
 20 distilled, rectified, bottled, or processed, and sold not  
 21 more than 200,000 proof gallons of liquor nationwide in the  
 22 calendar year preceding imposition of the tax pursuant to  
 23 this section;

24 (2) The license tax shall be charged and collected on  
 25 all liquor brought into the state and taxed by the

1 department. The retail selling price shall be computed by  
 2 adding to the cost of said liquor the state markup as  
 3 designated by the department. The license tax shall be  
 4 figured in the same manner as the state excise tax and shall  
 5 be in addition to said state excise tax. Except as  
 6 provided in section 20, the department shall retain in a  
 7 separate account the amount of the license tax so received.  
 8 Thirty percent of these revenues are statutorily  
 9 appropriated, as provided in 17-7-502, to the department and  
 10 shall be allocated to the counties according to the amount  
 11 of liquor purchased in each county to be distributed to the  
 12 incorporated cities and towns, as provided in subsection  
 13 (3). Four and one-half percent of these revenues are  
 14 statutorily appropriated, as provided in 17-7-502, and shall  
 15 be allocated to the counties according to the amount of  
 16 liquor purchased in each county, and this money may be used  
 17 for county purposes. The remaining revenues shall be  
 18 deposited in the state special revenue fund to the credit of  
 19 the department of corrections and human services for the  
 20 treatment, rehabilitation, and prevention of alcoholism.  
 21 Provided, however, in the case of purchases of liquor by a  
 22 retail liquor licensee for use in his business, the  
 23 department shall make such regulations as are necessary to  
 24 apportion that proportion of license tax so generated to the  
 25 county where the licensed establishment is located, for use

1 as--provided-in-16-1-405--That-proportion-of-the-license-tax  
2 is-statutorily-appropriated,as-provided-in-17-7-502, to-the  
3 department,--which--shall--pay--quarterly--to--each---county  
4 treasurer--the-proportion-of-the-license-tax-due-each-county  
5 to-be-allocated-to-the-incorporated-cities-and-towns-of--the  
6 county.

7 {3}--The--license--tax--proceeds-allocated-to-the-county  
8 under-subsection-{2}-for-use-by-cities-and--towns--shall--be  
9 distributed--by--the--county--treasurer--to--the-incorporated  
10 cities--and--towns--within--30--days--of--receipt--from--the  
11 department--The-distribution-of--funds--to--the--cities--and  
12 towns--shall--be-based-on-the-proportion-that-the-gross-sale  
13 of-liquor-in-each-city-or-town--is--to--the-gross--sale--of  
14 liquor-in-all-of-the-cities-and-towns-of-the-county.

15 {4}--The--license-tax-proceeds-that-are-allocated-to-the  
16 department--of--corrections--and--human--services--for--the  
17 treatment,--rehabilitation,--and--prevention--of--alcoholism  
18 shall-be-credited-quarterly-to-the-department-of-corrections  
19 and--human--services--The-legislature--may--appropriate--a  
20 portion--of--the--license--tax--proceeds--to-support-alcohol  
21 programs--The-remainder-shall-be-distributed-as-provided--in  
22 53-24-206."

23 **Section 23.** Section 16-1-410, MCA, is amended to read:

24 "16-1-410. Tax revenue allocation. All Subject to  
25 [section 21], all revenue received from taxes on beer under

1 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31  
2 gallons shall be deposited with the state treasurer to the  
3 credit of the incorporated cities and towns beer tax account  
4 in the state special revenue fund. The money in the account  
5 is statutorily appropriated, as provided in 17-7-502, to the  
6 state treasurer who shall, monthly, distribute this amount  
7 of money to the incorporated cities and towns in the direct  
8 proportion that the population of each city and town bears  
9 to the total population of all incorporated cities and towns  
10 as shown in the latest official federal census. For cities  
11 and towns incorporated after the latest official federal  
12 census, the census shall be determined as of the date of  
13 incorporation as evidenced by the certificate of the  
14 incorporating officials of that city or town. If a city or  
15 town disincorporates, it may not receive any funds under  
16 this section and the amount previously distributed to the  
17 city or town shall be distributed to the remaining  
18 incorporated cities and towns. All funds received by cities  
19 and towns under this section shall be expended for state  
20 purposes such as law enforcement, maintenance of the  
21 transportation system, and public health."

22 **Section 24.** Section 16-1-411, MCA, is amended to read:

23 "16-1-411. Tax on wine. (1) A tax of 27 cents per liter  
24 is hereby levied and imposed on table wine imported by any  
25 table wine distributor or the department.

1 (2) (a) The tax on table wine imported by a table wine  
 2 distributor shall be paid by the table wine distributor by  
 3 the 15th day of the month following sale of the table wine  
 4 from the table wine distributor's warehouse. Failure to file  
 5 a table wine tax return or failure to pay the tax required  
 6 by this section subjects the table wine distributor to the  
 7 penalties and interest provided for in 16-1-409.

8 (b) The tax on table wine imported by the department  
 9 shall be collected at the time of sale.

10 (3) The tax paid by a table wine distributor in  
 11 accordance with subsection (2)(a) and the tax collected by  
 12 the department in accordance with subsection (2)(b) shall be  
 13 distributed as follows:

14 (a) 16 cents to the state general fund; and

15 (b) of the remaining 11 cents:

16 (i) 8.34 cents to the state special revenue fund to the  
 17 credit of the department of corrections and human services  
 18 for the treatment, rehabilitation, and prevention of  
 19 alcoholism;

20 (ii) 1 1/3 cents is statutorily appropriated, as  
 21 provided in 17-7-502, to the department, for allocation to  
 22 the counties, based on population, for the purpose  
 23 established in 16-1-404; and

24 (iii) 1 1/3 cents is statutorily appropriated, as  
 25 provided in 17-7-502, to the department, for allocation to

1 the cities and towns, based on population, for the purpose  
 2 established in 16-1-405.

3 (4) The tax taxes computed and paid in accordance with  
 4 16-2-301, [section 22], and this section shall be the only  
 5 tax taxes imposed by the state or any of its subdivisions,  
 6 including cities and towns.

7 (5) The proceeds of the surtax imposed by [section 22]  
 8 must be deposited in the state general fund."

9 **Section 25.** Section 16-11-111, MCA, is amended to read:

10 "16-11-111. Cigarette sales tax. There is levied,  
 11 imposed, and assessed and there must be collected and paid  
 12 to the state of Montana upon cigarettes sold or possessed in  
 13 this state an excise tax of ~~16~~ 19.26 cents on each package  
 14 containing 20 cigarettes and, when packages contain more or  
 15 less than 20 cigarettes, a tax on each cigarette equal to  
 16 1/20th the tax on a package containing 20 cigarettes."

17 **Section 26.** Section 16-11-119, MCA, is amended to read:

18 "16-11-119. Disposition of taxes -- retirement of  
 19 bonds. All moneys collected under the provisions of  
 20 16-11-111, less the expense of collecting all the taxes  
 21 levied, imposed, and assessed by said section, shall be paid  
 22 to the state treasurer and deposited as follows: ~~70-89~~  
 23 72.79 in the long-range building program fund in the debt  
 24 service fund type and ~~29-11~~ 27.21 in the long-range  
 25 building program fund in the capital projects fund type."

1       **Section 27.** Section 16-11-202, MCA, is amended to read:  
 2       "16-11-202. Tax on sale of tobacco other than  
 3 cigarettes -- imposed on retail consumer -- rate of tax. (1)  
 4 All taxes paid pursuant to the provisions of this section  
 5 shall be exclusively presumed to be direct taxes on the  
 6 retail consumer, precollected for the purpose of convenience  
 7 and facility only. When the tax is paid by any other person,  
 8 such payment shall be considered as an advance payment and  
 9 shall be added to the price of tobacco products other than  
 10 cigarettes and recovered from the ultimate consumer or user.  
 11 Any person selling tobacco products other than cigarettes at  
 12 retail shall state or separately display in the premises  
 13 where such products are sold a notice of the tax included in  
 14 the selling price and charged or payable pursuant to this  
 15 section. The provisions of this section shall in no way  
 16 affect the method of collection of such tax as hereinafter  
 17 provided.  
 18       (2) There is hereby levied, imposed, and assessed upon  
 19 tobacco products other than cigarettes sold or possessed in  
 20 this state and there shall be collected and paid to the  
 21 state of Montana a tax of ~~12-1/2%~~ 13.38% of the wholesale  
 22 price of such products to the wholesaler, excepting  
 23 therefrom such products as may be shipped from Montana and  
 24 destined for retail sale and consumption outside the state  
 25 of Montana."

1       **NEW SECTION. Section 28.** Surtax -- distribution. (1)  
 2 In addition to the amount of tax liability determined under  
 3 23-5-610, each licensed operator subject to taxation under  
 4 this part shall pay, as a surtax, 7% of the tax liability.  
 5       (2) The surtax imposed by this section must be  
 6 deposited to the credit of the state general fund.  
 7       **Section 29.** Section 23-5-610, MCA, is amended to read:  
 8       "23-5-610. Video gambling machine gross income tax --  
 9 records -- distribution -- quarterly statement and payment.  
 10 (1) A licensed operator issued a permit under this part  
 11 shall pay to the department a video gambling machine tax of  
 12 15% of the gross income from each video gambling machine  
 13 licensed under this part. A licensed operator may deduct  
 14 from the gross income amounts equal to amounts stolen from  
 15 machines if the amounts are not repaid by insurance and if a  
 16 law enforcement agency investigated the theft.  
 17       (2) A licensed operator issued a permit under this part  
 18 shall keep a record of the gross income from each machine in  
 19 such form as the department may require. The records must at  
 20 all times during the business hours of the licensee be  
 21 subject to inspection by the department.  
 22       (3) A licensed operator issued a permit under this part  
 23 shall, within 15 days after the end of each quarter,  
 24 complete and deliver to the department a statement showing  
 25 the total gross income from each video gambling machine



1 licensed to him, together with the total amount due the  
2 state as video gambling machine gross income tax for the  
3 preceding quarter. The statement must contain other relevant  
4 information as the department may require.

5 (4) (a) The department shall forward one-third of the  
6 tax collected under subsection (3) and the surtax imposed by  
7 [section 29 28] to the general fund.

8 (b) The department shall forward the remaining  
9 two-thirds of the tax collected under subsection (3) to the  
10 treasurer of the county or the clerk, finance officer, or  
11 treasurer of the city or town in which the licensed machine  
12 is located, for deposit to the county or municipal treasury.  
13 Counties are not entitled to proceeds from taxes on income  
14 from video gambling machines located in incorporated cities  
15 and towns. The two-thirds local government portion of tax  
16 collected under subsection (3) is statutorily appropriated  
17 to the department as provided in 17-7-502 for deposit to the  
18 county or municipal treasury."

19 **Section 30.** Section 33-2-705, MCA, is amended to read:

20 "33-2-705. Report on premiums and other consideration  
21 -- tax. (1) Each authorized insurer and each formerly  
22 authorized insurer with respect to premiums so received  
23 while an authorized insurer in this state shall file with  
24 the commissioner, on or before March 1 each year, a report  
25 in form as prescribed by the commissioner showing total

1 direct premium income, including policy, membership, and  
2 other fees, premiums paid by application of dividends,  
3 refunds, savings, savings coupons, and similar returns or  
4 credits to payment of premiums for new or additional or  
5 extended or renewed insurance, charges for payment of  
6 premium in installments, and all other consideration for  
7 insurance from all kinds and classes of insurance, whether  
8 designated as a premium or otherwise, received by a life  
9 insurer or written by an insurer other than a life insurer  
10 during the preceding calendar year on account of policies  
11 covering property, subjects, or risks located, resident, or  
12 to be performed in Montana, with proper proportionate  
13 allocation of premium as to such property, subjects, or  
14 risks in Montana insured under policies or contracts  
15 covering property, subjects, or risks located or resident in  
16 more than one state, after deducting from such total direct  
17 premium income applicable cancellations, returned premiums,  
18 the unabsorbed portion of any deposit premium, the amount of  
19 reduction in or refund of premiums allowed to industrial  
20 life policyholders for payment of premiums direct to an  
21 office of the insurer, all policy dividends, refunds,  
22 savings, savings coupons, and other similar returns paid or  
23 credited to policyholders with respect to such policies. As  
24 to title insurance, "premium" includes the total charge for  
25 such insurance. No deduction shall be made of the cash

1 surrender values of policies. Considerations received on  
2 annuity contracts shall not be included in total direct  
3 premium income and shall not be subject to tax.

4 (2) Coincident with the filing of the tax report  
5 referred to in subsection (1) above, each such insurer shall  
6 pay to the commissioner a tax upon such net premiums  
7 computed at the rate of 2 3/4%.

8 (3) That portion of the tax paid hereunder by an  
9 insurer on account of premiums received for fire insurance  
10 shall be separately specified in the report as required by  
11 the commissioner, for apportionment as provided by law.  
12 Where insurance against fire is included with insurance of  
13 property against other perils at an undivided premium, the  
14 insurer shall make such reasonable allocation from such  
15 entire premium to the fire portion of the coverage as shall  
16 be stated in such report and as may be approved or accepted  
17 by the commissioner.

18 (4) With respect to authorized insurers, the premium  
19 tax taxes provided by this section part shall be payment in  
20 full and in lieu of all other demands for any and all state,  
21 county, city, district, municipal, and school taxes,  
22 licenses, fees, and excises of whatever kind or character,  
23 excepting only those prescribed by this code, taxes on real  
24 and tangible personal property located in this state, and  
25 taxes payable under 50-3-109.

1 (5) The commissioner may suspend or revoke the  
2 certificate of authority of any insurer which fails to pay  
3 its taxes as required under this section.

4 (6) In addition to the penalty provided for in  
5 subsection (5), the commissioner may impose upon an insurer  
6 who fails to pay the tax required under this section a fine  
7 of \$100 a day for each day the tax remains unpaid past the  
8 due date or 1% of the amount owed in tax, whichever is  
9 greater.

10 (7) The commissioner may by rule provide a quarterly  
11 schedule for payment of portions of the premium tax under  
12 this section during the year in which such tax liability is  
13 accrued."

14 **NEW SECTION. Section 31. Surtax -- distribution.** (1)  
15 In addition to the amount of tax liability determined under  
16 33-2-311, 33-2-705, 33-2-710, or 33-22-1205, each insurer  
17 subject to taxation under 33-2-311, 33-2-705, 33-2-710, or  
18 33-22-1205 shall pay, as a surtax, 7% of the tax liability.

19 (2) The surtax imposed by this section must be  
20 deposited to the credit of the state general fund.

21 **Section 32.** Section 61-3-502, MCA, is amended to read:

22 "61-3-502. Sales tax on new motor vehicles --  
23 exemptions. (1) In consideration of the right to use the  
24 highways of the state, there is imposed a tax upon all sales  
25 of new motor vehicles, excluding trailers, semitrailers, and

1 housetrailer, for which a license is sought and an original  
2 application for title is made. The tax must be paid by the  
3 purchaser when he applies for his original Montana license  
4 through the county treasurer.

5 (2) Except as provided in subsections (4) and (5), the  
6 sales tax is:

7 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
8 port-of-entry list price, during the first quarter of the  
9 year or for a registration period other than a calendar year  
10 or calendar quarter;

11 (b) 1 1/8% of the list price during the second quarter  
12 of the year;

13 (c) 3/4 of 1% during the third quarter of the year;

14 (d) 3/8 of 1% during the fourth quarter of the year.

15 (3) If the manufacturer or importer fails to furnish  
16 the f.o.b. factory list price or f.o.b. port-of-entry list  
17 price, the department may use published price lists.

18 (4) The new car sales tax on vehicles subject to the  
19 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
20 f.o.b. factory list price or f.o.b. port-of-entry list price  
21 regardless of the month in which the new vehicle is  
22 purchased.

23 (5) The sales tax on new motor vehicles registered as  
24 part of a fleet under 61-3-318 is 3/4 of 1% of the f.o.b.  
25 factory list price or f.o.b. port-of-entry list price.

1 (6) Except as provided in [section 34 33], the  
2 proceeds from this tax must be remitted to the state  
3 treasurer every 30 days for credit to the state highway  
4 account of the state special revenue fund.

5 (7) The new vehicle is not subject to any other  
6 assessment, fee in lieu of tax, or tax during the calendar  
7 year in which the original application for title is made.

8 (8) (a) The applicant for original registration of any  
9 new and unused motor vehicle, or a new motor vehicle  
10 furnished without charge by a dealer to a school district  
11 for use as a traffic education motor vehicle by a school  
12 district operating a state-approved traffic education  
13 program within the state, whether or not previously licensed  
14 or titled to the school district (except a mobile home as  
15 defined in 15-1-101(1)), acquired by original contract after  
16 January 1 of any year, is required, whenever the vehicle has  
17 not been otherwise assessed, to pay the motor vehicle sales  
18 tax provided by this section irrespective of whether the  
19 vehicle was in the state of Montana on January 1 of the  
20 year.

21 (b) No motor vehicle may be registered or licensed  
22 under the provisions of this subsection unless the  
23 application for registration is accompanied by a statement  
24 of origin to be furnished by the dealer selling the vehicle,  
25 showing that the vehicle has not previously been registered

1 or owned, except as otherwise provided herein, by any  
 2 person, firm, corporation, or association that is not a new  
 3 motor vehicle dealer holding a franchise or distribution  
 4 agreement from a new car manufacturer, distributor, or  
 5 importer.

6 (9) (a) Motor vehicles operating exclusively for  
 7 transportation of persons for hire within the limits of  
 8 incorporated cities or towns and within 15 miles from such  
 9 limits are exempt from subsection (1).

10 (b) Motor vehicles brought or driven into Montana by a  
 11 nonresident, migratory, bona fide agricultural worker  
 12 temporarily employed in agricultural work in this state  
 13 where those motor vehicles are used exclusively for  
 14 transportation of agricultural workers are also exempt from  
 15 subsection (1).

16 (c) Vehicles lawfully displaying a licensed dealer's  
 17 plate as provided in 61-4-103 are exempt from subsection (1)  
 18 when moving to or from a dealer's place of business when  
 19 unloaded or loaded with dealer's property only, and in the  
 20 case of vehicles having a gross loaded weight of less than  
 21 24,000 pounds, while being demonstrated in the course of the  
 22 dealer's business."

23 NEW SECTION. **Section 33.** Surtax -- distribution. (1)  
 24 In addition to the amount of tax liability determined under  
 25 61-3-502, each purchaser of a new vehicle subject to

1 taxation under this part shall pay, as a surtax, 7% of the  
 2 tax liability.

3 (2) The surtax imposed by this section must be  
 4 deposited to the credit of the state general fund.

5 NEW SECTION. **Section 34.** Surtax. Each person required  
 6 to pay a fee under this part shall pay, in addition to the  
 7 fee, a surtax of 7% of the fee.

8 ~~NEW SECTION. **Section 36.** Surtax. Each person required~~  
 9 ~~to pay the inheritance tax under the provisions of parts 1~~  
 10 ~~through 8 shall pay, in addition to the tax liability~~  
 11 ~~determined under 72-16-321 and 72-16-322, a surtax of 7% of~~  
 12 ~~the tax liability.~~

13 ~~NEW SECTION. **Section 37.** Surtax. Each person required~~  
 14 ~~to pay the generation-skipping transfer tax under this part~~  
 15 ~~shall pay, in addition to the tax liability determined under~~  
 16 ~~72-16-1002, a surtax of 7% of the tax liability.~~

17 **Section 35.** Section 82-11-135, MCA, is amended to read:

18 "82-11-135. Money earmarked for board expenses. All  
 19 Except as provided in [section 99 36], all money collected  
 20 under this chapter shall be deposited in the state special  
 21 revenue fund by the state treasurer and shall be used for  
 22 the purpose of paying all expenses of the board and for no  
 23 other purpose. All these moneys shall be used by the board  
 24 subject to biennial appropriations by the legislature.  
 25 Income and interest from investment of the board's moneys in

1 the state special revenue fund shall be credited to the  
2 board."

3 NEW SECTION. Section 36. Surtax. (1) Each person  
4 required to pay the tax under this part shall pay, in  
5 addition to the tax liability determined under 82-11-131, a  
6 surtax of 7% of the tax liability.

7 (2) The additional tax must be deposited to the credit  
8 of the general fund.

9 NEW SECTION. Section 37. Codification instruction. (1)  
10 [Section 1] is intended to be codified as an integral part  
11 of Title 15, chapter 23, part 7, and the provisions of Title  
12 15, chapter 23, part 7, apply to [section 1].

13 (2) [Section 2] is intended to be codified as an  
14 integral part of Title 15, chapter 30, part 1, and the  
15 provisions of Title 15, chapter 30, part 1, apply to  
16 [section 2].

17 (3) [Section 4] is intended to be codified as an  
18 integral part of Title 15, ~~chapter--35,--part--1,~~ and the  
19 provisions of Title 15, ~~chapter--35,--part--1,~~ apply to  
20 [section 4].

21 (4) [Section 5] is intended to be codified as an  
22 integral part of Title 15, chapter 36, part 1, and the  
23 provisions of Title 15, chapter 36, part 1, apply to  
24 [section 5].

25 (5) [Section 6] is intended to be codified as an

1 integral part of Title 15, chapter 37, part 1, and the  
2 provisions of Title 15, chapter 37, part 1, apply to  
3 [section 6].

4 (6) [Section 8] is intended to be codified as an  
5 integral part of Title 15, chapter 37, part 2, and the  
6 provisions of Title 15, chapter 37, part 2, apply to  
7 [section 8].

8 (7) [Section 9] is intended to be codified as an  
9 integral part of Title 15, chapter 38, part 1, and the  
10 provisions of Title 15, chapter 38, part 1, apply to  
11 [section 9].

12 (8) [Section 10] is intended to be codified as an  
13 integral part of Title 15, chapter 51, part 1, and the  
14 provisions of Title 15, chapter 51, part 1, apply to  
15 [section 10].

16 (9) [Section 11] is intended to be codified as an  
17 integral part of Title 15, chapter 53, part 1, and the  
18 provisions of Title 15, chapter 53, part 1, apply to  
19 [section 11].

20 (10) [Section 12] is intended to be codified as an  
21 integral part of Title 15, chapter 55, part 1, and the  
22 provisions of Title 15, chapter 55, part 1, apply to  
23 [section 12].

24 (11) [Section 13] is intended to be codified as an  
25 integral part of Title 15, chapter 59, part 1, and the

1 provisions of Title 15, chapter 59, part 1, apply to  
2 [section 13].

3 (12) [Section 14] is intended to be codified as an  
4 integral part of Title 15, chapter 59, part 2, and the  
5 provisions of Title 15, chapter 59, part 2, apply to  
6 [section 14].

7 (13) [Section 15] is intended to be codified as an  
8 integral part of Title 15, chapter 65, part 1, and the  
9 provisions of Title 15, chapter 65, part 1, apply to  
10 [section 15].

11 (14) [Section 16] is intended to be codified as an  
12 integral part of Title 15, chapter 70, part 2, and the  
13 provisions of Title 15, chapter 70, part 2, apply to  
14 [section 16].

15 (15) [Sections 17 and 18] are intended to be codified as  
16 an integral part of Title 15, chapter 70, part 3, and the  
17 provisions of Title 15, chapter 70, part 3, apply to  
18 [sections 17 and 18].

19 (16) [Section 19] is intended to be codified as an  
20 integral part of Title 15, chapter 71, part 1, and the  
21 provisions of Title 15, chapter 71, part 1, apply to  
22 [section 19].

23 (17) [Sections 20 through 22] are intended to be  
24 codified as an integral part of Title 16, chapter 1, part 4,  
25 and the provisions of Title 16, chapter 1, part 4, apply to

1 [sections 20 through 22].

2 (18) [Section 29 28] is intended to be codified as an  
3 integral part of Title 23, chapter 5, part 6, and the  
4 provisions of Title 23, chapter 5, part 6, apply to [section  
5 29 28].

6 (19) [Section 32 31] is intended to be codified as an  
7 integral part of Title 33, chapter 2, part 7, and the  
8 provisions of Title 33, chapter 2, part 7, apply to [section  
9 32 31].

10 (20) [Section 34 33] is intended to be codified as an  
11 integral part of Title 61, chapter 3, part 5, and the  
12 provisions of Title 61, chapter 3, part 5, apply to [section  
13 34 33].

14 (21) [Section 35 34] is intended to be codified as an  
15 integral part of Title 61, chapter 10, part 2, and the  
16 provisions of Title 61, chapter 10, part 2, apply to  
17 [section 35 34].

18 ~~{22}-[Section-36]-is-intended-to-be-codified-as-an~~  
19 ~~integral-part-of-Title-72,-chapter-16,-part-3,-and-the~~  
20 ~~provisions-of-Title-72,-chapter-16,-part-3,-apply-to~~  
21 ~~{section-36}-~~

22 ~~{23}-[Section-37]-is-intended-to-be-codified-as-an~~  
23 ~~integral-part-of-Title-72,-chapter-16,-part-10,-and-the~~  
24 ~~provisions-of-Title-72,-chapter-16,-part-10,-apply-to~~  
25 ~~{section-37}-~~

1 ~~24~~(22) [Section 39 36] is intended to be codified as  
 2 an integral part of Title 82, chapter 11, part 1, and the  
 3 provisions of Title 82, chapter 11, part 1, apply to  
 4 [section 39 36].

5 NEW SECTION. Section 38. Effective date. [This act] is  
 6 effective on passage and approval.

7 NEW SECTION. Section 39. Applicability -- termination.

8 (1) (a) [Sections 27 AND 37--and--12] apply retroactively,  
 9 within the meaning of 1-2-109, to the tax year beginning  
 10 after December 31, 1991, and ending before January 1, 1993.

11 (b) ~~{Sections--27--37---and SECTION 12}---terminate~~  
 12 ~~TERMINATES---upon--receipt--of--taxes--for--tax--year--1992-~~  
 13 [SECTIONS 2 AND 3] TERMINATE UPON RECEIPT OF TAXES FOR TAX  
 14 YEAR 1993.

15 (2) (a) [Sections 4, 5, and 8] apply retroactively,  
 16 within the meaning of 1-2-109, to production occurring after  
 17 June 30, 1992, and before July 1, 1993.

18 (b) [Sections 4, 5, and 8] terminate upon receipt of  
 19 taxes on production occurring prior to July 1, 1993.

20 (3) (a) [Sections 1, 6, 7, and 9] apply retroactively,  
 21 within the meaning of 1-2-109, to production occurring after  
 22 December 31, 1991, and before January 1, 1993.

23 (b) [Sections 1, 6, 7, and 9] terminate upon receipt of  
 24 taxes on production occurring prior to January 1, 1993.

25 (4) (a) [Sections 10, 11, 13 through-15, 14, 18, 20,

1 23, and 29 28 through 32 31] apply retroactively, within the  
 2 meaning of 1-2-109, to tax liabilities for calendar quarters  
 3 beginning after June 30, 1992, and before July 1, 1993.

4 (b) [Sections 10, 11, 13 through-15, 14, 18, 20, 23,  
 5 and 29 28 through 32 31] terminate upon receipt of taxes for  
 6 the quarter ending June 30, 1993.

7 (5) (a) [Sections 16, 17, 20, 21, 22, 24 through 28 27,  
 8 and 33 32 through 35 34] apply for 1 calendar year to tax or  
 9 fee liabilities for months beginning after [the effective  
 10 date of this act].

11 (b) [Sections 16, 17, 20, 21, 22, 24 through 28 27, and  
 12 33 32 through 35 34] terminate upon receipt of taxes or fees  
 13 for the final month of applicability.

14 (6) (a) [Sections 19, 30, and-39 35, AND 36] apply to  
 15 the tax year beginning after December 31, 1992, and ending  
 16 before January 1, 1994.

17 (b) [Sections 19, 30, and-39 35, AND 36] terminate upon  
 18 receipt of taxes for tax year 1993.

19 ~~{7}--{a}--{Sections--36--and--37}--apply--to--the--estate--of--a~~  
 20 ~~person--who--dies--after--{the--effective--date--of--this--act}--and~~  
 21 ~~before--{1--year--from--the--effective--date--of--this--act}.~~

22 ~~{b}--{Sections--36--and--37}--terminate--upon--receipt--of~~  
 23 ~~taxes--from--the--estates--of--persons--who--died--during--the--period~~  
 24 ~~of--applicability.~~

25 (7) (A) [SECTIONS 12 AND 15] APPLY TO TAX LIABILITIES

HB 0044/03

1 FOR CALENDAR QUARTERS BEGINNING AFTER SEPTEMBER 30, 1992,  
2 AND BEFORE OCTOBER 1, 1993.  
3 (B) [SECTIONS 12 AND 15] TERMINATE UPON RECEIPT OF  
4 TAXES FOR THE QUARTER ENDING SEPTEMBER 30, 1993.

-End-



SENATE STANDING COMMITTEE REPORT

Page 2 of 2  
July 17, 1992

Page 1 of 2  
July 17, 1992

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 44 (third reading copy -- blue), respectfully report that House Bill No. 44 be amended and as so amended do pass:

1. Title, line 8.  
Strike: "4.66"  
Insert: "4.7"

2. Page 2, line 7.  
Strike: "4.66%"  
Insert: "4.7%"

3. Page 3, line 3.  
Strike: "4.66%"  
Insert: "4.7%"

4. Page 3.  
Following: line 5  
Insert: "(5) The additional tax collected under subsection (4) must be deposited to the credit of the state general fund."

5. Page 3, line 21.  
Strike: "state"

6. Page 4, lines 1 and 2.  
Strike: "Except" on line 1 through "the" on line 2  
Insert: "The"

7. Page 29, line 9.  
Strike: "the tax year"  
Insert: "tax years"

8. Page 29, line 10.  
Strike: "ending"  
Strike: "1993"  
Insert: "1994"  
Following: ". . ."  
Insert: "The department of revenue shall adjust withholding tables for the month beginning September 1, 1992, in order to collect the full amount of the 2.3% surtax imposed in [section 2] during the remainder of this calendar year."

9. Page 30, line 1.  
Strike: "and"  
Strike: "through"  
Strike: "31"  
Insert: ", and 29"



10. Page 30, line 5.  
Strike: "and"  
Strike: "through"  
Strike: "31"  
Insert: ", and 29"

11. Page 30, lines 7 and 11.  
Strike: "27"  
Insert: "24"

12. Page 31.  
Following: line 4  
Insert: "(8)(a) [Sections 25 through 27] apply for 1 calendar year to tax liabilities beginning 1 day after [the effective date of this act].  
(b) [Sections 25 through 27] terminate 1 year after [the effective date of this act].  
(9)(a) [Sections 30 and 31] apply retroactively, within the meaning of 1-2-109, to the tax year beginning after December 31, 1991.  
(b) [Sections 30 and 31] terminate upon receipt of taxes for the calendar year ending December 31, 1992."

NEW SECTION. Section 40. Coordination instruction. If House Bill No. 24 is passed and approved, then [section 12 of this act] is void."

Signed:   
Mike Halligan, Chairman

 7-17-92  
App. Coord.  
 7-17-92  
Sec. of Senate

SENATE  
HB 44

111323SC.Sj1

HOUSE BILL NO. 44  
INTRODUCED BY REAM, TOWE

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 7 PERCENT SURTAX ON TAXES LEVIED BY THE STATE OF MONTANA; LIMITING THE APPLICABILITY OF EACH SURTAX ~~TO~~ YEAR; IMPOSING A 2.3 PERCENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME TAXES FOR TAX YEAR 1992 AND A ~~4.66~~ 4.7 PERCENT SURTAX ON INDIVIDUAL AND CORPORATE INCOME TAXES FOR TAX YEAR 1993; IMPOSING A GENERAL FUND STABILIZATION TAX ON COAL; ALLOCATING THE ADDITIONAL REVENUE OTHER THAN THE ADDITIONAL FUEL TAX REVENUE TO THE GENERAL FUND; AMENDING SECTIONS 15-31-121, 15-37-117, ~~16-1-404~~, 16-1-410, 16-1-411, 16-11-111, 16-11-119, 16-11-202, 23-5-610, 33-2-705, 61-3-502, AND 82-11-135, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES, AND TERMINATION DATES."

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

NEW SECTION. **Section 1.** Surtax -- distribution. (1)

Each person required to pay the coal gross proceeds tax under this part shall pay, in addition to the tax liability determined under 15-23-703, a surtax of 7% of the tax liability.

(2) Notwithstanding the provisions of 15-23-707, the money received from county treasurers from the surtax

collected under this section must be deposited to the credit of the state general fund.

NEW SECTION. **Section 2.** Surtax. Each person required to file a Montana individual income tax return shall pay, in addition to the tax liability computed as required in 15-30-103, a surtax of ~~7~~ 2.3% OF THE TAX LIABILITY FOR TAX YEAR 1992 AND A SURTAX OF ~~4.66~~ 4.7% of the tax liability FOR TAX YEAR 1993.

**Section 3.** Section 15-31-121, MCA, is amended to read:

"15-31-121. Rate of tax -- minimum tax -- surtax. (1)

Except as provided in subsection (2), the percentage of net income to be paid under 15-31-101 shall be 6 3/4% of all net income for the taxable period. The rate set forth in this subsection (1) shall be effective for all taxable years ending on or after February 28, 1971. This rate is retroactive to and effective for all taxable years ending on or after February 28, 1971.

(2) For a taxpayer making a water's-edge election, the percentage of net income to be paid under 15-31-101 shall be 7% of all taxable net income for the taxable period.

(3) Every corporation subject to taxation under this part shall, in any event, pay a minimum tax of not less than \$50.

(4) After the amount of tax liability has been computed under subsections (1) through (3), each corporation subject

1 to taxation under this part shall add, as a surtax ~~for tax~~  
 2 year-1989, 4% 7% FOR TAX YEAR 1992, 2.3% OF THE TAX  
 3 LIABILITY AND, AS A SURTAX FOR TAX YEAR 1993, ~~4.66%~~ 4.7% of  
 4 the tax liability, and the amount so derived is the amount  
 5 due the state.

6 (5) THE ADDITIONAL TAX COLLECTED UNDER SUBSECTION (4)  
 7 MUST BE DEPOSITED TO THE CREDIT OF THE STATE GENERAL FUND."

8 ~~NEW SECTION. Section 4. Surtax. (1) Each coal mine~~  
 9 ~~operator required to pay the severance tax under this~~  
 10 ~~chapter shall pay, in addition to the tax liability computed~~  
 11 ~~under 15-35-103, a surtax of 7% of the tax liability:~~

12 ~~(2) The additional tax must be deposited to the credit~~  
 13 ~~of the state general fund.~~

14 NEW SECTION. SECTION 4. GENERAL FUND STABILIZATION  
 15 TAX. (1) EACH COAL MINE OPERATOR REQUIRED TO PAY THE  
 16 SEVERANCE TAX UNDER TITLE 15, CHAPTER 35, SHALL PAY A  
 17 GENERAL FUND STABILIZATION TAX. THE GENERAL FUND  
 18 STABILIZATION TAX IS AN AMOUNT EQUAL TO 7% OF THE TAX  
 19 LIABILITY COMPUTED UNDER 15-35-103.

20 (2) THE TAX MUST BE DEPOSITED TO THE CREDIT OF THE  
 21 STATE GENERAL FUND.

22 NEW SECTION. Section 5. Surtax. (1) Each person  
 23 required to pay the state severance tax under this chapter  
 24 on oil and gas production, other than production from a  
 25 stripper well, shall pay, in addition to the tax liability

1 computed as required in 15-36-101 and 15-36-121, a surtax of  
 2 7% of the tax liability.

3 (2) ~~Except as provided in Article IX, section 57 of the~~  
 4 ~~Montana constitution, the~~ THE additional tax must be  
 5 deposited to the credit of the state general fund.

6 NEW SECTION. Section 6. Surtax -- distribution. Each  
 7 person required to pay the metal mines license tax under  
 8 this part shall pay, in addition to the tax liability  
 9 computed as required in 15-37-103, a surtax of 7% of the tax  
 10 liability.

11 Section 7. Section 15-37-117, MCA, is amended to read:

12 "15-37-117. Disposition of metalliferous mines license  
 13 taxes. (1) Metalliferous Except as provided in subsection  
 14 (4), metalliferous mines license taxes collected under the  
 15 provisions of this part are allocated as follows:

16 (a) to the credit of the general fund of the state, 58%  
 17 of total collections each year;

18 (b) to the state special revenue fund to the credit of  
 19 a hard-rock mining impact trust account, 1.5% of total  
 20 collections each year;

21 (c) to the state resource indemnity trust fund, 15.5%  
 22 of total collections each year;

23 (d) to the county or counties identified as  
 24 experiencing fiscal and economic impacts, resulting in  
 25 increased employment or local government costs, under an

1 impact plan for a large-scale mineral development prepared  
 2 and approved pursuant to 90-6-307, in direct proportion to  
 3 the fiscal and economic impacts determined in the plan or,  
 4 if no impact plan has been prepared, to the county in which  
 5 the mine is located, 25% of total collections each year, to  
 6 be allocated by the county commissioners as follows:

7 (i) not less than 40% to the county hard-rock mine  
 8 trust reserve account established in 7-6-2225; and

9 (ii) all money not allocated to the account pursuant to  
 10 subsection (1)(d)(i) to be further allocated as follows:

11 (A) 33 1/3% is allocated to the county for planning or  
 12 economic development activities;

13 (B) 33 1/3% is allocated to the elementary school  
 14 districts within the county that have been affected by the  
 15 development or operation of the metal mine; and

16 (C) 33 1/3% is allocated to the high school districts  
 17 within the county that have been affected by the development  
 18 or operation of the metal mine.

19 (2) When an impact plan for a large-scale mineral  
 20 development approved pursuant to 90-6-307 identifies a  
 21 jurisdictional revenue disparity, the county shall  
 22 distribute the proceeds allocated under subsection (1)(d) in  
 23 a manner similar to that provided for property tax sharing  
 24 under Title 90, chapter 6, part 4.

25 (3) The department shall return to the county in which

1 metals are produced the tax collections allocated under  
 2 subsection (1)(d). The allocation to the county described by  
 3 subsection (1)(d) is a statutory appropriation pursuant to  
 4 17-7-502.

5 (4) The proceeds of the surtax collected under [section  
 6 6] must be deposited to the credit of the general fund."

7 NEW SECTION. Section 8. Surtax. Each person required  
 8 to pay the license tax on micaceous minerals under this part  
 9 shall pay, in addition to the tax liability computed as  
 10 required in 15-37-201, a surtax of 7% of the tax liability.

11 NEW SECTION. Section 9. Surtax. (1) Each person  
 12 required to pay the resource indemnity trust tax under this  
 13 part shall pay, in addition to the tax liability computed as  
 14 required in 15-38-104, a surtax of 7% of the tax liability.

15 (2) The additional tax must be deposited to the credit  
 16 of the state general fund.

17 NEW SECTION. Section 10. Surtax. Each person required  
 18 to pay the electric energy producers' license tax under this  
 19 part shall pay, in addition to the tax liability computed as  
 20 required in 15-51-101, a surtax of 7% of the tax liability.

21 NEW SECTION. Section 11. Surtax. Each person required  
 22 to pay the telephone company license tax under this part  
 23 shall pay, in addition to the tax liability computed as  
 24 required in 15-53-101, a surtax of 7% of the tax liability.

25 NEW SECTION. Section 12. Surtax. Each person required

1 to pay the freight line company license tax under this part  
2 shall pay, in addition to the tax liability computed as  
3 required in 15-55-102, a surtax of 7% of the tax liability.

4 NEW SECTION. Section 13. Surtax. Each person required  
5 to pay the cement and gypsum producers' license tax under  
6 this part shall pay, in addition to the tax liability  
7 computed as required in 15-59-102, a surtax of 7% of the tax  
8 liability.

9 NEW SECTION. Section 14. Surtax. Each person required  
10 to pay the cement dealers' license tax under this part shall  
11 pay, in addition to the tax liability computed as required  
12 in 15-59-201, a surtax of 7% of the tax liability.

13 NEW SECTION. Section 15. Additional tax -- allocation.  
14 (1) An additional tax is imposed on the user of a facility  
15 at a rate equal to 0.28% of the accommodation charge  
16 collected by the facility.

17 (2) The additional tax must be deposited to the credit  
18 of the state general fund.

19 NEW SECTION. Section 16. Surtax. Each distributor  
20 required to pay the gasoline license tax under this part  
21 shall pay, in addition to the tax liability computed as  
22 required in 15-70-204, a surtax of 7% of the tax liability.

23 NEW SECTION. Section 17. Surtax -- diesel fuel and  
24 volatile liquids. Each special fuel dealer subject to  
25 taxation under this part shall pay, in addition to the tax

1 liability computed as required in 15-70-321, a surtax of 7%  
2 of the tax liability.

3 NEW SECTION. Section 18. Surtax -- special fuels. Each  
4 special fuel user subject to taxation under this part shall  
5 pay, in addition to the tax liability computed as required  
6 in 15-70-322, a surtax of 7% of the tax liability.

7 NEW SECTION. Section 19. Surtax. Each owner or  
8 operator subject to a license tax fee under this part shall  
9 pay, in addition to the license tax fee determined under  
10 15-71-101(1), a surtax of 7% of the liability.

11 NEW SECTION. Section 20. Surtax on liquor --  
12 distribution. (1) In addition to the amount of tax liability  
13 determined under 16-1-401 through ~~16-1-404~~ 16-1-403, each  
14 person subject to taxation under ~~this part~~ 16-1-401 THROUGH  
15 16-1-403 shall pay, as a surtax, 7% of the tax liability.

16 (2) The surtax imposed by this section must be  
17 deposited to the credit of the state general fund.

18 NEW SECTION. Section 21. Surtax on beer --  
19 distribution. (1) After the amount of tax liability has been  
20 determined under 16-1-406 and 16-1-408, each wholesaler  
21 subject to taxation under this part shall pay, as a surtax,  
22 7% of the tax liability.

23 (2) The surtax imposed by this section must be  
24 deposited to the credit of the state general fund.

25 NEW SECTION. Section 22. Surtax on table wine --

1 distribution. (1) In addition to the amount of tax liability  
2 determined under 16-1-411, each table wine distributor  
3 subject to taxation under this part shall pay, as a surtax,  
4 7% of the tax liability.

5 (2) The surtax imposed by this section must be  
6 deposited to the credit of the state general fund.

7 **Section 23.** Section 16-1-404, MCA, is amended to read:

8 "16-1-404. License tax on liquor ----- amount -----  
9 distribution of proceeds: (1) The department is hereby  
10 authorized and directed to charge, receive, and collect at  
11 the time of sale and delivery of any liquor under any  
12 provisions of the laws of the state of Montana a license tax  
13 of:

14 (a) 10% of the retail selling price on all liquor sold  
15 and delivered in the state by a company that manufactured,  
16 distilled, rectified, bottled, or processed, and sold more  
17 than 200,000 proof gallons of liquor nationwide in the  
18 calendar year preceding imposition of the tax pursuant to  
19 this section;

20 (b) 8.6% of the retail selling price on all liquor sold  
21 and delivered in the state by a company that manufactured,  
22 distilled, rectified, bottled, or processed, and sold not  
23 more than 200,000 proof gallons of liquor nationwide in the  
24 calendar year preceding imposition of the tax pursuant to  
25 this section;

1 (2) The license tax shall be charged and collected on  
2 all liquor brought into the state and taxed by the  
3 department. The retail selling price shall be computed by  
4 adding to the cost of said liquor the state markup as  
5 designated by the department. The license tax shall be  
6 figured in the same manner as the state excise tax and shall  
7 be in addition to said state excise tax. The Except as  
8 provided in (section 20) the department shall retain in a  
9 separate account the amount of the license tax so received.  
10 Thirty percent of these revenues are statutorily  
11 appropriated, as provided in 17-7-502, to the department and  
12 shall be allocated to the counties according to the amount  
13 of liquor purchased in each county to be distributed to the  
14 incorporated cities and towns, as provided in subsection  
15 (3); Four and one-half percent of these revenues are  
16 statutorily appropriated, as provided in 17-7-502, and shall  
17 be allocated to the counties according to the amount of  
18 liquor purchased in each county, and this money may be used  
19 for county purposes. The remaining revenues shall be  
20 deposited in the state special revenue fund to the credit of  
21 the department of corrections and human services for the  
22 treatment, rehabilitation, and prevention of alcoholism.  
23 Provided, however, in the case of purchases of liquor by a  
24 retail liquor licensee for use in his business, the  
25 department shall make such regulations as are necessary to

1 apportion that proportion of license tax so generated to the  
 2 county where the licensed establishment is located, for use  
 3 as provided in 16-1-405, that proportion of the license tax  
 4 is statutorily appropriated, as provided in 17-7-502, to the  
 5 department, which shall pay quarterly to each county  
 6 treasurer the proportion of the license tax due each county  
 7 to be allocated to the incorporated cities and towns of the  
 8 county.

9 (3) The license tax proceeds allocated to the county  
 10 under subsection (2) for use by cities and towns shall be  
 11 distributed by the county treasurer to the incorporated  
 12 cities and towns within 30 days of receipt from the  
 13 department. The distribution of funds to the cities and  
 14 towns shall be based on the proportion that the gross sale  
 15 of liquor in each city or town is to the gross sale of  
 16 liquor in all of the cities and towns of the county.

17 (4) The license tax proceeds that are allocated to the  
 18 department of corrections and human services for the  
 19 treatment, rehabilitation, and prevention of alcoholism  
 20 shall be credited quarterly to the department of corrections  
 21 and human services. The legislature may appropriate a  
 22 portion of the license tax proceeds to support alcohol  
 23 programs. The remainder shall be distributed as provided in  
 24 53-24-206.

25 **Section 23.** Section 16-1-410, MCA, is amended to read:

1 "16-1-410. Tax revenue allocation. All Subject to  
 2 [section 21], all revenue received from taxes on beer under  
 3 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31  
 4 gallons shall be deposited with the state treasurer to the  
 5 credit of the incorporated cities and towns beer tax account  
 6 in the state special revenue fund. The money in the account  
 7 is statutorily appropriated, as provided in 17-7-502, to the  
 8 state treasurer who shall, monthly, distribute this amount  
 9 of money to the incorporated cities and towns in the direct  
 10 proportion that the population of each city and town bears  
 11 to the total population of all incorporated cities and towns  
 12 as shown in the latest official federal census. For cities  
 13 and towns incorporated after the latest official federal  
 14 census, the census shall be determined as of the date of  
 15 incorporation as evidenced by the certificate of the  
 16 incorporating officials of that city or town. If a city or  
 17 town disincorporates, it may not receive any funds under  
 18 this section and the amount previously distributed to the  
 19 city or town shall be distributed to the remaining  
 20 incorporated cities and towns. All funds received by cities  
 21 and towns under this section shall be expended for state  
 22 purposes such as law enforcement, maintenance of the  
 23 transportation system, and public health."

24 **Section 24.** Section 16-1-411, MCA, is amended to read:

25 "16-1-411. Tax on wine. (1) A tax of 27 cents per liter

1 is hereby levied and imposed on table wine imported by any  
2 table wine distributor or the department.

3 (2) (a) The tax on table wine imported by a table wine  
4 distributor shall be paid by the table wine distributor by  
5 the 15th day of the month following sale of the table wine  
6 from the table wine distributor's warehouse. Failure to file  
7 a table wine tax return or failure to pay the tax required  
8 by this section subjects the table wine distributor to the  
9 penalties and interest provided for in 16-1-409.

10 (b) The tax on table wine imported by the department  
11 shall be collected at the time of sale.

12 (3) The tax paid by a table wine distributor in  
13 accordance with subsection (2)(a) and the tax collected by  
14 the department in accordance with subsection (2)(b) shall be  
15 distributed as follows:

16 (a) 16 cents to the state general fund; and

17 (b) of the remaining 11 cents:

18 (i) 8.34 cents to the state special revenue fund to the  
19 credit of the department of corrections and human services  
20 for the treatment, rehabilitation, and prevention of  
21 alcoholism;

22 (ii) 1 1/3 cents is statutorily appropriated, as  
23 provided in 17-7-502, to the department, for allocation to  
24 the counties, based on population, for the purpose  
25 established in 16-1-404; and

1 (iii) 1 1/3 cents is statutorily appropriated, as  
2 provided in 17-7-502, to the department, for allocation to  
3 the cities and towns, based on population, for the purpose  
4 established in 16-1-405.

5 (4) The tax taxes computed and paid in accordance with  
6 16-2-301, [section 22], and this section shall be the only  
7 tax taxes imposed by the state or any of its subdivisions,  
8 including cities and towns.

9 (5) The proceeds of the surtax imposed by [section 22]  
10 must be deposited in the state general fund."

11 **Section 25.** Section 16-11-111, MCA, is amended to read:

12 "16-11-111. **Cigarette sales tax.** There is levied,  
13 imposed, and assessed and there must be collected and paid  
14 to the state of Montana upon cigarettes sold or possessed in  
15 this state an excise tax of ~~18~~ 19.26 cents on each package  
16 containing 20 cigarettes and, when packages contain more or  
17 less than 20 cigarettes, a tax on each cigarette equal to  
18 1/20th the tax on a package containing 20 cigarettes."

19 **Section 26.** Section 16-11-119, MCA, is amended to read:

20 "16-11-119. **Disposition of taxes -- retirement of**  
21 **bonds.** All moneys collected under the provisions of  
22 16-11-111, less the expense of collecting all the taxes  
23 levied, imposed, and assessed by said section, shall be paid  
24 to the state treasurer and deposited as follows: ~~70.89%~~  
25 72.79% in the long-range building program fund in the debt



1 service fund type and ~~29.11%~~ 27.21% in the long-range  
2 building program fund in the capital projects fund type."

3 **Section 27.** Section 16-11-202, MCA, is amended to read:

4 "16-11-202. Tax on sale of tobacco other than  
5 cigarettes -- imposed on retail consumer -- rate of tax. (1)  
6 All taxes paid pursuant to the provisions of this section  
7 shall be exclusively presumed to be direct taxes on the  
8 retail consumer, precollected for the purpose of convenience  
9 and facility only. When the tax is paid by any other person,  
10 such payment shall be considered as an advance payment and  
11 shall be added to the price of tobacco products other than  
12 cigarettes and recovered from the ultimate consumer or user.  
13 Any person selling tobacco products other than cigarettes at  
14 retail shall state or separately display in the premises  
15 where such products are sold a notice of the tax included in  
16 the selling price and charged or payable pursuant to this  
17 section. The provisions of this section shall in no way  
18 affect the method of collection of such tax as hereinafter  
19 provided.

20 (2) There is hereby levied, imposed, and assessed upon  
21 tobacco products other than cigarettes sold or possessed in  
22 this state and there shall be collected and paid to the  
23 state of Montana a tax of ~~12-1/2%~~ 13.38% of the wholesale  
24 price of such products to the wholesaler, excepting  
25 therefrom such products as may be shipped from Montana and

1 destined for retail sale and consumption outside the state  
2 of Montana."

3 **NEW SECTION. Section 28.** Surtax -- distribution. (1)

4 In addition to the amount of tax liability determined under  
5 23-5-610, each licensed operator subject to taxation under  
6 this part shall pay, as a surtax, 7% of the tax liability.

7 (2) The surtax imposed by this section must be  
8 deposited to the credit of the state general fund.

9 **Section 29.** Section 23-5-610, MCA, is amended to read:

10 "23-5-610. Video gambling machine gross income tax --  
11 records -- distribution -- quarterly statement and payment.  
12 (1) A licensed operator issued a permit under this part  
13 shall pay to the department a video gambling machine tax of  
14 15% of the gross income from each video gambling machine  
15 licensed under this part. A licensed operator may deduct  
16 from the gross income amounts equal to amounts stolen from  
17 machines if the amounts are not repaid by insurance and if a  
18 law enforcement agency investigated the theft.

19 (2) A licensed operator issued a permit under this part  
20 shall keep a record of the gross income from each machine in  
21 such form as the department may require. The records must at  
22 all times during the business hours of the licensee be  
23 subject to inspection by the department.

24 (3) A licensed operator issued a permit under this part  
25 shall, within 15 days after the end of each quarter,

1 complete and deliver to the department a statement showing  
 2 the total gross income from each video gambling machine  
 3 licensed to him, together with the total amount due the  
 4 state as video gambling machine gross income tax for the  
 5 preceding quarter. The statement must contain other relevant  
 6 information as the department may require.

7 (4) (a) The department shall forward one-third of the  
 8 tax collected under subsection (3) and the surtax imposed by  
 9 [section 29 28] to the general fund.

10 (b) The department shall forward the remaining  
 11 two-thirds of the tax collected under subsection (3) to the  
 12 treasurer of the county or the clerk, finance officer, or  
 13 treasurer of the city or town in which the licensed machine  
 14 is located, for deposit to the county or municipal treasury.  
 15 Counties are not entitled to proceeds from taxes on income  
 16 from video gambling machines located in incorporated cities  
 17 and towns. The two-thirds local government portion of tax  
 18 collected under subsection (3) is statutorily appropriated  
 19 to the department as provided in 17-7-502 for deposit to the  
 20 county or municipal treasury."

21 **Section 30.** Section 33-2-705, MCA, is amended to read:

22 **"33-2-705. Report on premiums and other consideration**  
 23 **-- tax.** (1) Each authorized insurer and each formerly  
 24 authorized insurer with respect to premiums so received  
 25 while an authorized insurer in this state shall file with

1 the commissioner, on or before March 1 each year, a report  
 2 in form as prescribed by the commissioner showing total  
 3 direct premium income, including policy, membership, and  
 4 other fees, premiums paid by application of dividends,  
 5 refunds, savings, savings coupons, and similar returns or  
 6 credits to payment of premiums for new or additional or  
 7 extended or renewed insurance, charges for payment of  
 8 premium in installments, and all other consideration for  
 9 insurance from all kinds and classes of insurance, whether  
 10 designated as a premium or otherwise, received by a life  
 11 insurer or written by an insurer other than a life insurer  
 12 during the preceding calendar year on account of policies  
 13 covering property, subjects, or risks located, resident, or  
 14 to be performed in Montana, with proper proportionate  
 15 allocation of premium as to such property, subjects, or  
 16 risks in Montana insured under policies or contracts  
 17 covering property, subjects, or risks located or resident in  
 18 more than one state, after deducting from such total direct  
 19 premium income applicable cancellations, returned premiums,  
 20 the unabsorbed portion of any deposit premium, the amount of  
 21 reduction in or refund of premiums allowed to industrial  
 22 life policyholders for payment of premiums direct to an  
 23 office of the insurer, all policy dividends, refunds,  
 24 savings, savings coupons, and other similar returns paid or  
 25 credited to policyholders with respect to such policies. As

1 to title insurance, "premium" includes the total charge for  
 2 such insurance. No deduction shall be made of the cash  
 3 surrender values of policies. Considerations received on  
 4 annuity contracts shall not be included in total direct  
 5 premium income and shall not be subject to tax.

6 (2) Coincident with the filing of the tax report  
 7 referred to in subsection (1) above, each such insurer shall  
 8 pay to the commissioner a tax upon such net premiums  
 9 computed at the rate of 2 3/4%.

10 (3) That portion of the tax paid hereunder by an  
 11 insurer on account of premiums received for fire insurance  
 12 shall be separately specified in the report as required by  
 13 the commissioner, for apportionment as provided by law.  
 14 Where insurance against fire is included with insurance of  
 15 property against other perils at an undivided premium, the  
 16 insurer shall make such reasonable allocation from such  
 17 entire premium to the fire portion of the coverage as shall  
 18 be stated in such report and as may be approved or accepted  
 19 by the commissioner.

20 (4) With respect to authorized insurers, the premium  
 21 tax taxes provided by this section part shall be payment in  
 22 full and in lieu of all other demands for any and all state,  
 23 county, city, district, municipal, and school taxes,  
 24 licenses, fees, and excises of whatever kind or character,  
 25 excepting only those prescribed by this code, taxes on real

1 and tangible personal property located in this state, and  
 2 taxes payable under 50-3-109.

3 (5) The commissioner may suspend or revoke the  
 4 certificate of authority of any insurer which fails to pay  
 5 its taxes as required under this section.

6 (6) In addition to the penalty provided for in  
 7 subsection (5), the commissioner may impose upon an insurer  
 8 who fails to pay the tax required under this section a fine  
 9 of \$100 a day for each day the tax remains unpaid past the  
 10 due date or 1% of the amount owed in tax, whichever is  
 11 greater.

12 (7) The commissioner may by rule provide a quarterly  
 13 schedule for payment of portions of the premium tax under  
 14 this section during the year in which such tax liability is  
 15 accrued."

16 **NEW SECTION. Section 31. Surtax -- distribution.** (1)

17 In addition to the amount of tax liability determined under  
 18 33-2-311, 33-2-705, 33-2-710, or 33-22-1205, each insurer  
 19 subject to taxation under 33-2-311, 33-2-705, 33-2-710, or  
 20 33-22-1205 shall pay, as a surtax, 7% of the tax liability.

21 (2) The surtax imposed by this section must be  
 22 deposited to the credit of the state general fund.

23 **Section 32.** Section 61-3-502, MCA, is amended to read:

24 "61-3-502. Sales tax on new motor vehicles --  
 25 exemptions. (1) In consideration of the right to use the

1 highways of the state, there is imposed a tax upon all sales  
2 of new motor vehicles, excluding trailers, semitrailers, and  
3 housetrailers, for which a license is sought and an original  
4 application for title is made. The tax must be paid by the  
5 purchaser when he applies for his original Montana license  
6 through the county treasurer.

7 (2) Except as provided in subsections (4) and (5), the  
8 sales tax is:

9 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
10 port-of-entry list price, during the first quarter of the  
11 year or for a registration period other than a calendar year  
12 or calendar quarter;

13 (b) 1 1/8% of the list price during the second quarter  
14 of the year;

15 (c) 3/4 of 1% during the third quarter of the year;

16 (d) 3/8 of 1% during the fourth quarter of the year.

17 (3) If the manufacturer or importer fails to furnish  
18 the f.o.b. factory list price or f.o.b. port-of-entry list  
19 price, the department may use published price lists.

20 (4) The new car sales tax on vehicles subject to the  
21 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
22 f.o.b. factory list price or f.o.b. port-of-entry list price  
23 regardless of the month in which the new vehicle is  
24 purchased.

25 (5) The sales tax on new motor vehicles registered as

1 part of a fleet under 61-3-318 is 3/4 of 1% of the f.o.b.  
2 factory list price or f.o.b. port-of-entry list price.

3 (6) The Except as provided in [section 34 33], the  
4 proceeds from this tax must be remitted to the state  
5 treasurer every 30 days for credit to the state highway  
6 account of the state special revenue fund.

7 (7) The new vehicle is not subject to any other  
8 assessment, fee in lieu of tax, or tax during the calendar  
9 year in which the original application for title is made.

10 (8) (a) The applicant for original registration of any  
11 new and unused motor vehicle, or a new motor vehicle  
12 furnished without charge by a dealer to a school district  
13 for use as a traffic education motor vehicle by a school  
14 district operating a state-approved traffic education  
15 program within the state, whether or not previously licensed  
16 or titled to the school district (except a mobile home as  
17 defined in 15-1-101(1)), acquired by original contract after  
18 January 1 of any year, is required, whenever the vehicle has  
19 not been otherwise assessed, to pay the motor vehicle sales  
20 tax provided by this section irrespective of whether the  
21 vehicle was in the state of Montana on January 1 of the  
22 year.

23 (b) No motor vehicle may be registered or licensed  
24 under the provisions of this subsection unless the  
25 application for registration is accompanied by a statement

1 of origin to be furnished by the dealer selling the vehicle,  
 2 showing that the vehicle has not previously been registered  
 3 or owned, except as otherwise provided herein, by any  
 4 person, firm, corporation, or association that is not a new  
 5 motor vehicle dealer holding a franchise or distribution  
 6 agreement from a new car manufacturer, distributor, or  
 7 importer.

8 (9) (a) Motor vehicles operating exclusively for  
 9 transportation of persons for hire within the limits of  
 10 incorporated cities or towns and within 15 miles from such  
 11 limits are exempt from subsection (1).

12 (b) Motor vehicles brought or driven into Montana by a  
 13 nonresident, migratory, bona fide agricultural worker  
 14 temporarily employed in agricultural work in this state  
 15 where those motor vehicles are used exclusively for  
 16 transportation of agricultural workers are also exempt from  
 17 subsection (1).

18 (c) Vehicles lawfully displaying a licensed dealer's  
 19 plate as provided in 61-4-103 are exempt from subsection (1)  
 20 when moving to or from a dealer's place of business when  
 21 unloaded or loaded with dealer's property only, and in the  
 22 case of vehicles having a gross loaded weight of less than  
 23 24,000 pounds, while being demonstrated in the course of the  
 24 dealer's business."

25 NEW SECTION. **Section 33.** Surtax -- distribution. (1)

1 In addition to the amount of tax liability determined under  
 2 61-3-502, each purchaser of a new vehicle subject to  
 3 taxation under this part shall pay, as a surtax, 7% of the  
 4 tax liability.

5 (2) The surtax imposed by this section must be  
 6 deposited to the credit of the state general fund.

7 NEW SECTION. **Section 34.** Surtax. Each person required  
 8 to pay a fee under this part shall pay, in addition to the  
 9 fee, a surtax of 7% of the fee.

10 ~~NEW SECTION. **Section 36.** Surtax. Each person required~~  
 11 ~~to pay the inheritance tax under the provisions of parts 1~~  
 12 ~~through 8 shall pay, in addition to the tax liability~~  
 13 ~~determined under 72-16-321 and 72-16-322, a surtax of 7% of~~  
 14 ~~the tax liability.~~

15 ~~NEW SECTION. **Section 37.** Surtax. Each person required~~  
 16 ~~to pay the generation skipping transfer tax under this part~~  
 17 ~~shall pay, in addition to the tax liability determined under~~  
 18 ~~72-16-1002, a surtax of 7% of the tax liability.~~

19 **Section 35.** Section 82-11-135, MCA, is amended to read:

20 "82-11-135. Money earmarked for board expenses. All  
 21 Except as provided in [section 39 36], all money collected  
 22 under this chapter shall be deposited in the state special  
 23 revenue fund by the state treasurer and shall be used for  
 24 the purpose of paying all expenses of the board and for no  
 25 other purpose. All these moneys shall be used by the board

1 subject to biennial appropriations by the legislature.  
 2 Income and interest from investment of the board's moneys in  
 3 the state special revenue fund shall be credited to the  
 4 board."

5 NEW SECTION. Section 36. Surtax. (1) Each person  
 6 required to pay the tax under this part shall pay, in  
 7 addition to the tax liability determined under 82-11-131, a  
 8 surtax of 7% of the tax liability.

9 (2) The additional tax must be deposited to the credit  
 10 of the general fund.

11 NEW SECTION. Section 37. Codification instruction. (1)  
 12 [Section 1] is intended to be codified as an integral part  
 13 of Title 15, chapter 23, part 7, and the provisions of Title  
 14 15, chapter 23, part 7, apply to [section 1].

15 (2) [Section 2] is intended to be codified as an  
 16 integral part of Title 15, chapter 30, part 1, and the  
 17 provisions of Title 15, chapter 30, part 1, apply to  
 18 [section 2].

19 (3) [Section 4] is intended to be codified as an  
 20 integral part of Title 15, ~~chapter--357--part--17~~, and the  
 21 provisions of Title 15~~7--chapter--357--part--17~~ apply to  
 22 [section 4].

23 (4) [Section 5] is intended to be codified as an  
 24 integral part of Title 15, chapter 36, part 1, and the  
 25 provisions of Title 15, chapter 36, part 1, apply to

1 [section 5].

2 (5) [Section 6] is intended to be codified as an  
 3 integral part of Title 15, chapter 37, part 1, and the  
 4 provisions of Title 15, chapter 37, part 1, apply to  
 5 [section 6].

6 (6) [Section 8] is intended to be codified as an  
 7 integral part of Title 15, chapter 37, part 2, and the  
 8 provisions of Title 15, chapter 37, part 2, apply to  
 9 [section 8].

10 (7) [Section 9] is intended to be codified as an  
 11 integral part of Title 15, chapter 38, part 1, and the  
 12 provisions of Title 15, chapter 38, part 1, apply to  
 13 [section 9].

14 (8) [Section 10] is intended to be codified as an  
 15 integral part of Title 15, chapter 51, part 1, and the  
 16 provisions of Title 15, chapter 51, part 1, apply to  
 17 [section 10].

18 (9) [Section 11] is intended to be codified as an  
 19 integral part of Title 15, chapter 53, part 1, and the  
 20 provisions of Title 15, chapter 53, part 1, apply to  
 21 [section 11].

22 (10) [Section 12] is intended to be codified as an  
 23 integral part of Title 15, chapter 55, part 1, and the  
 24 provisions of Title 15, chapter 55, part 1, apply to  
 25 [section 12].

1 (11) [Section 13] is intended to be codified as an  
2 integral part of Title 15, chapter 59, part 1, and the  
3 provisions of Title 15, chapter 59, part 1, apply to  
4 [section 13].

5 (12) [Section 14] is intended to be codified as an  
6 integral part of Title 15, chapter 59, part 2, and the  
7 provisions of Title 15, chapter 59, part 2, apply to  
8 [section 14].

9 (13) [Section 15] is intended to be codified as an  
10 integral part of Title 15, chapter 65, part 1, and the  
11 provisions of Title 15, chapter 65, part 1, apply to  
12 [section 15].

13 (14) [Section 16] is intended to be codified as an  
14 integral part of Title 15, chapter 70, part 2, and the  
15 provisions of Title 15, chapter 70, part 2, apply to  
16 [section 16].

17 (15) [Sections 17 and 18] are intended to be codified as  
18 an integral part of Title 15, chapter 70, part 3, and the  
19 provisions of Title 15, chapter 70, part 3, apply to  
20 [sections 17 and 18].

21 (16) [Section 19] is intended to be codified as an  
22 integral part of Title 15, chapter 71, part 1, and the  
23 provisions of Title 15, chapter 71, part 1, apply to  
24 [section 19].

25 (17) [Sections 20 through 22] are intended to be

1 codified as an integral part of Title 16, chapter 1, part 4,  
2 and the provisions of Title 16, chapter 1, part 4, apply to  
3 [sections 20 through 22].

4 (18) [Section 29 28] is intended to be codified as an  
5 integral part of Title 23, chapter 5, part 6, and the  
6 provisions of Title 23, chapter 5, part 6, apply to [section  
7 29 28].

8 (19) [Section 32 31] is intended to be codified as an  
9 integral part of Title 33, chapter 2, part 7, and the  
10 provisions of Title 33, chapter 2, part 7, apply to [section  
11 32 31].

12 (20) [Section 34 33] is intended to be codified as an  
13 integral part of Title 61, chapter 3, part 5, and the  
14 provisions of Title 61, chapter 3, part 5, apply to [section  
15 34 33].

16 (21) [Section 35 34] is intended to be codified as an  
17 integral part of Title 61, chapter 10, part 2, and the  
18 provisions of Title 61, chapter 10, part 2, apply to  
19 [section 35 34].

20 ~~(22) [Section 36] is intended to be codified as an~~  
21 ~~integral part of Title 72, chapter 16, part 3, and the~~  
22 ~~provisions of Title 72, chapter 16, part 3, apply to~~  
23 ~~[section 36].~~

24 ~~(23) [Section 37] is intended to be codified as an~~  
25 ~~integral part of Title 72, chapter 16, part 10, and the~~

1 ~~provisions of Title 72, chapter 16, part 10, apply to~~  
2 ~~[section 37].~~

3 ~~†24†~~(22) [Section 39 36] is intended to be codified as  
4 an integral part of Title 82, chapter 11, part 1, and the  
5 provisions of Title 82, chapter 11, part 1, apply to  
6 [section 39 36].

7 NEW SECTION. Section 38. Effective date. [This act] is  
8 effective on passage and approval.

9 NEW SECTION. Section 39. Applicability -- termination.

10 (1) (a) [Sections 27 AND 37--and--12] apply retroactively,  
11 within the meaning of 1-2-109, to the tax year TAX YEARS  
12 beginning after December 31, 1991, and ending before January  
13 1, 1993 1994. THE DEPARTMENT OF REVENUE SHALL ADJUST  
14 WITHHOLDING TABLES FOR THE MONTH BEGINNING SEPTEMBER 1,  
15 1992, IN ORDER TO COLLECT THE FULL AMOUNT OF THE 2.3% SURTAX  
16 IMPOSED IN [SECTION 2] DURING THE REMAINDER OF THIS CALENDAR  
17 YEAR.

18 (b) ~~†Sections---27---37---and SECTION 12†~~--terminate  
19 ~~TERMINATES--upon--receipt--of--taxes--for--tax--year---1992-~~  
20 [SECTIONS 2 AND 3] TERMINATE UPON RECEIPT OF TAXES FOR TAX  
21 YEAR 1993.

22 (2) (a) [Sections 4, 5, and 8] apply retroactively,  
23 within the meaning of 1-2-109, to production occurring after  
24 June 30, 1992, and before July 1, 1993.

25 (b) [Sections 4, 5, and 8] terminate upon receipt of

1 taxes on production occurring prior to July 1, 1993.

2 (3) (a) [Sections 1, 6, 7, and 9] apply retroactively,  
3 within the meaning of 1-2-109, to production occurring after  
4 December 31, 1991, and before January 1, 1993.

5 (b) [Sections 1, 6, 7, and 9] terminate upon receipt of  
6 taxes on production occurring prior to January 1, 1993.

7 (4) (a) [Sections 10, 11, 13 through-15, 14, 18, 20,  
8 23, and 29 28 through 32 31, AND 29] apply retroactively,  
9 within the meaning of 1-2-109, to tax liabilities for  
10 calendar quarters beginning after June 30, 1992, and before  
11 July 1, 1993.

12 (b) [Sections 10, 11, 13 through-15, 14, 18, 20, 23,  
13 and 29 28 through 32 31, AND 29] terminate upon receipt of  
14 taxes for the quarter ending June 30, 1993.

15 (5) (a) [Sections 16, 17, 20, 21, 22, 23 through 28 27  
16 24, and 33 32 through 35 34] apply for 1 calendar year to  
17 tax or fee liabilities for months beginning after [the  
18 effective date of this act].

19 (b) [Sections 16, 17, 20, 21, 22, 23 through 28 27 24,  
20 and 33 32 through 35 34] terminate upon receipt of taxes or  
21 fees for the final month of applicability.

22 (6) (a) [Sections 19, 30--and--39 35, AND 36] apply to  
23 the tax year beginning after December 31, 1992, and ending  
24 before January 1, 1994.

25 (b) [Sections 19, 30--and--39 35, AND 36] terminate upon



1 receipt of taxes for tax year 1993.

2 ~~(7) (a) [SECTIONS 36 AND 37] APPLY TO THE ESTATE OF A~~  
3 ~~PERSON WHO DIES AFTER [THE EFFECTIVE DATE OF THIS ACT] AND~~  
4 ~~BEFORE [1 YEAR FROM THE EFFECTIVE DATE OF THIS ACT].~~

5 ~~(b) [SECTIONS 36 AND 37] TERMINATE UPON RECEIPT OF~~  
6 ~~TAXES FROM THE ESTATES OF PERSONS WHO DIED DURING THE PERIOD~~  
7 ~~OF APPLICABILITY.~~

8 (7) (A) [SECTIONS 12 AND 15] APPLY TO TAX LIABILITIES  
9 FOR CALENDAR QUARTERS BEGINNING AFTER SEPTEMBER 30, 1992,  
10 AND BEFORE OCTOBER 1, 1993.

11 (B) [SECTIONS 12 AND 15] TERMINATE UPON RECEIPT OF  
12 TAXES FOR THE QUARTER ENDING SEPTEMBER 30, 1993.

13 (8) (A) [SECTIONS 25 THROUGH 27] APPLY FOR 1 CALENDAR  
14 YEAR TO TAX LIABILITIES BEGINNING 1 DAY AFTER [THE EFFECTIVE  
15 DATE OF THIS ACT].

16 (B) [SECTIONS 25 THROUGH 27] TERMINATE 1 YEAR AFTER  
17 [THE EFFECTIVE DATE OF THIS ACT].

18 (9) (A) [SECTIONS 30 AND 31] APPLY RETROACTIVELY,  
19 WITHIN THE MEANING OF 1-2-109, TO THE TAX YEAR BEGINNING  
20 AFTER DECEMBER 31, 1991.

21 (B) [SECTIONS 30 AND 31] TERMINATE UPON RECEIPT OF  
22 TAXES FOR THE CALENDAR YEAR ENDING DECEMBER 31, 1992.

23 NEW SECTION. SECTION 40. COORDINATION INSTRUCTION. IF  
24 HOUSE BILL NO. 24 IS PASSED AND APPROVED, THEN [SECTION 12  
25 OF THIS ACT] IS VOID.

-End-