

HOUSE BILL NO. 119

INTRODUCED BY M. HANSON
BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

JANUARY 7, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
JANUARY 14, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 15, 1993	PRINTING REPORT.
JANUARY 16, 1993	SECOND READING, DO PASS.
JANUARY 18, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 97; NOES, 2.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 4, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 10, 1993	SECOND READING, CONCURRED IN.
FEBRUARY 11, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 1.
	RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 12, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 119
2 INTRODUCED BY M. Hanson
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING BEER AND
6 WINE TAX ALLOCATION; PROVIDING FOR ANNUAL ADJUSTMENTS TO
7 CENSUS DATA; AMENDING SECTIONS 16-1-410 AND 16-1-411, MCA;
8 AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE."
9

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

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

12 "16-1-410. (Temporary) Tax revenue allocation. (1)

13 Subject to 16-1-422, all revenue received from taxes on beer
14 under 16-1-406 and 16-1-408 over and above \$1.50 per barrel
15 of 31 gallons shall must be deposited with the state
16 treasurer to the credit of the incorporated cities and towns
17 beer tax account in the state special revenue fund. The
18 money in the account is statutorily appropriated, as
19 provided in 17-7-502, to the state treasurer who shall,
20 monthly, distribute this amount of money to the incorporated
21 cities and towns in the direct proportion that the
22 population of each city and town bears to the total
23 population of all incorporated cities and towns as shown in
24 the latest official federal census as adjusted by the most
25 recent population estimates published by the U.S. bureau of

1 the census. For cities and towns incorporated after the
2 latest official federal census, the census ~~shall~~ must be
3 determined as of the date of incorporation as evidenced by
4 the certificate of the incorporating officials of that city
5 or town. If a city or town disincorporates, it may not
6 receive any funds under this section and the amount
7 previously distributed to the city or town ~~shall~~ must be
8 distributed to the remaining incorporated cities and towns.
9 All funds received by cities and towns under this section
10 ~~shall~~ must be expended for state purposes, such as law
11 enforcement, maintenance of the transportation system, and
12 public health.

13 (2) The department may adjust population estimates only
14 on the July 1 following the date of publication of the
15 estimates by the U.S. bureau of the census. The adjusted
16 distribution formula must remain in effect for the entire
17 fiscal year.

18 16-1-410. (Effective on receipt of taxes or fees for
19 September 1993) Tax revenue allocation. (1) All revenue
20 received from taxes on beer under 16-1-406 and 16-1-408 over
21 and above \$1.50 per barrel of 31 gallons shall must be
22 deposited with the state treasurer to the credit of the
23 incorporated cities and towns beer tax account in the state
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 16 ~~shall~~ must be expended for state purposes, such as law
 17 enforcement, maintenance of the transportation system, and
 18 public health.

19 (2) The department may adjust population estimates only
 20 on the July 1 following the date of publication of the
 21 estimates by the U.S. bureau of the census. The adjusted
 22 distribution formula must remain in effect for the entire
 23 fiscal year."

24 **Section 2.** Section 16-1-411, MCA, is amended to read:

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

1 cents per liter is hereby ~~levied and~~ imposed on table wine
 2 imported by any a table wine distributor or the department.

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

10 (b) The tax on table wine imported by the department
 11 ~~shall~~ must 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~~
 15 must be 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

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

(4) The taxes computed and paid in accordance with 16-1-423, 16-2-301, and this section ~~shall be~~ are the only taxes imposed by the state or any of its subdivisions, including cities and towns.

(5) The proceeds of the surtax imposed by 16-1-423 must be deposited in the state general fund.

(6) For purposes of this section "based on population" means:

(a) for counties, the direct proportion that the population of each county bears to the total population of all counties as shown in the latest official federal census as adjusted by the most recent population estimates published by the U.S. bureau of the census as provided in 16-1-410(2); and

(b) for cities, the distribution described in 16-1-410.

16-1-411. (Effective on receipt of taxes or fees for September 1993) Tax on wine. (1) A tax of 27 cents per liter is ~~hereby levied and~~ imposed on table wine imported by any a table wine distributor or the department.

(2) (a) The tax on table wine imported by a table wine distributor ~~shall~~ must be paid by the table wine distributor

by the 15th day of the month following sale of the table wine from the table wine distributor's warehouse. Failure to file a table wine tax return or failure to pay the tax required by this section subjects the table wine distributor to the penalties and interest provided for in 16-1-409.

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

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9 as adjusted by the most recent population estimates
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11 16-1-410(2); and

12 (b) for cities, the distribution described in
13 16-1-410."

14 NEW SECTION. Section 3. Applicability. [This act]
15 applies to all beer and wine tax revenue recorded on or
16 after July 1, 1993, regardless of when the tax obligation
17 accrued.

18 NEW SECTION. Section 4. Effective date. [This act] is
19 effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0119, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying beer and wine tax allocation; providing for annual adjustments to census data; and providing an applicability date and an effective date.

ASSUMPTIONS:

1. The U.S. Bureau of the Census publishes city/town population estimates for every even-numbered year between censuses.
2. The U.S. Bureau of the Census will publish the 1992 city/town population estimates after July 1, 1993.

FISCAL IMPACT:

The proposed legislation will have no impact on Department of Revenue revenues or expenditures.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposed legislation will have no impact on total city/town revenue distributions. However, during FY95 (and every other year thereafter) the distribution among incorporated cities and towns may be adjusted based upon the change in relative population estimates. The proposed legislation will result in a more accurate distribution of revenue based upon estimated changes in relative populations.

TECHNICAL NOTES:

The bill title should be changed to reflect the U.S. Bureau of the Census's current practice of publishing the city/town population estimates every other year.

David Lewis 1-11-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Marian W. Hanson 1-11-93
MARIAN W. HANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0119, as introduced.

HB 119

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 119

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the census. For cities and towns incorporated after the latest official federal census, the census ~~shall~~ must 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~~ must be distributed to the remaining incorporated cities and towns. All funds received by cities and towns under this section ~~shall~~ must be expended for state purposes, such as law enforcement, maintenance of the transportation system, and public health.

(2) The department may adjust population estimates only on the July 1 following the date of publication of the estimates by the U.S. bureau of the census. The adjusted distribution formula must remain in effect for the entire fiscal year.

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

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

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

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

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the census. For cities and towns incorporated after the latest official federal census, the census shall must 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 must be distributed to the remaining incorporated cities and towns. All funds received by cities and towns under this section shall must be expended for state purposes, such as law enforcement, maintenance of the transportation system, and public health.

(2) The department may adjust population estimates only on the July 1 following the date of publication of the estimates by the U.S. bureau of the census. The adjusted distribution formula must remain in effect for the entire fiscal year.

16-1-410. (Effective on receipt of taxes or fees for September 1993) Tax revenue allocation. (1) 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 must 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

1 state-treasurer DEPARTMENT who shall, monthly, distribute
 2 this amount of money to the incorporated cities and towns in
 3 the direct proportion that the population of each city and
 4 town bears to the total population of all incorporated
 5 cities and towns as shown in the latest official federal
 6 census as adjusted by the most recent population estimates
 7 published by the U.S. bureau of the census. For cities and
 8 towns incorporated after the latest official federal census,
 9 the census shall must be determined as of the date of
 10 incorporation as evidenced by the certificate of the
 11 incorporating officials of that city or town. If a city or
 12 town disincorporates, it may not receive any funds under
 13 this section and the amount previously distributed to the
 14 city or town shall must be distributed to the remaining
 15 incorporated cities and towns. All funds received by cities
 16 and towns under this section shall must be expended for
 17 state purposes, such as law enforcement, maintenance of the
 18 transportation system, and public health.

19 (2) The department may adjust population estimates only
 20 on the July 1 following the date of publication of the
 21 estimates by the U.S. bureau of the census. The adjusted
 22 distribution formula must remain in effect for the entire
 23 fiscal year."

24 **Section 2.** Section 16-1-411, MCA, is amended to read:

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

1 cents per liter is hereby ~~levied and~~ imposed on table wine
 2 imported by any a table wine distributor or the department.

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

10 (b) The tax on table wine imported by the department
 11 shall must 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
 15 must be 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

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

(4) The taxes computed and paid in accordance with 16-1-423, 16-2-301, and this section shall be are the only taxes imposed by the state or any of its subdivisions, including cities and towns.

(5) The proceeds of the surtax imposed by 16-1-423 must be deposited in the state general fund.

(6) For purposes of this section "based on population" means:

(a) for counties, the direct proportion that the population of each county bears to the total population of all counties as shown in the latest official federal census as adjusted by the most recent population estimates published by the U.S. bureau of the census as provided in 16-1-410(2); and

(b) for cities, the distribution described in 16-1-410.

16-1-411. (Effective on receipt of taxes or fees for September 1993) Tax on wine. (1) A tax of 27 cents per liter is hereby levied and imposed on table wine imported by any a table wine distributor or the department.

(2) (a) The tax on table wine imported by a table wine distributor shall must be paid by the table wine distributor

by the 15th day of the month following sale of the table wine from the table wine distributor's warehouse. Failure to file a table wine tax return or failure to pay the tax required by this section subjects the table wine distributor to the penalties and interest provided for in 16-1-409.

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

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

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

(b) of the remaining 11 cents:

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

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

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

1 (4) The tax computed and paid in accordance with this
2 section ~~shall be~~ is the only tax imposed by the state or any
3 of its subdivisions, including cities and towns.

4 (5) For purposes of this section "based on population"
5 means:

6 (a) for counties, the direct proportion that the
7 population of each county bears to the total population of
8 all counties as shown in the latest official federal census
9 as adjusted by the most recent population estimates
10 published by the U.S. bureau of the census as provided in
11 16-1-410(2); and

12 (b) for cities, the distribution described in
13 16-1-410."

14 NEW SECTION. Section 3. Applicability. [This act]
15 applies to all beer and wine tax revenue recorded on or
16 after July 1, 1993, regardless of when the tax obligation
17 accrued.

18 NEW SECTION. Section 4. Effective date. [This act] is
19 effective July 1, 1993.

-End-