

HOUSE BILL NO. 312

INTRODUCED BY FOSTER, GILBERT, HARRINGTON, M. HANSON,  
SCHYE, REAM  
BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

JANUARY 22, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
JANUARY 28, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 29, 1993	PRINTING REPORT.
JANUARY 30, 1993	SECOND READING, DO PASS.
FEBRUARY 1, 1993	ENGROSSING REPORT.
FEBRUARY 3, 1993	THIRD READING, PASSED. AYES, 95; NOES, 2.
FEBRUARY 4, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 4, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 2, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 3, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY
MARCH 4, 1993	SECOND READING, CONCURRED IN.
MARCH 5, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 6, 1993	RECEIVED FROM SENATE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *312*  
 2 INTRODUCED BY *Taylor* *Dillert* *Harington*  
 3 BY REQUEST OF THE DEPARTMENT OF REVENUE *Schye* *Reame*  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT THE  
 6 BENEFICIAL USE TAX INVOLVES THE USE OF TAX-EXEMPT PROPERTY  
 7 FOR INDUSTRIAL, TRADE, OR OTHER BUSINESS PURPOSES; AND  
 8 AMENDING SECTIONS 15-24-1203, 15-24-1204, AND 15-24-1207,  
 9 MCA."

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

12 **Section 1.** Section 15-24-1203, MCA, is amended to read:

13 "15-24-1203. Privilege tax on gainful industrial,  
 14 trade, or other business use of tax-exempt property --  
 15 exceptions. After-March-17,-1969,-there There is imposed and  
 16 shall must be collected a tax upon the possession or other  
 17 beneficial use for industrial, trade, or other business  
 18 purposes enjoyed by any private individual, association, or  
 19 corporation of any property, real or personal, which that  
 20 for any reason is exempt from taxation. No The tax may not  
 21 be imposed upon the possession or other beneficial use of  
 22 buildings owned by public entities and located upon public  
 23 airports. However, privately owned buildings located on such  
 24 public airport property are subject to tax. No The tax shall  
 25 may not be imposed upon the possession or other beneficial

1 use of public lands occupied under the terms of mineral,  
 2 timber, or grazing leases or permits issued by the United  
 3 States or the state of Montana or upon any easement unless  
 4 the lease, permit, or easement entitles the lessee or  
 5 permittee to exclusive possession of the premises to which  
 6 the lease, permit, or easement relates. The tax ~~shall be~~ is  
 7 imposed upon the possession or other beneficial use of an  
 8 electric transmission line and associated facilities, except  
 9 that lines and facilities of a design capacity of less than  
 10 500 kilovolts ~~shall are~~ are not be subject to the tax. The tax  
 11 may not be imposed upon the possession or other beneficial  
 12 use of railroad right-of-way or track owned by the United  
 13 States or acquired by the state pursuant to Title 60,  
 14 chapter 11, part 1, as long as the state or the United  
 15 States retains ownership and the right-of-way or track is  
 16 used exclusively for rail transportation."

17 **Section 2.** Section 15-24-1204, MCA, is amended to read:

18 "15-24-1204. Rate of privilege -- tax credit for  
 19 federal payments in lieu of taxes. The tax imposed upon such  
 20 the possession or other beneficial use of tax-exempt  
 21 property for industrial, trade, or other business purposes  
 22 shall must be in the same amount and to the same extent as  
 23 the ad valorem property tax would be if the possessor or  
 24 user were the owner thereof of the property, provided that  
 25 there but the amount of payments that is made in lieu of

1 ~~taxes shall~~ must be credited against the amount of tax so  
 2 that is imposed upon the beneficial use of property owned by  
 3 the federal government ~~the amount of payments which are made~~  
 4 ~~in lieu of taxes."~~

1 this part."

-End-

5 **Section 3.** Section 15-24-1207, MCA, is amended to read:

6 "15-24-1207. Reporting requirements -- rules. (1) Each  
 7 private person who is a possessor or a beneficial user of  
 8 tax-exempt property for industrial, trade, or other business  
 9 purposes subject to tax pursuant to 15-24-1203 must shall,  
 10 on or before March 1 each year, file with the department of  
 11 revenue a statement of the possession or other beneficial  
 12 use of tax-exempt property in the preceding calendar year  
 13 and the value ~~thereof of the property~~. The statement must be  
 14 in the form prescribed by the department and must be  
 15 verified by the possessor or beneficial user or, in the case  
 16 of an association or corporation, by an officer of the  
 17 association or corporation. The statement must include:

18 (a) the name and address of the person, association, or  
 19 corporation;

20 (b) the location of the tax-exempt property; and

21 (c) the market value in dollars and cents of the  
 22 tax-exempt property.

23 (2) The department may adopt any reasonable rules  
 24 necessary to insure that the possessor or other beneficial  
 25 user of tax-exempt property complies with the provisions of

APPROVED BY COMMITTEE  
ON TAXATION

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