

HOUSE BILL NO. 641

INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,  
MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,  
MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD  
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

IN THE HOUSE

FEBRUARY 17, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 2, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 3, 1993	PRINTING REPORT.
MARCH 4, 1993	SECOND READING, DO PASS.
MARCH 5, 1993	ENGROSSING REPORT.
MARCH 8, 1993	THIRD READING, PASSED. AYES, 98; NOES, 0.
MARCH 9, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 10, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 2, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 3, 1993	SECOND READING, CONCURRED IN.
APRIL 5, 1993	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

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

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *641*  
 2 INTRODUCED BY *Feater Elliott Harrington*  
 3 *By Request of the House Taxation Committee ORR*  
 4 *Tom Nelson* *Orinell*  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX  
 6 REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE  
 7 GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE  
 8 PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;  
 9 SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED  
 10 BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH  
 11 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS  
 12 15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,  
 13 15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,  
 14 15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,  
 15 15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,  
 16 16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,  
 17 16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,  
 18 23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,  
 19 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
 20 RETROACTIVE APPLICABILITY DATE."

21  
 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23 **Section 1.** Section 15-1-501, MCA, is amended to read:

24 "15-1-501. (Temporary) Disposition of money from  
 25 certain designated license and other taxes. (1) The state

1 treasurer shall deposit to the credit of the state general  
 2 fund in accordance with the provisions of subsection (6) all  
 3 money received by him from the collection of:

4 (a) fees from driver's licenses, motorcycle  
 5 endorsements, and duplicate driver's licenses as provided in  
 6 61-5-121;

7 (b) electrical energy producer's license taxes under  
 8 chapter 51;

9 (c) severance taxes allocated to the general fund under  
 10 chapter 36;

11 (d) liquor license taxes under Title 16;

12 (e) telephone company license taxes under chapter 53;  
 13 and

14 (f) inheritance and estate taxes under Title 72,  
 15 chapter 16.

16 (2) All money received from the collection of income  
 17 taxes under chapter 30 of this title must, in accordance  
 18 with the provisions of subsection (6), be deposited as  
 19 follows:

20 (a) 62.8% of the taxes to the credit of the state  
 21 general fund;

22 (b) 8.7% of the taxes to the credit of the debt service  
 23 account for long-range building program bonds as described  
 24 in 17-5-408;

25 (c) 28.5% of the taxes to the credit of the state

special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(3) All money received from the collection of corporation license and income taxes under chapter 31 of this title, except as provided in 15-31-702, must, in accordance with the provisions of subsection (6), be deposited as follows:

(a) 61% of the taxes to the credit of the state general fund;

(b) 10.5% of the taxes to the credit of the debt service account for long-range building program bonds as described in 17-5-408;

(c) 28.5% of the taxes to the credit of the state special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(4) The state treasurer shall also deposit to the credit of the state general fund all money received by him from the collection of license taxes, fees, and all net revenues and receipts from all other sources under the operation of the Montana Alcoholic Beverage Code.

(5) After the distribution provided for in 15-36-112,

the remainder of the oil severance tax collections must be deposited in the general fund.

(6) Notwithstanding any other provision of law, the distribution of tax revenue must be made according to the provisions of the law governing allocation of the tax that were in effect for the period in which the tax revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (5), in accordance with generally accepted accounting principles.

~~(6)~~(7) All refunds of taxes must be attributed to the funds in which the taxes are deposited. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are deposited.

15-1-501. (Effective July 1, 1993) Disposition of money from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the state general fund in accordance with the provisions of subsection (6) all money received by him from the collection of:

(a) fees from driver's licenses, motorcycle endorsements, and duplicate driver's licenses as provided in 61-5-121;

(b) electrical energy producer's license taxes under chapter 51;

(c) severance taxes allocated to the general fund under

chapter 36;

(d) liquor license taxes under Title 16;

(e) telephone company license taxes under chapter 53;

and

(f) inheritance and estate taxes under Title 72, chapter 16.

(2) All money received from the collection of income taxes under chapter 30 of this title must, in accordance with the provisions of subsection (6), be deposited as follows:

(a) 59.5% of the taxes to the credit of the state general fund;

(b) 8.7% of the taxes to the credit of the debt service account for long-range building program bonds as described in 17-5-408;

(c) 31.8% of the taxes to the credit of the state special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(3) All money received from the collection of corporation license and income taxes under chapter 31 of this title, except as provided in 15-31-702, must, in accordance with the provisions of subsection (6), be deposited as follows:

(a) 61% of the taxes to the credit of the state general fund;

(b) 10.5% of the taxes to the credit of the debt service account for long-range building program bonds as described in 17-5-408;

(c) 28.5% of the taxes to the credit of the state special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(4) The state treasurer shall also deposit to the credit of the state general fund all money received by--him from the collection of license taxes, fees, and all net revenues and receipts from all other sources under the operation of the Montana Alcoholic Beverage Code.

(5) After the distribution provided for in 15-36-112, the remainder of the oil severance tax collections must be deposited in the general fund.

(6) Notwithstanding any other provision of law, the distribution of tax revenue must be made according to the provisions of the law governing allocation of the tax that were in effect for the period in which the tax revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (5), in accordance with

1 generally accepted accounting principles.

2 (7)(6) All refunds of taxes must be attributed to the  
3 funds in which the taxes are deposited. All refunds of  
4 interest and penalties must be attributed to the funds in  
5 which the interest and penalties are deposited."

6 **Section 2.** Section 15-23-716, MCA, is amended to read:

7 "15-23-716. (Temporary) Surtax -- distribution. (1)  
8 Each person required to pay the coal gross proceeds tax  
9 under this part shall pay, in addition to the tax liability  
10 determined under 15-23-703, a surtax of 7% of the tax  
11 liability.

12 (2) Notwithstanding the provisions of 15-23-707, the  
13 money received from county treasurers from the surtax  
14 collected under this section must, in accordance with the  
15 provisions of 15-1-501(6), be deposited to the credit of the  
16 state general fund."

17 **Section 3.** Section 15-25-122, MCA, is amended to read:

18 "15-25-122. Disposition of proceeds. (1) The department  
19 shall, in accordance with the provisions of 15-1-501(6),  
20 transfer all taxes collected pursuant to this chapter, less  
21 the administrative fee authorized in 15-25-111(1), to the  
22 state treasurer on a monthly basis.

23 (2) The state treasurer shall deposit one-third of the  
24 tax to the credit of the department of family services to be  
25 used for the youth evaluation program and chemical abuse

1 aftercare programs.

2 (3) The treasurer shall credit the remaining two-thirds  
3 of the tax proceeds as follows:

4 (a) one-half to the department of justice to be used:

5 (i) for grants to youth courts to fund chemical abuse  
6 assessments; and

7 (ii) for grants to counties to fund services for the  
8 detention of juvenile offenders in facilities separate from  
9 adult jails, as authorized in 41-5-1002; and

10 (b) one-half to the account created by 44-12-206(3) if  
11 a state government law enforcement agency seized the drugs.  
12 If a local government law enforcement agency seized the  
13 drugs, then that amount must be credited to the treasurer or  
14 finance officer of the local government, be deposited in its  
15 general fund, and be used to enforce drug laws."

16 **Section 4.** Section 15-31-702, MCA, is amended to read:

17 "15-31-702. Distribution of corporation license taxes  
18 collected from banks or savings and loan associations. (1)  
19 All corporation license taxes, interest, and penalties  
20 collected from banks and savings and loan associations must,  
21 in accordance with the provisions of 15-1-501(6), be  
22 distributed in the following manner:

23 (a) 20% must be remitted to the state treasurer to be  
24 allocated as provided in 15-1-501(3); and

25 (b) 80% is statutorily appropriated, as provided in

17-7-502, for allocation to the various taxing jurisdictions within the county in which the bank or savings and loan association is located.

(2) The corporation license taxes, interest, and penalties distributed under subsection (1)(b) must be allocated to each taxing jurisdiction in the proportion that its mill levy for that fiscal year bears to the total mill levy of the taxing authorities of the district in which the bank or savings and loan association is located.

(3) "Taxing jurisdictions" means, for the purposes of this section, all taxing authorities within a county permitted under state law to levy mills against the taxable value of property in the taxing district in which the bank or savings and loan association is located.

(4) If a return filed by a bank or savings and loan association involves branches or offices in more than one taxing jurisdiction, the department of revenue shall provide a method by rule for equitable distribution among those taxing jurisdictions."

**Section 5.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated ~~according-to-the-provisions-in-effect-on-the-date-the-tax-is due-under--15-35-104;--Severance--taxes--collected-under-the~~

~~provisions-of-this-chapter-are-allocated~~ as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Starting July 1, 1992, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the general fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 0% to a nonexpendable trust fund for the purpose of

1 parks management. Income from this trust fund must be  
2 appropriated for the development, operation, and maintenance  
3 of any sites and areas described in 23-1-102.

4 (f) 1% to the state special revenue fund to the credit  
5 of the state library commission for the purposes of  
6 providing basic library services for the residents of all  
7 counties through library federations and for payment of the  
8 costs of participating in regional and national networking;

9 (g) 1/2 of 1% to the state special revenue fund for  
10 conservation districts;

11 (h) 1 1/4% to the debt service fund type to the credit  
12 of the water development debt service fund;

13 (i) 2% to the state special revenue fund for the  
14 Montana Growth Through Agriculture Act;

15 (j) 1 2/3% to the Montana arts council, to be allocated  
16 as follows:

17 (i) 42 1/2% for operating costs; and

18 (ii) 57 1/2% to a nonexpendable trust fund for the  
19 purpose of protection of works of art in the state capitol  
20 and for other cultural and aesthetic projects. Income from  
21 this trust fund shall be appropriated for protection of  
22 works of art in the state capitol and for other cultural and  
23 aesthetic projects.

24 (k) beginning July 1, 1991, and ending June 30, 1993,  
25 3 1/3% to a special revenue account to be used by the

1 department of fish, wildlife, and parks for the development,  
2 operation, and maintenance of state parks and the  
3 stabilization and preservation of historic sites within the  
4 state park system;

5 (1) all other revenues from severance taxes collected  
6 under the provisions of this chapter to the credit of the  
7 general fund of the state. (Terminates June 30, 1993--sec.  
8 3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January  
9 1992.)

10 15-35-108. (Effective July 1, 1993) Disposal of  
11 severance taxes. Severance taxes collected under this  
12 chapter must, in accordance with the provisions of  
13 15-1-501(6), be allocated according--to-the-provisions-in  
14 effect-on-the-date-the-tax-is-due-under-15-35-104--Severance  
15 taxes-collected-under-the-provisions--of--this--chapter--are  
16 allocated as follows:

17 (1) To the trust fund created by Article IX, section 5,  
18 of the Montana constitution, 50% of total coal severance tax  
19 collections. The trust fund money must be deposited in the  
20 fund established under 17-6-203(6) and invested by the board  
21 of investments as provided by law.

22 (2) Starting July 1, 1987, and ending June 30, 2003,  
23 12% of coal severance tax collections are allocated to the  
24 highway reconstruction trust fund account in the state  
25 special revenue fund.



(3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for conservation districts;

(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated according--to-the-provisions-in-effect-on-the-date-the-tax-is-due-under-15-35-104--Severance taxes-collected-under-the-provisions--of--this--chapter--are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax

collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of

providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for conservation districts;

(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

**Section 6.** Section 15-36-112, MCA, is amended to read:

"15-36-112. Disposition of oil and gas state and local government severance taxes -- calculation of unit value for local government severance tax. (1) Each year the department of revenue shall determine the amount of tax collected under this chapter from within each taxing unit.

(2) For purposes of the distribution of local

government severance taxes collected under this chapter, the department shall determine the unit value of oil and gas for each taxing unit as follows:

(a) The unit value for petroleum and other mineral or crude oil for each taxing unit is the quotient obtained by dividing the net proceeds taxes calculated on petroleum or mineral or crude oil produced in that taxing unit in calendar year 1988 by the number of barrels of petroleum or other mineral or crude oil produced in that taxing unit during 1988, excluding new and interim production.

(b) The unit value for natural gas is the quotient obtained by dividing the net proceeds taxes calculated on natural gas produced in that taxing unit in calendar year 1988 by the number of cubic feet of natural gas produced in that taxing unit during 1988, excluding new and interim production.

(3) The state and local government severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

(a) The local government severance tax is statutorily appropriated, as provided in 17-7-502, for allocation to the county for distribution as provided in subsection (4);

(b) The state severance tax is allocated to the state general fund.

(4) (a) For the purpose of distribution of the local

government severance tax, the department shall adjust the unit value determined under this section according to the ratio that the local government severance taxes collected during the quarters to be distributed plus accumulated interest earned by the state and penalties and interest on delinquent local government severance taxes bears to the total liability for local government severance taxes for the quarters to be distributed. The taxes must be calculated and distributed as follows:

(i) By November 30 of each year, the department shall calculate and distribute to each eligible county the amount of local government severance tax, determined by multiplying unit value as adjusted in this subsection (4)(a) times the units of production on which the local government severance tax was owed during the calendar quarters ending March 31 and June 30 of the preceding calendar year.

(ii) By May 31 of each year, the department shall calculate and distribute to each eligible county the amount of local government severance tax, determined by multiplying unit value as adjusted in this subsection (4)(a) times the units of production on which the local government severance tax was owed during the 2 calendar quarters immediately following those quarters referred to in subsection (4)(a)(i).

(b) Any amount by which the total tax liability exceeds

1 or is less than the total distributions determined in  
2 subsections (4)(a)(i) and (4)(a)(ii) must be calculated and  
3 distributed in the following manner:

4 (i) The excess amount or shortage must be divided by  
5 the total distribution determined for that period to obtain  
6 an excess or shortage percentage.

7 (ii) The excess percentage must be multiplied by the  
8 distribution to each taxing unit, and this amount must be  
9 added to the distribution to each respective taxing unit.

10 (iii) The shortage percentage must be multiplied by the  
11 distribution to each taxing unit, and this amount must be  
12 subtracted from the distribution to each respective taxing  
13 unit.

14 (5) Except as provided in subsection (6), the county  
15 treasurer shall distribute the money received under  
16 subsection (4) to the taxing units that levied mills in  
17 fiscal year 1990 against calendar year 1988 production in  
18 the same manner that all other property tax proceeds were  
19 distributed during fiscal year 1990 in the taxing unit,  
20 except that no a distribution may not be made to a municipal  
21 taxing unit.

22 (6) The board of county commissioners of a county may  
23 direct the county treasurer to reallocate the distribution  
24 of local government severance tax money that would have gone  
25 to a taxing unit, as provided in subsection (5), to another

1 taxing unit or taxing units, other than an elementary school  
2 or high school, within the county under the following  
3 conditions:

4 (a) The county treasurer shall first allocate the  
5 {local government severance} taxes to the taxing units  
6 within the county in the same proportion that all other  
7 property tax proceeds were distributed in the county in  
8 fiscal year 1990.

9 (b) If the allocation in subsection (6)(a) exceeds the  
10 total budget for a taxing unit, the commissioners may direct  
11 the county treasurer to allocate the excess to any taxing  
12 unit within the county.

13 (7) The board of trustees of an elementary or high  
14 school district may reallocate the {local government  
15 severance} taxes distributed to the district by the county  
16 treasurer under the following conditions:

17 (a) The district shall first allocate the {local  
18 government severance} taxes to the budgeted funds of the  
19 district in the same proportion that all other property tax  
20 proceeds were distributed in the district in fiscal year  
21 1990.

22 (b) If the allocation under subsection (7)(a) exceeds  
23 the total budget for a fund, the trustees may allocate the  
24 excess to any budgeted fund of the school district."

25 **Section 7.** Section 15-36-126, MCA, is amended to read:

"15-36-126. (Temporary) Surtax. (1) Each person required to pay the severance tax under this chapter on oil and gas production, other than production from a stripper well, shall pay, in addition to the tax liability computed as required in 15-36-101 and 15-36-121, a surtax of 7% of the tax liability.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 8.** Section 15-37-117, MCA, is amended to read:

"15-37-117. (Temporary) Disposition of metalliferous mines license taxes. (1) Except as provided in subsection (4), metalliferous mines license taxes collected under the provisions of this part are must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

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

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

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

impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if no an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

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

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

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

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

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

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

1 (3) The department shall return to the county in which  
2 metals are produced the tax collections allocated under  
3 subsection (1)(d). The allocation to the county described by  
4 subsection (1)(d) is a statutory appropriation pursuant to  
5 17-7-502.

6 (4) The proceeds of the surtax collected under  
7 15-37-126 must, in accordance with the provisions of  
8 15-1-501(6), be deposited to the credit of the general fund.

9 15-37-117. (Effective on receipt of taxes on production  
10 occurring prior to January 1, 1993) Disposition of  
11 metalliferous mines license taxes. (1) Metalliferous mines  
12 license taxes collected under the provisions of this part  
13 are must, in accordance with the provisions of 15-1-501(6),  
14 be allocated as follows:

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

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

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

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

1 and approved pursuant to 90-6-307, in direct proportion to  
2 the fiscal and economic impacts determined in the plan or,  
3 if no an impact plan has not been prepared, to the county in  
4 which the mine is located, 25% of total collections each  
5 year, to be allocated by the county commissioners as  
6 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 **Section 9.** Section 15-38-106, MCA, is amended to read:

6 "15-38-106. (Temporary) Payment of tax -- records --  
7 collection of taxes -- refunds. (1) The tax imposed by this  
8 chapter shall must be paid by each person to which the tax  
9 applies, on or before March 31, on the value of product in  
10 the year preceding January 1 of the year in which the tax is  
11 paid. The tax shall must be paid to the department at the  
12 time the statement of yield for the preceding calendar year  
13 is filed with the department.

14 (2) The department shall, in accordance with the  
15 provisions of 15-1-501(6), deposit the proceeds of the tax  
16 in the resource indemnity trust fund of the nonexpendable  
17 trust fund type. Every person to whom the tax applies shall  
18 keep records in accordance with 15-38-105, and the records  
19 are subject to inspection by the department upon reasonable  
20 notice during normal business hours.

21 (3) The department shall examine the statement and  
22 compute the taxes thereon to be imposed, and the amount  
23 computed by the department shall--be is the taxes tax  
24 imposed, assessed against, and payable by the taxpayer. If  
25 the tax found to be due is greater than the amount paid, the

1 excess shall must be paid by the taxpayer to the department  
2 within 30 days after written notice of the amount of  
3 deficiency is mailed by the department to the taxpayer. If  
4 the tax imposed is less than the amount paid, the difference  
5 must be applied as a tax credit against tax liability for  
6 subsequent years or refunded if requested by the taxpayer.

7 15-38-106. (Effective July 1, 1993) Payment of tax --  
8 records -- collection of taxes -- refunds. (1) The tax  
9 imposed by this chapter shall must be paid by each person to  
10 which the tax applies, on or before March 31, on the value  
11 of product in the year preceding January 1 of the year in  
12 which the tax is paid. The tax shall must be paid to the  
13 department at the time the statement of yield for the  
14 preceding calendar year is filed with the department.

15 (2) The department shall, in accordance with the  
16 provisions of 15-1-501(6), deposit the proceeds of the tax  
17 in the resource indemnity trust fund of the nonexpendable  
18 trust fund type, except that 14.1% of the proceeds must be  
19 deposited in the ground water assessment account established  
20 by 85-2-905. Every person to whom the tax applies shall keep  
21 records in accordance with 15-38-105, and the records are  
22 subject to inspection by the department upon reasonable  
23 notice during normal business hours.

24 (3) The department shall examine the statement and  
25 compute the taxes thereon to be imposed, and the amount

1 computed by the department ~~shall--be~~ is the taxes tax  
 2 imposed, assessed against, and payable by the taxpayer. If  
 3 the tax found to be due is greater than the amount paid, the  
 4 excess ~~shall~~ must be paid by the taxpayer to the department  
 5 within 30 days after written notice of the amount of  
 6 deficiency is mailed by the department to the taxpayer. If  
 7 the tax imposed is less than the amount paid, the difference  
 8 must be applied as a tax credit against tax liability for  
 9 subsequent years or refunded if requested by the taxpayer."

10 **Section 10.** Section 15-38-136, MCA, is amended to read:

11 "15-38-136. (Temporary) 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, in accordance with the  
 16 provisions of 15-1-501(6), be deposited to the credit of the  
 17 state general fund."

18 **Section 11.** Section 15-51-103, MCA, is amended to read:

19 "15-51-103. Disposition of revenue -- interest on  
 20 delinquency. The department of revenue shall, in accordance  
 21 with the provisions of 15-1-501(6), ~~receipt--therefor--and~~  
 22 promptly turn-the-same-over remit the collected taxes to the  
 23 state treasurer. Taxes not met paid on the due date ~~shall~~  
 24 become are delinquent, and a penalty of 10% plus interest at  
 25 the rate of 1% per month or fraction of a month computed on

1 the total of tax and penalty ~~shall~~ must be charged."

2 **Section 12.** Section 15-53-114, MCA, is amended to read:

3 "15-53-114. Disposal of license taxes. License taxes  
 4 collected under this chapter ~~shall~~ must, in accordance with  
 5 the provisions of 15-1-501(6), be credited to the general  
 6 fund of the state."

7 **Section 13.** Section 15-59-108, MCA, is amended to read:

8 "15-59-108. Deposit of taxes. All license taxes  
 9 collected under the provisions of this part ~~shall~~ must, in  
 10 accordance with the provisions of 15-1-501(6), be deposited  
 11 to the credit of the general fund of the state."

12 **Section 14.** Section 15-59-208, MCA, is amended to read:

13 "15-59-208. Deposit of license taxes. All license taxes  
 14 collected under the provisions of this part ~~shall~~ must, in  
 15 accordance with the provisions of 15-1-501(6), be deposited  
 16 to the credit of the general fund of the state."

17 **Section 15.** Section 15-60-210, MCA, is amended to read:

18 "15-60-210. Disposition of fee. All proceeds from the  
 19 collection of utilization fees, including penalties and  
 20 interest, must, in accordance with the provisions of  
 21 15-1-501(6), be deposited in the state general fund."

22 **Section 16.** Section 15-65-121, MCA, is amended to read:

23 "15-65-121. Distribution of tax proceeds -- general  
 24 fund loan authority. (1) The proceeds of the tax imposed by  
 25 15-65-111 must, in accordance with the provisions of



1 15-1-501(6), be deposited in an account in the state special  
 2 revenue fund to the credit of the department of revenue. The  
 3 department may spend from that account in accordance with an  
 4 expenditure appropriation by the legislature based on an  
 5 estimate of the costs of collecting and disbursing the  
 6 proceeds of the tax. Before allocating the balance of the  
 7 tax proceeds in accordance with the provisions of  
 8 15-1-501(6) and as provided in subsections (1)(a) through  
 9 (1)(c), the department shall determine the expenditures by  
 10 state agencies for in-state lodging for each reporting  
 11 period and deduct 4% of that amount from the tax proceeds  
 12 received each reporting period. The amount deducted must be  
 13 deposited in the general fund. The balance of the tax  
 14 proceeds received each reporting period and not deducted  
 15 pursuant to the expenditure appropriation or deposited in  
 16 the general fund is statutorily appropriated, as provided in  
 17 17-7-502, and must be transferred to an account in the state  
 18 special revenue fund to the credit of the department of  
 19 commerce for tourism promotion and promotion of the state as  
 20 a location for the production of motion pictures and  
 21 television commercials, to the Montana historical society,  
 22 and to the university system, as follows:

23 (a) 1% to the Montana historical society to be used for  
 24 the installation or maintenance of roadside historical signs  
 25 and historic sites;

1 (b) 2.5% to the university system for the establishment  
 2 and maintenance of a Montana travel research program; and

3 (c) the balance of the proceeds as follows:

4 (i) 75% to be used directly by the department of  
 5 commerce;

6 (ii) except as provided in subsection (1)(c)(iii), 25%  
 7 to be distributed by the department to regional nonprofit  
 8 tourism corporations in the ratio of the proceeds collected  
 9 in each tourism region to the total proceeds collected  
 10 statewide;

11 (iii) if 25% of the proceeds collected annually within  
 12 the limits of a city or consolidated city-county exceeds  
 13 \$35,000, 50% of the amount available for distribution to the  
 14 regional nonprofit tourism corporation in the region where  
 15 the city or consolidated city-county is located is to be  
 16 distributed to the nonprofit convention and visitors bureau  
 17 in that city or consolidated city-county.

18 (2) If a city or consolidated city-county qualifies  
 19 under this section for funds but fails to either recognize a  
 20 nonprofit convention and visitors bureau or submit and gain  
 21 approval for an annual marketing plan as required in  
 22 15-65-122, then those funds must be allocated to the  
 23 regional nonprofit tourism corporation in the region in  
 24 which the city or consolidated city-county is located.

25 (3) If a regional nonprofit tourism corporation fails

to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section."

**Section 17.** Section 15-65-136, MCA, is amended to read:

"15-65-136. (Temporary) Additional tax -- allocation.

(1) An additional tax is imposed on the user of a facility at a rate equal to 0.28% of the accommodation charge collected by the facility.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 18.** Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be turned over promptly to the state treasurer, who shall place the money in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance with the

provisions of 15-1-501(6), be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) \$14,000,000 of the funds collected under this chapter, except those collected by a justice's court, is statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) \$54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) \$6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated

1 cities and towns;

2 (iii) 20% in the ratio that the land area of each county  
3 bears to the total land area of the state;

4 (c) \$7,623,000 must be divided among the incorporated  
5 cities and towns in the following manner:

6 (i) 50% of the sum in the ratio that the population  
7 within the corporate limits of the city or town bears to the  
8 total population within corporate limits of all the cities  
9 and towns in Montana;

10 (ii) 50% in the ratio that the city or town street and  
11 alley mileage, exclusive of the federal-aid interstate  
12 system and the federal-aid primary system, within corporate  
13 limits bears to the total street and alley mileage,  
14 exclusive of the federal-aid interstate system and  
15 federal-aid primary system, within the corporate limits of  
16 all cities and towns in Montana.

17 (2) All funds allocated by this section to counties,  
18 cities, and towns must be used for the construction,  
19 reconstruction, maintenance, and repair of rural roads or  
20 city or town streets and alleys or for the share that the  
21 city, town, or county might otherwise expend for  
22 proportionate matching of federal funds allocated for the  
23 construction of roads or streets that are part of the  
24 federal-aid primary or secondary highway system or urban  
25 extensions to those systems, except that the governing body

1 of a town or third-class city, as defined in 7-1-4111, may  
2 each year expend no more than 25% of the funds allocated to  
3 that town or third-class city for the purchase of capital  
4 equipment and supplies to be used for the maintenance and  
5 repair of town or third-class city streets and alleys.

6 (3) All funds allocated by this section to counties,  
7 cities, and towns must be disbursed to the lowest  
8 responsible bidder according to applicable bidding  
9 procedures followed in all cases in which the contract for  
10 construction, reconstruction, maintenance, or repair is in  
11 excess of \$4,000.

12 (4) For the purposes of this section in which  
13 distribution of funds is made on a basis related to  
14 population, the population must be determined by the last  
15 preceding official federal census.

16 (5) For the purposes of this section in which  
17 determination of mileage is necessary for distribution of  
18 funds, it is the responsibility of the cities, towns, and  
19 counties to furnish to the department of transportation a  
20 yearly certified statement indicating the total mileage  
21 within their respective areas applicable to this chapter.  
22 All mileage submitted is subject to review and approval by  
23 the department of transportation.

24 (6) Except by a town or third-class city as provided in  
25 subsection (2), the funds authorized by this section may not

be used for the purchase of capital equipment.

(7) Funds authorized by this section must be used for construction and maintenance programs only."

**Section 19.** Section 15-71-104, MCA, is amended to read:

"15-71-104. Disposition of funds. All taxes collected under this chapter ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be turned over promptly to the state treasurer and the state treasurer shall place the same taxes in the state special revenue fund to the credit of the department of transportation."

**Section 20.** Section 16-1-306, MCA, is amended to read:

"16-1-306. Revenue to be paid to state treasurer. Except as provided in 16-1-404, 16-1-405, 16-1-408, 16-1-410, and 16-1-411, all fees, charges, taxes, and revenues collected by or under authority of the department ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be deposited with the state treasurer. ~~He~~ The state treasurer shall deposit the funds to the credit of the state general fund."

**Section 21.** Section 16-1-401, MCA, is amended to read:

"16-1-401. Liquor excise tax. (1) The department ~~is hereby authorized and directed to charge, receive, and shall~~ collect at the time of the sale and delivery of any liquor as authorized under any provision of the laws of the state of Montana an excise tax at the rate of:

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

(b) 13.8% of the retail selling price on all liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed, and sold not more than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to this section.

(2) The department shall retain the amount of such the excise tax received in a separate account and shall, in accordance with the provisions of 15-1-501(6), deposit with the state treasurer, to the credit of the general fund, such the sums collected and received not later than the 10th day of each and-every month."

**Section 22.** Section 16-1-404, MCA, is amended to read:

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

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

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

(2) The license tax ~~shall~~ must be charged and collected on all liquor brought into the state and taxed by the department. The retail selling price ~~shall~~ must be computed by adding to the cost of ~~said~~ the liquor the state markup as designated by the department. The license tax ~~shall~~ must be figured in the same manner as the state excise tax and ~~shall~~ be is in addition to ~~said~~ the state excise tax. The department shall retain in a separate account the amount of the license tax so received. Thirty percent of these revenues are statutorily appropriated, as provided in 17-7-502, to the department and ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be allocated to the counties according to the amount of liquor purchased in each

county to be distributed to the incorporated cities and towns, as provided in subsection (3). Four and one-half percent of these revenues are statutorily appropriated, as provided in 17-7-502, and ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be allocated to the counties according to the amount of liquor purchased in each county, and this money may be used for county purposes. The remaining revenues ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be deposited in the state special revenue fund to the credit of the department of corrections and human services for the treatment, rehabilitation, and prevention of alcoholism. ~~Provided, however, in~~ In the case of purchases of liquor by a retail liquor licensee for use in ~~his~~ the licensee's business, the department shall make such regulations as are necessary to apportion that proportion of license tax so generated to the 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, in accordance with the provisions of 15-1-501(6), 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 must 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 must 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 must 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 must be distributed as provided in 53-24-206."

**Section 23.** Section 16-1-408, MCA, is amended to read:

"16-1-408. Additional tax. An additional tax of \$1.30 per barrel is levied and imposed as provided by 16-1-406. One dollar of this the additional tax is--to must, in accordance with the provisions of 15-1-501(6), be deposited, notwithstanding 16-1-306 and 16-1-410 or any other provision, with the state treasurer to the credit of the department of corrections and human services each quarter for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of this

the additional tax ~~is-to~~ must be deposited in the general fund."

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

"16-1-410. (Temporary) Tax revenue allocation. Subject to 16-1-422, 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, in accordance with the provisions of 15-1-501(6), 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 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.

16-1-410. (Effective on receipt of taxes or fees for September 1993) Tax revenue allocation. 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, in accordance with the provisions of 15-1-501(6), 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~~ 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."

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

"16-1-411. (Temporary) 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.

(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, in accordance with the provisions of 15-1-501(6), 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

1 alcoholism;

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

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

10 (4) The taxes computed and paid in accordance with  
11 16-1-423, 16-2-301, and this section ~~shall~~ must be the only  
12 taxes imposed by the state or any of its subdivisions,  
13 including cities and towns.

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

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

20 (2) (a) The tax on table wine imported by a table wine  
21 distributor ~~shall~~ must be paid by the table wine distributor  
22 by the 15th day of the month following sale of the table  
23 wine from the table wine distributor's warehouse. Failure to  
24 file a table wine tax return or failure to pay the tax  
25 required by this section subjects the table wine distributor

1 to the penalties and interest provided for in 16-1-409.

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

4 (3) The tax paid by a table wine distributor in  
5 accordance with subsection (2)(a) and the tax collected by  
6 the department in accordance with subsection (2)(b) ~~shall~~  
7 must, in accordance with the provisions of 15-1-501(6), be  
8 distributed as follows:

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

10 (b) of the remaining 11 cents:

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

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

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

23 (4) The tax computed and paid in accordance with this  
24 section ~~shall~~ must be the only tax imposed by the state or  
25 any of its subdivisions, including cities and towns."



**Section 26.** Section 16-1-421, MCA, is amended to read:

"16-1-421. (Temporary) Surtax on liquor -- distribution. (1) In addition to the amount of tax liability determined under 16-1-401 through 16-1-403, each person subject to taxation under 16-1-401 through 16-1-403 shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 27.** Section 16-1-422, MCA, is amended to read:

"16-1-422. (Temporary) Surtax on beer -- distribution. (1) After the amount of tax liability has been determined under 16-1-406 and 16-1-408, each wholesaler subject to taxation under this part shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 28.** Section 16-1-423, MCA, is amended to read:

"16-1-423. (Temporary) Surtax on table wine -- distribution. (1) In addition to the amount of tax liability determined under 16-1-411, each table wine distributor subject to taxation under this part shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in

accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 29.** Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes -- retirement of bonds. (1) Except as provided in subsection (2), all money collected under the provisions of 16-11-111, less the expense of collecting the taxes, must, in accordance with the provisions of 15-1-501(6), be paid to the state treasurer and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from the long-range building program fund in the capital projects fund type to the general fund. (Terminates June 30, 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of taxes -- retirement of bonds. All moneys money collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by said that section, shall must, in accordance with the provisions of 15-1-501(6), be paid to the state treasurer and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects

fund type.

16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. All moneys money collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by ~~said~~ that section, ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be paid to the state treasurer and deposited as follows: 70.89% in the long-range building program fund in the debt service fund type and 29.11% in the long-range building program fund in the capital projects fund type."

**Section 30.** Section 16-11-206, MCA, is amended to read:

"16-11-206. Wholesaler's discount -- disposition of taxes. The taxes specified in this part that are paid by the wholesaler ~~shall~~ must be paid to the department in full less a 5% defrayment for his the wholesaler's collection and administrative expense and ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be deposited by the department in the long-range building program debt service fund. Refunds of the tax paid ~~shall~~ must be made as provided in 15-1-503 in cases where the tobacco products purchased become unsalable."

**Section 31.** Section 23-5-610, MCA, is amended to read:

"23-5-610. (Temporary) Video gambling machine gross income tax -- records -- distribution -- quarterly statement

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

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

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

(4) (a) The department shall, in accordance with the provisions of 15-1-501(6), forward one-third of the tax collected under subsection (3) and the surtax imposed by 23-5-646 to the general fund.

1 (b) The department shall, in accordance with the  
 2 provisions of 15-1-501(6), forward the remaining two-thirds  
 3 of the tax collected under subsection (3) to the treasurer  
 4 of the county or the clerk, finance officer, or treasurer of  
 5 the city or town in which the licensed machine is located,  
 6 for deposit to the county or municipal treasury. Counties  
 7 are not entitled to proceeds from taxes on income from video  
 8 gambling machines located in incorporated cities and towns.  
 9 The two-thirds local government portion of tax collected  
 10 under subsection (3) is statutorily appropriated to the  
 11 department as provided in 17-7-502 for deposit to the county  
 12 or municipal treasury.

13 23-5-610. (Effective on receipt of taxes for calendar  
 14 quarter ending June 30, 1993) Video gambling machine gross  
 15 income tax -- records -- distribution -- quarterly statement  
 16 and payment. (1) A licensed operator issued a permit under  
 17 this part shall pay to the department a video gambling  
 18 machine tax of 15% of the gross income from each video  
 19 gambling machine licensed under this part. A licensed  
 20 operator may deduct from the gross income amounts equal to  
 21 amounts stolen from machines if the amounts are not repaid  
 22 by insurance and if a law enforcement agency investigated  
 23 the theft.

24 (2) A licensed operator issued a permit under this part  
 25 shall keep a record of the gross income from each machine in

1 such the form as the department may require. The records  
 2 must at all times during the business hours of the licensee  
 3 be subject to inspection by the department.

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

12 (4) (a) The department shall, in accordance with the  
 13 provisions of 15-1-501(6), forward one-third of the tax  
 14 collected under subsection (3) to the general fund.

15 (b) The department shall, in accordance with the  
 16 provisions of 15-1-501(6), forward the remaining two-thirds  
 17 of the tax collected under subsection (3) to the treasurer  
 18 of the county or the clerk, finance officer, or treasurer of  
 19 the city or town in which the licensed machine is located,  
 20 for deposit to the county or municipal treasury. Counties  
 21 are not entitled to proceeds from taxes on income from video  
 22 gambling machines located in incorporated cities and towns.  
 23 The two-thirds local government portion of tax collected  
 24 under subsection (3) is statutorily appropriated to the  
 25 department as provided in 17-7-502 for deposit to the county

1 or municipal treasury."

2 **Section 32.** Section 23-5-646, MCA, is amended to read:

3 "23-5-646. (Temporary) Surtax -- distribution. (1) In  
4 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, in  
8 accordance with the provisions of 15-1-501(6), be deposited  
9 to the credit of the state general fund."

10 **Section 33.** Section 39-71-2504, MCA, is amended to  
11 read:

12 "39-71-2504. Workers' compensation tax account. (1)  
13 There is a workers' compensation tax account in the state  
14 special revenue fund. The workers' compensation tax account  
15 consists of a tax account and a workers' compensation bond  
16 repayment account.

17 (2) All collections of the tax, interest and penalties  
18 on the tax, and revenue appropriated to the workers'  
19 compensation tax account under section 11, Chapter 9,  
20 Special Laws of June 1989, must, in accordance with the  
21 provisions of 15-1-501(6), be deposited in the workers'  
22 compensation tax account. All such money deposited in the  
23 workers' compensation tax account must be credited to the  
24 workers' compensation bond repayment account to the extent  
25 necessary to pay the principal of and redemption premium and

1 interest due on workers' compensation bonds issued under  
2 39-71-2354 and 39-71-2355 and to establish and maintain a  
3 reserve for the bonds equal to the maximum annual principal  
4 of and interest on the bonds in any future year. The balance  
5 in the workers' compensation bond repayment account must be  
6 credited to the tax account within the workers' compensation  
7 tax account and is statutorily appropriated, as provided in  
8 17-7-502, to the state fund to be used to reduce the  
9 unfunded liability in the state fund incurred for claims for  
10 injuries resulting from accidents that occurred before July  
11 1, 1990."

12 NEW SECTION. **Section 34.** Repealer. Section 15-1-502,  
13 MCA, is repealed.

14 NEW SECTION. **Section 35.** Retroactive applicability.  
15 [This act] applies retroactively, within the meaning of  
16 1-2-109, to all tax periods beginning after December 31,  
17 1992, and to taxes collected by audit after December 31,  
18 1992, or taxes collected after December 31, 1992, if the  
19 payment was made after the date on which the tax was  
20 payable.

21 NEW SECTION. **Section 36.** Effective date. [This act] is  
22 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

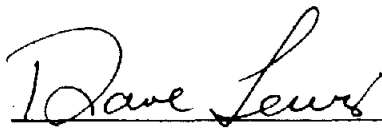
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0641, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying that tax revenue must be distributed according to the statute governing allocation of the tax that was in effect for the period the tax revenue was recorded for accounting purposes; specifying that tax revenue must be recorded as prescribed by the Department of Administration in accordance with generally accepted accounting principles; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The proposal would codify accounting practices and procedures currently in use. Consequently, this proposal has no impact on revenues, from either a cash flow or fund balance basis.

 2-19-93  
DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 2-19-93  
MIKE FOSTER, PRIMARY SPONSOR      DATE

Fiscal Note for HB0641, as introduced

HB 641

APPROVED BY COMMITTEE  
ON TAXATION

## HOUSE BILL NO. 641

INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,  
MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,  
MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD  
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX  
REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE  
GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE  
PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;  
SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED  
BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS  
15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,  
15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,  
15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,  
15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,  
16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,  
16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,  
23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,  
MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-1-501, MCA, is amended to read:

"15-1-501. (Temporary) Disposition of money from  
certain designated license and other taxes. (1) The state  
treasurer COLLECTING DEPARTMENT shall deposit to the credit  
of the state general fund in accordance with the provisions  
of subsection (6) all money received by--him from the  
collection of:

(a) fees from driver's licenses, motorcycle  
endorsements, and duplicate driver's licenses as provided in  
61-5-121;

(b) electrical energy producer's license taxes under  
chapter 51;

(c) severance taxes allocated to the general fund under  
chapter 36;

(d) liquor license taxes under Title 16;

(e) telephone company license taxes under chapter 53;  
and

(f) inheritance and estate taxes under Title 72,  
chapter 16.

(2) All money received from the collection of income  
taxes under chapter 30 of this title must, in accordance  
with the provisions of subsection (6), be deposited as  
follows:

(a) 62.8% of the taxes to the credit of the state  
general fund;

(b) 8.7% of the taxes to the credit of the debt service

1 account for long-range building program bonds as described  
2 in 17-5-408;

3 (c) 28.5% of the taxes to the credit of the state  
4 special revenue fund for state equalization aid to the  
5 public schools of Montana as described in 20-9-343; and

6 (d) all interest and penalties to the credit of the  
7 state general fund.

8 (3) All money received from the collection of  
9 corporation license and income taxes under chapter 31 of  
10 this title, except as provided in 15-31-702, must, in  
11 accordance with the provisions of subsection (6), be  
12 deposited as follows:

13 (a) 61% of the taxes to the credit of the state general  
14 fund;

15 (b) 10.5% of the taxes to the credit of the debt  
16 service account for long-range building program bonds as  
17 described in 17-5-408;

18 (c) 28.5% of the taxes to the credit of the state  
19 special revenue fund for state equalization aid to the  
20 public schools of Montana as described in 20-9-343; and

21 (d) all interest and penalties to the credit of the  
22 state general fund.

23 (4) The state treasurer shall also deposit to the  
24 credit of the state general fund all money received by-him  
25 from the collection of license taxes, fees, and all net

1 revenues and receipts from all other sources under the  
2 operation of the Montana Alcoholic Beverage Code.

3 (5) After the distribution provided for in 15-36-112,  
4 the remainder of the oil severance tax collections must be  
5 deposited in the general fund.

6 (6) Notwithstanding any other provision of law, the  
7 distribution of tax revenue must be made according to the  
8 provisions of the law governing allocation of the tax that  
9 were in effect for the period in which the tax revenue was  
10 recorded for accounting purposes. Tax revenue must be  
11 recorded as prescribed by the department of administration,  
12 pursuant to 17-1-102(2) and (5), in accordance with  
13 generally accepted accounting principles.

14 ~~(6)~~(7) All refunds of taxes must be attributed to the  
15 funds in which the taxes are deposited. All refunds of  
16 interest and penalties must be attributed to the funds in  
17 which the interest and penalties are deposited.

18 15-1-501. (Effective July 1, 1993) Disposition of money  
19 from certain designated license and other taxes. (1) The  
20 state treasurer shall deposit to the credit of the state  
21 general fund in accordance with the provisions of subsection  
22 (6) all money received by-him from the collection of:

23 (a) fees from driver's licenses, motorcycle  
24 endorsements, and duplicate driver's licenses as provided in  
25 61-5-121;

(b) electrical energy producer's license taxes under chapter 51;

(c) severance taxes allocated to the general fund under chapter 36;

(d) liquor license taxes under Title 16;

(e) telephone company license taxes under chapter 53; and

(f) inheritance and estate taxes under Title 72, chapter 16.

(2) All money received from the collection of income taxes under chapter 30 of this title must, in accordance with the provisions of subsection (6), be deposited as follows:

(a) 59.5% of the taxes to the credit of the state general fund;

(b) 8.7% of the taxes to the credit of the debt service account for long-range building program bonds as described in 17-5-408;

(c) 31.8% of the taxes to the credit of the state special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(3) All money received from the collection of corporation license and income taxes under chapter 31 of

this title, except as provided in 15-31-702, must, in accordance with the provisions of subsection (6), be deposited as follows:

(a) 61% of the taxes to the credit of the state general fund;

(b) 10.5% of the taxes to the credit of the debt service account for long-range building program bonds as described in 17-5-408;

(c) 28.5% of the taxes to the credit of the state special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and

(d) all interest and penalties to the credit of the state general fund.

(4) The ~~state--treasurer~~ DEPARTMENT OF REVENUE shall also deposit to the credit of the state general fund all money received ~~by him~~ from the collection of license taxes, fees, and all net revenues and receipts from all other sources under the operation of the Montana Alcoholic Beverage Code.

(5) After the distribution provided for in 15-36-112, the remainder of the oil severance tax collections must be deposited in the general fund.

(6) Notwithstanding any other provision of law, the distribution of tax revenue must be made according to the provisions of the law governing allocation of the tax that



1 were in effect for the period in which the tax revenue was  
 2 recorded for accounting purposes. Tax revenue must be  
 3 recorded as prescribed by the department of administration,  
 4 pursuant to 17-1-102(2) and (5), in accordance with  
 5 generally accepted accounting principles.

6 (7)†6† All refunds of taxes must be attributed to the  
 7 funds in which the taxes are deposited CURRENTLY BEING  
 8 RECORDED. All refunds of interest and penalties must be  
 9 attributed to the funds in which the interest and penalties  
 10 are deposited CURRENTLY BEING RECORDED."

11 **Section 2.** Section 15-23-716, MCA, is amended to read:

12 **"15-23-716. (Temporary) Surtax -- distribution. (1)**  
 13 **Each person required to pay the coal gross proceeds tax**  
 14 **under this part shall pay, in addition to the tax liability**  
 15 **determined under 15-23-703, a surtax of 7% of the tax**  
 16 **liability.**

17 **(2) Notwithstanding the provisions of 15-23-707, the**  
 18 **money received from county treasurers from the surtax**  
 19 **collected under this section must, in accordance with the**  
 20 **provisions of 15-1-501(6), be deposited to the credit of the**  
 21 **state general fund."**

22 **Section 3.** Section 15-25-122, MCA, is amended to read:

23 **"15-25-122. Disposition of proceeds. †† The department**  
 24 **shall, in accordance with the provisions of 15-1-501(6),**  
 25 **transfer all taxes collected pursuant to this chapter, less**

1 the administrative fee authorized in 15-25-111(1), to the  
 2 state-treasurer-on-a-monthly-basis-

3 ~~†2†--The-state-treasurer-shall-deposit~~ AS FOLLOWS:

4 (1) one-third of the tax to the credit of the  
 5 department of family services to be used for the youth  
 6 evaluation program and chemical abuse aftercare programs-

7 ~~†3†--The-treasurer-shall-credit; AND~~

8 (2) the remaining two-thirds of the tax proceeds as  
 9 follows:

10 (a) one-half to the department of justice to be used:

11 (i) for grants to youth courts to fund chemical abuse  
 12 assessments; and

13 (ii) for grants to counties to fund services for the  
 14 detention of juvenile offenders in facilities separate from  
 15 adult jails, as authorized in 41-5-1002; and

16 (b) one-half to the account created by 44-12-206(3) if  
 17 a state government law enforcement agency seized the drugs.  
 18 If a local government law enforcement agency seized the  
 19 drugs, then that amount must be credited to the treasurer or  
 20 finance officer of the local government, be deposited in its  
 21 general fund, and be used to enforce drug laws."

22 **Section 4.** Section 15-31-702, MCA, is amended to read:

23 **"15-31-702. Distribution of corporation license taxes**  
 24 **collected from banks or savings and loan associations. (1)**  
 25 **All corporation license taxes, interest, and penalties**

collected from banks and savings and loan associations must, in accordance with the provisions of 15-1-501(6), be distributed in the following manner:

(a) 20% must be remitted to the state treasurer to be allocated as provided in 15-1-501(3); and

(b) 80% is statutorily appropriated, as provided in 17-7-502, for allocation to the various taxing jurisdictions within the county in which the bank or savings and loan association is located.

(2) The corporation license taxes, interest, and penalties distributed under subsection (1)(b) must be allocated to each taxing jurisdiction in the proportion that its mill levy for that fiscal year bears to the total mill levy of the taxing authorities of the district in which the bank or savings and loan association is located.

(3) "Taxing jurisdictions" means, for the purposes of this section, all taxing authorities within a county permitted under state law to levy mills against the taxable value of property in the taxing district in which the bank or savings and loan association is located.

(4) If a return filed by a bank or savings and loan association involves branches or offices in more than one taxing jurisdiction, the department of revenue shall provide a method by rule for equitable distribution among those taxing jurisdictions."

**Section 5.** Section 15-35-108, MCA, is amended to read:

**\*15-35-108. (Temporary) Disposal of severance taxes.**

Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated according to the provisions in effect on the date the tax is due under 15-35-104. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Starting July 1, 1992, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the general fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state

1 equalization aid to public schools of the state;

2 (c) 1% to the state special revenue fund to the credit  
3 of the county land planning account;

4 (d) 1 1/4% to the credit of the renewable resource  
5 development bond fund;

6 (e) 0% to a nonexpendable trust fund for the purpose of  
7 parks management. Income from this trust fund must be  
8 appropriated for the development, operation, and maintenance  
9 of any sites and areas described in 23-1-102.

10 (f) 1% to the state special revenue fund to the credit  
11 of the state library commission for the purposes of  
12 providing basic library services for the residents of all  
13 counties through library federations and for payment of the  
14 costs of participating in regional and national networking;

15 (g) 1/2 of 1% to the state special revenue fund for  
16 conservation districts;

17 (h) 1 1/4% to the debt service fund type to the credit  
18 of the water development debt service fund;

19 (i) 2% to the state special revenue fund for the  
20 Montana Growth Through Agriculture Act;

21 (j) 1 2/3% to the Montana arts council, to be allocated  
22 as follows:

23 (i) 42 1/2% for operating costs; and

24 (ii) 57 1/2% to a nonexpendable trust fund for the  
25 purpose of protection of works of art in the state capitol

1 and for other cultural and aesthetic projects. Income from  
2 this trust fund shall be appropriated for protection of  
3 works of art in the state capitol and for other cultural and  
4 aesthetic projects.

5 (k) beginning July 1, 1991, and ending June 30, 1993,  
6 3 1/3% to a special revenue account to be used by the  
7 department of fish, wildlife, and parks for the development,  
8 operation, and maintenance of state parks and the  
9 stabilization and preservation of historic sites within the  
10 state park system;

11 (l) all other revenues from severance taxes collected  
12 under the provisions of this chapter to the credit of the  
13 general fund of the state. (Terminates June 30, 1993--sec.  
14 3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January  
15 1992.)

16 15-35-108. (Effective July 1, 1993) Disposal of  
17 severance taxes. Severance taxes collected under this  
18 chapter must, in accordance with the provisions of  
19 15-1-501(6), be allocated according--to--the--provisions--in  
20 effect-on-the-date-the-tax-is-due-under-15-35-104--Severance  
21 taxes--collected--under--the--provisions-of-this-chapter--are  
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section 5,  
24 of the Montana constitution, 50% of total coal severance tax  
25 collections. The trust fund money must be deposited in the

fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and

areas described in 23-1-102.

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for conservation districts;

(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state. (Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of

~~15-1-501(6)~~, be allocated according--to--the--provisions--in effect-on-the-date-the-tax-is-due-under-15-35-104--Severance taxes--collected--under--the--provisions-of-this-chapter-are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 3 1/3% to a nonexpendable trust fund for the

purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for conservation districts;

(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

**Section 6.** Section 15-36-112, MCA, is amended to read:

1 "15-36-112. Disposition of oil and gas state and local  
2 government severance taxes -- calculation of unit value for  
3 local government severance tax. (1) Each year the department  
4 of revenue shall determine the amount of tax collected under  
5 this chapter from within each taxing unit.

6 (2) For purposes of the distribution of local  
7 government severance taxes collected under this chapter, the  
8 department shall determine the unit value of oil and gas for  
9 each taxing unit as follows:

10 (a) The unit value for petroleum and other mineral or  
11 crude oil for each taxing unit is the quotient obtained by  
12 dividing the net proceeds taxes calculated on petroleum or  
13 mineral or crude oil produced in that taxing unit in  
14 calendar year 1988 by the number of barrels of petroleum or  
15 other mineral or crude oil produced in that taxing unit  
16 during 1988, excluding new and interim production.

17 (b) The unit value for natural gas is the quotient  
18 obtained by dividing the net proceeds taxes calculated on  
19 natural gas produced in that taxing unit in calendar year  
20 1988 by the number of cubic feet of natural gas produced in  
21 that taxing unit during 1988, excluding new and interim  
22 production.

23 (3) The state and local government severance taxes  
24 collected under this chapter must, in accordance with the  
25 provisions of 15-1-501(6), are be allocated as follows:

1 (a) The local government severance tax is statutorily  
2 appropriated, as provided in 17-7-502, for allocation to the  
3 county for distribution as provided in subsection (4);

4 (b) The state severance tax is allocated to the state  
5 general fund.

6 (4) (a) For the purpose of distribution of the local  
7 government severance tax, the department shall adjust the  
8 unit value determined under this section according to the  
9 ratio that the local government severance taxes collected  
10 during the quarters to be distributed plus accumulated  
11 interest earned by the state and penalties and interest on  
12 delinquent local government severance taxes bears to the  
13 total liability for local government severance taxes for the  
14 quarters to be distributed. The taxes must be calculated and  
15 distributed as follows:

16 (i) By November 30 of each year, the department shall  
17 calculate and distribute to each eligible county the amount  
18 of local government severance tax, determined by multiplying  
19 unit value as adjusted in this subsection (4)(a) times the  
20 units of production on which the local government severance  
21 tax was owed during the calendar quarters ending March 31  
22 and June 30 of the preceding calendar year.

23 (ii) By May 31 of each year, the department shall  
24 calculate and distribute to each eligible county the amount  
25 of local government severance tax, determined by multiplying

unit value as adjusted in this subsection (4)(a) times the units of production on which the local government severance tax was owed during the 2 calendar quarters immediately following those quarters referred to in subsection (4)(a)(i).

(b) Any amount by which the total tax liability exceeds or is less than the total distributions determined in subsections (4)(a)(i) and (4)(a)(ii) must be calculated and distributed in the following manner:

(i) The excess amount or shortage must be divided by the total distribution determined for that period to obtain an excess or shortage percentage.

(ii) The excess percentage must be multiplied by the distribution to each taxing unit, and this amount must be added to the distribution to each respective taxing unit.

(iii) The shortage percentage must be multiplied by the distribution to each taxing unit, and this amount must be subtracted from the distribution to each respective taxing unit.

(5) Except as provided in subsection (6), the county treasurer shall distribute the money received under subsection (4) to the taxing units that levied mills in fiscal year 1990 against calendar year 1988 production in the same manner that all other property tax proceeds were distributed during fiscal year 1990 in the taxing unit,

except that no a distribution may not be made to a municipal taxing unit.

(6) The board of county commissioners of a county may direct the county treasurer to reallocate the distribution of local government severance tax money that would have gone to a taxing unit, as provided in subsection (5), to another taxing unit or taxing units, other than an elementary school or high school, within the county under the following conditions:

(a) The county treasurer shall first allocate the {local government severance} taxes to the taxing units within the county in the same proportion that all other property tax proceeds were distributed in the county in fiscal year 1990.

(b) If the allocation in subsection (6)(a) exceeds the total budget for a taxing unit, the commissioners may direct the county treasurer to allocate the excess to any taxing unit within the county.

(7) The board of trustees of an elementary or high school district may reallocate the {local government severance} taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the {local government severance} taxes to the budgeted funds of the district in the same proportion that all other property tax

proceeds were distributed in the district in fiscal year 1990.

(b) If the allocation under subsection (7)(a) exceeds the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district."

**Section 7.** Section 15-36-126, MCA, is amended to read:

"15-36-126. (Temporary) Surtax. (1) Each person required to pay the severance tax under this chapter on oil and gas production, other than production from a stripper well, shall pay, in addition to the tax liability computed as required in 15-36-101 and 15-36-121, a surtax of 7% of the tax liability.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 8.** Section 15-37-117, MCA, is amended to read:

"15-37-117. (Temporary) Disposition of metalliferous mines license taxes. (1) Except as provided in subsection (4), metalliferous mines license taxes collected under the provisions of this part are must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5% of total

collections each year;

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

(d) to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if ~~no~~ an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

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

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

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

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

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



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

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

(4) The proceeds of the surtax collected under 15-37-126 must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund.

15-37-117. (Effective on receipt of taxes on production occurring prior to January 1, 1993) Disposition of metalliferous mines license taxes. (1) Metalliferous mines license taxes collected under the provisions of this part are must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

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

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

(d) to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if no an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

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

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

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

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

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

(2) When an impact plan for a large-scale mineral

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

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

**Section 9.** Section 15-38-106, MCA, is amended to read:

"15-38-106. (Temporary) Payment of tax -- records -- collection of taxes -- refunds. (1) The tax imposed by this chapter ~~shall~~ must be paid by each person to which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in which the tax is paid. The tax ~~shall~~ must be paid to the department at the time the statement of yield for the preceding calendar year is filed with the department.

(2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds of the tax in the resource indemnity trust fund of the nonexpendable trust fund type. Every person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable

notice during normal business hours.

(3) The department shall examine the statement and compute the taxes ~~thereon to be imposed~~, and the amount computed by the department ~~shall--be~~ is the taxes tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess ~~shall~~ must be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer.

15-38-106. (Effective July 1, 1993) Payment of tax -- records -- collection of taxes -- refunds. (1) The tax imposed by this chapter ~~shall~~ must be paid by each person to which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in which the tax is paid. The tax ~~shall~~ must be paid to the department at the time the statement of yield for the preceding calendar year is filed with the department.

(2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that 14.1% of the proceeds must be deposited in the ground water assessment account established

by 85-2-905. Every person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable notice during normal business hours.

(3) The department shall examine the statement and compute the taxes thereon to be imposed, and the amount computed by the department ~~shall--be~~ is the taxes tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess ~~shall must~~ be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer."

**Section 10.** Section 15-38-136, MCA, is amended to read:

"15-38-136. (Temporary) Surtax. (1) Each person required to pay the resource indemnity trust tax under this part shall pay, in addition to the tax liability computed as required in 15-38-104, a surtax of 7% of the tax liability.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 11.** Section 15-51-103, MCA, is amended to read:

"15-51-103. Disposition of revenue -- interest on

delinquency. The department of revenue shall, in accordance with the provisions of 15-1-501(6), ~~receipt-therefor-and promptly turn-the-same-over~~ remit the collected taxes to the state treasurer. Taxes not ~~met~~ paid on the due date ~~shall become~~ are delinquent, and a penalty of 10% plus interest at the rate of 1% per month or fraction of a month computed on the total of tax and penalty ~~shall must~~ be charged."

**Section 12.** Section 15-53-114, MCA, is amended to read:

"15-53-114. Disposal of license taxes. License taxes collected under this chapter ~~shall must~~, in accordance with the provisions of 15-1-501(6), be credited to the general fund of the state."

**Section 13.** Section 15-59-108, MCA, is amended to read:

"15-59-108. Deposit of taxes. All license taxes collected under the provisions of this part ~~shall must~~, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund of the state."

**Section 14.** Section 15-59-208, MCA, is amended to read:

"15-59-208. Deposit of license taxes. All license taxes collected under the provisions of this part ~~shall must~~, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund of the state."

**Section 15.** Section 15-60-210, MCA, is amended to read:

"15-60-210. Disposition of fee. All proceeds from the collection of utilization fees, including penalties and

1 interest, must, in accordance with the provisions of  
2 15-1-501(6), be deposited in the state general fund."

3 **Section 16.** Section 15-65-121, MCA, is amended to read:

4 "15-65-121. Distribution of tax proceeds -- general  
5 fund loan authority. (1) The proceeds of the tax imposed by  
6 15-65-111 must, in accordance with the provisions of  
7 15-1-501(6), be deposited in an account in the state special  
8 revenue fund to the credit of the department of revenue. The  
9 department may spend from that account in accordance with an  
10 expenditure appropriation by the legislature based on an  
11 estimate of the costs of collecting and disbursing the  
12 proceeds of the tax. Before allocating the balance of the  
13 tax proceeds in accordance with the provisions of  
14 15-1-501(6) and as provided in subsections (1)(a) through  
15 (1)(c), the department shall determine the expenditures by  
16 state agencies for in-state lodging for each reporting  
17 period and deduct 4% of that amount from the tax proceeds  
18 received each reporting period. The amount deducted must be  
19 deposited in the general fund. The balance of the tax  
20 proceeds received each reporting period and not deducted  
21 pursuant to the expenditure appropriation or deposited in  
22 the general fund is statutorily appropriated, as provided in  
23 17-7-502, and must be transferred to an account in the state  
24 special revenue fund to the credit of the department of  
25 commerce for tourism promotion and promotion of the state as

1 a location for the production of motion pictures and  
2 television commercials, to the Montana historical society,  
3 and to the university system, as follows:

4 (a) 1% to the Montana historical society to be used for  
5 the installation or maintenance of roadside historical signs  
6 and historic sites;

7 (b) 2.5% to the university system for the establishment  
8 and maintenance of a Montana travel research program; and

9 (c) the balance of the proceeds as follows:

10 (i) 75% to be used directly by the department of  
11 commerce;

12 (ii) except as provided in subsection (1)(c)(iii), 25%  
13 to be distributed by the department to regional nonprofit  
14 tourism corporations in the ratio of the proceeds collected  
15 in each tourism region to the total proceeds collected  
16 statewide;

17 (iii) if 25% of the proceeds collected annually within  
18 the limits of a city or consolidated city-county exceeds  
19 \$35,000, 50% of the amount available for distribution to the  
20 regional nonprofit tourism corporation in the region where  
21 the city or consolidated city-county is located is to be  
22 distributed to the nonprofit convention and visitors bureau  
23 in that city or consolidated city-county.

24 (2) If a city or consolidated city-county qualifies  
25 under this section for funds but fails to either recognize a

nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section."

**Section 17.** Section 15-65-136, MCA, is amended to read:

"15-65-136. (Temporary) Additional tax -- allocation.

(1) An additional tax is imposed on the user of a facility at a rate equal to 0.28% of the accommodation charge collected by the facility.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 18.** Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those

collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be ~~turned-over-promptly-to-the state-treasurer, who shall place the--money~~ PLACED in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance with the provisions of 15-1-501(6), be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) \$14,000,000 of the funds collected under this chapter, except those collected by a justice's court, is statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) \$54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) \$6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system

and the federal-aid primary system, bears to the total rural road mileage in the state, exclusive of the federal-aid interstate system and the federal-aid primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 20% in the ratio that the land area of each county bears to the total land area of the state;

(c) \$7,623,000 must be divided among the incorporated cities and towns in the following manner:

(i) 50% of the sum in the ratio that the population within the corporate limits of the city or town bears to the total population within corporate limits of all the cities and towns in Montana;

(ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the federal-aid interstate system and the federal-aid primary system, within corporate limits bears to the total street and alley mileage, exclusive of the federal-aid interstate system and federal-aid primary system, within the corporate limits of all cities and towns in Montana.

(2) All funds allocated by this section to counties, cities, and towns must be used for the construction, reconstruction, maintenance, and repair of rural roads or

city or town streets and alleys or for the share that the city, town, or county might otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets that are part of the federal-aid primary or secondary highway system or urban extensions to those systems, except that the governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the maintenance and repair of town or third-class city streets and alleys.

(3) All funds allocated by this section to counties, cities, and towns must be disbursed to the lowest responsible bidder according to applicable bidding procedures followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

(4) For the purposes of this section in which distribution of funds is made on a basis related to population, the population must be determined by the last preceding official federal census.

(5) For the purposes of this section in which determination of mileage is necessary for distribution of funds, it is the responsibility of the cities, towns, and counties to furnish to the department of transportation a

yearly certified statement indicating the total mileage within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of transportation.

(6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this section may not be used for the purchase of capital equipment.

(7) Funds authorized by this section must be used for construction and maintenance programs only."

**Section 19.** Section 15-71-104, MCA, is amended to read:

"15-71-104. Disposition of funds. All taxes collected under this chapter ~~shall must, in accordance with the provisions of 15-1-501(6), be turned-over--promptly--to--the state-treasurer-and-the-state-treasurer-shall-place-the same taxes~~ PLACED in the state special revenue fund to the credit of the department of transportation."

**Section 20.** Section 16-1-306, MCA, is amended to read:

"16-1-306. Revenue to be paid to state treasurer. Except as provided in 16-1-404, 16-1-405, 16-1-408, 16-1-410, and 16-1-411, all fees, charges, taxes, and revenues collected by or under authority of the department ~~shall must, in accordance with the provisions of 15-1-501(6), be deposited with-the-state-treasurer. He The state-treasurer shall-deposit-the-funds~~ to the credit of the state general fund."

**Section 21.** Section 16-1-401, MCA, is amended to read:

"16-1-401. Liquor excise tax. (1) The department is ~~hereby-authorized-and-directed-to-charge, receiver-and shall~~ collect at the time of the sale and delivery of any liquor as authorized under any provision of the laws of the state of Montana an excise tax at the rate of:

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

(b) 13.8% of the retail selling price on all liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed, and sold not more than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to this section.

(2) The department shall retain the amount of ~~such the~~ excise tax received in a separate account and shall, in accordance with the provisions of 15-1-501(6), deposit with the-state-treasurer, to the credit of the general fund, ~~such the~~ sums collected and received not later than the 10th day of each and-every month."

**Section 22.** Section 16-1-404, MCA, is amended to read:

1 "16-1-404. License tax on liquor -- amount --  
 2 distribution of proceeds. (1) The department ~~is hereby~~  
 3 ~~authorized--and--directed--to--charge--receive--and shall~~  
 4 collect at the time of sale and delivery of any liquor under  
 5 any provisions of the laws of the state of Montana a license  
 6 tax of:

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

13 (b) 8.6% of the retail selling price on all liquor sold  
 14 and delivered in the state by a company that manufactured,  
 15 distilled, rectified, bottled, or processed, and sold not  
 16 more than 200,000 proof gallons of liquor nationwide in the  
 17 calendar year preceding imposition of the tax pursuant to  
 18 this section.

19 (2) The license tax ~~shall~~ must be charged and collected  
 20 on all liquor brought into the state and taxed by the  
 21 department. The retail selling price ~~shall~~ must be computed  
 22 by adding to the cost of ~~said~~ the liquor the state markup as  
 23 designated by the department. The license tax ~~shall~~ must be  
 24 figured in the same manner as the state excise tax and ~~shall~~  
 25 be is in addition to ~~said~~ the state excise tax. The

1 department shall retain in a separate account the amount of  
 2 the license tax ~~so~~ received. Thirty percent of these  
 3 revenues are statutorily appropriated, as provided in  
 4 17-7-502, to the department and ~~shall~~ must, in accordance  
 5 with the provisions of 15-1-501(6), be allocated to the  
 6 counties according to the amount of liquor purchased in each  
 7 county to be distributed to the incorporated cities and  
 8 towns, as provided in subsection (3). Four and one-half  
 9 percent of these revenues are statutorily appropriated, as  
 10 provided in 17-7-502, and ~~shall~~ must, in accordance with the  
 11 provisions of 15-1-501(6), be allocated to the counties  
 12 according to the amount of liquor purchased in each county,  
 13 and this money may be used for county purposes. The  
 14 remaining revenues ~~shall~~ must, in accordance with the  
 15 provisions of 15-1-501(6), be deposited in the state special  
 16 revenue fund to the credit of the department of corrections  
 17 and human services for the treatment, rehabilitation, and  
 18 prevention of alcoholism. ~~Provided--however--in~~ In the case  
 19 of purchases of liquor by a retail liquor licensee for use  
 20 in ~~his~~ the licensee's business, the department shall make  
 21 such regulations as are necessary to apportion that  
 22 proportion of license tax so generated to the county where  
 23 the licensed establishment is located, for use as provided  
 24 in 16-1-405. That proportion of the license tax is  
 25 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, in accordance with the provisions of 15-1-501(6), 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~~ must 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~~ must 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~~ must 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~~ must be distributed as provided in 53-24-206."

**Section 23.** Section 16-1-408, MCA, is amended to read:

"16-1-408. **Additional tax.** An additional tax of \$1.30 per barrel is levied and imposed as provided by 16-1-406. One dollar of ~~this~~ the additional tax ~~is--to~~ must, in

accordance with the provisions of 15-1-501(6), be deposited, notwithstanding 16-1-306 and 16-1-410 or any other provision, with the state treasurer to the credit of the department of corrections and human services each quarter for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of ~~this~~ the additional tax ~~is-to~~ must be deposited in the general fund."

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

"16-1-410. **(Temporary) Tax revenue allocation.** Subject to 16-1-422, 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, in accordance with the provisions of 15-1-501(6), 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~~ DEPARTMENT OF REVENUE 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~~ 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.

16-1-410. (Effective on receipt of taxes or fees for September 1993) Tax revenue allocation. 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, in accordance with the provisions of 15-1-501(6), 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 DEPARTMENT OF REVENUE 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~~

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."

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

"16-1-411. (Temporary) 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.

(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

1 the department in accordance with subsection (2)(b) ~~shall~~  
 2 must, in accordance with the provisions of 15-1-501(6), be  
 3 distributed as follows:

- 4 (a) 16 cents to the state general fund; and  
 5 (b) of the remaining 11 cents:  
 6 (i) 8.34 cents to the state special revenue fund to the  
 7 credit of the department of corrections and human services  
 8 for the treatment, rehabilitation, and prevention of  
 9 alcoholism;  
 10 (ii) 1 1/3 cents is statutorily appropriated, as  
 11 provided in 17-7-502, to the department, for allocation to  
 12 the counties, based on population, for the purpose  
 13 established in 16-1-404; and  
 14 (iii) 1 1/3 cents is statutorily appropriated, as  
 15 provided in 17-7-502, to the department, for allocation to  
 16 the cities and towns, based on population, for the purpose  
 17 established in 16-1-405.

18 (4) The taxes computed and paid in accordance with  
 19 16-1-423, 16-2-301, and this section ~~shall~~ must be the only  
 20 taxes imposed by the state or any of its subdivisions,  
 21 including cities and towns.

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

24 16-1-411. (Effective on receipt of taxes or fees for  
 25 September 1993) 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~~ 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, in accordance with the provisions of 15-1-501(6), be  
 16 distributed as follows:

- 17 (a) 16 cents to the state general fund; and  
 18 (b) of the remaining 11 cents:  
 19 (i) 8.34 cents to the state special revenue fund to the  
 20 credit of the department of corrections and human services  
 21 for the treatment, rehabilitation, and prevention of  
 22 alcoholism;  
 23 (ii) 1 1/3 cents is statutorily appropriated, as  
 24 provided in 17-7-502, to the department, for allocation to  
 25 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.

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

**Section 26.** Section 16-1-421, MCA, is amended to read:

"16-1-421. (Temporary) Surtax on liquor -- distribution. (1) In addition to the amount of tax liability determined under 16-1-401 through 16-1-403, each person subject to taxation under 16-1-401 through 16-1-403 shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 27.** Section 16-1-422, MCA, is amended to read:

"16-1-422. (Temporary) Surtax on beer -- distribution. (1) After the amount of tax liability has been determined under 16-1-406 and 16-1-408, each wholesaler subject to taxation under this part shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in accordance with the provisions of 15-1-501(6), be deposited

to the credit of the state general fund."

**Section 28.** Section 16-1-423, MCA, is amended to read:

"16-1-423. (Temporary) Surtax on table wine -- distribution. (1) In addition to the amount of tax liability determined under 16-1-411, each table wine distributor subject to taxation under this part shall pay, as a surtax, 7% of the tax liability.

(2) The surtax imposed by this section must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 29.** Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes -- retirement of bonds. (1) Except as provided in subsection (2), all money collected under the provisions of 16-11-111, less the expense of collecting the taxes, must, in accordance with the provisions of 15-1-501(6), be ~~paid--to the--state-treasurer-and~~ deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from the long-range building program fund in the capital projects fund type to the general fund. (Terminates June 30, 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of

1 taxes -- retirement of bonds. All moneys money collected  
 2 under the provisions of 16-11-111, less the expense of  
 3 collecting all the taxes levied, imposed, and assessed by  
 4 said that section, shall must, in accordance with the  
 5 provisions of 15-1-501(6), be paid-to-the-state-treasurer  
 6 and deposited as follows: 72.79% in the long-range building  
 7 program fund in the debt service fund type and 27.21% in the  
 8 long-range building program fund in the capital projects  
 9 fund type.

10 16-11-119. (Effective August 15, 1993) Disposition of  
 11 taxes -- retirement of bonds. All moneys money collected  
 12 under the provisions of 16-11-111, less the expense of  
 13 collecting all the taxes levied, imposed, and assessed by  
 14 said that section, shall must, in accordance with the  
 15 provisions of 15-1-501(6), be paid-to-the-state-treasurer  
 16 and deposited as follows: 70.89% in the long-range building  
 17 program fund in the debt service fund type and 29.11% in the  
 18 long-range building program fund in the capital projects  
 19 fund type."

20 **Section 30.** Section 16-11-206, MCA, is amended to read:

21 "16-11-206. Wholesaler's discount -- disposition of  
 22 taxes. The taxes specified in this part that are paid by the  
 23 wholesaler shall must be paid to the department in full less  
 24 a 5% defrayment for his the wholesaler's collection and  
 25 administrative expense and shall must, in accordance with

1 the provisions of 15-1-501(6), be deposited by the  
 2 department in the long-range building program debt service  
 3 fund. Refunds of the tax paid shall must be made as provided  
 4 in 15-1-503 in cases where the tobacco products purchased  
 5 become unsalable."

6 **Section 31.** Section 23-5-610, MCA, is amended to read:

7 "23-5-610. (Temporary) Video gambling machine gross  
 8 income tax -- records -- distribution -- quarterly statement  
 9 and payment. (1) A licensed operator issued a permit under  
 10 this part shall pay to the department a video gambling  
 11 machine tax of 15% of the gross income from each video  
 12 gambling machine licensed under this part. A licensed  
 13 operator may deduct from the gross income amounts equal to  
 14 amounts stolen from machines if the amounts are not repaid  
 15 by insurance and if a law enforcement agency investigated  
 16 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 the form as the department may require. The records  
 20 must at all times during the business hours of the licensee  
 21 be 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 the operator, together with the total amount  
 2 due the state as video gambling machine gross income tax for  
 3 the preceding quarter. The statement must contain other  
 4 relevant information as the department may require.

5 (4) (a) The department shall, in accordance with the  
 6 provisions of 15-1-501(6), forward one-third of the tax  
 7 collected under subsection (3) and the surtax imposed by  
 8 23-5-646 to the general fund.

9 (b) The department shall, in accordance with the  
 10 provisions of 15-1-501(6), forward the remaining two-thirds  
 11 of the tax collected under subsection (3) to the treasurer  
 12 of the county or the clerk, finance officer, or treasurer of  
 13 the city or town in which the licensed machine is located,  
 14 for deposit to the county or municipal treasury. Counties  
 15 are not entitled to proceeds from taxes on income from video  
 16 gambling machines located in incorporated cities and towns.  
 17 The two-thirds local government portion of tax collected  
 18 under subsection (3) is statutorily appropriated to the  
 19 department as provided in 17-7-502 for deposit to the county  
 20 or municipal treasury.

21 23-5-610. (Effective on receipt of taxes for calendar  
 22 quarter ending June 30, 1993) Video gambling machine gross  
 23 income tax -- records -- distribution -- quarterly statement  
 24 and payment. (1) A licensed operator issued a permit under  
 25 this part shall pay to the department a video gambling

1 machine tax of 15% of the gross income from each video  
 2 gambling machine licensed under this part. A licensed  
 3 operator may deduct from the gross income amounts equal to  
 4 amounts stolen from machines if the amounts are not repaid  
 5 by insurance and if a law enforcement agency investigated  
 6 the theft.

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

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

20 (4) (a) The department shall, in accordance with the  
 21 provisions of 15-1-501(6), forward one-third of the tax  
 22 collected under subsection (3) to the general fund.

23 (b) The department shall, in accordance with the  
 24 provisions of 15-1-501(6), forward the remaining two-thirds  
 25 of the tax collected under subsection (3) to the treasurer

1 of the county or the clerk, finance officer, or treasurer of  
 2 the city or town in which the licensed machine is located,  
 3 for deposit to the county or municipal treasury. Counties  
 4 are not entitled to proceeds from taxes on income from video  
 5 gambling machines located in incorporated cities and towns.  
 6 The two-thirds local government portion of tax collected  
 7 under subsection (3) is statutorily appropriated to the  
 8 department as provided in 17-7-502 for deposit to the county  
 9 or municipal treasury."

10 **Section 32.** Section 23-5-646, MCA, is amended to read:

11 "23-5-646. (Temporary) Surtax -- distribution. (1) In  
 12 addition to the amount of tax liability determined under  
 13 23-5-610, each licensed operator subject to taxation under  
 14 this part shall pay, as a surtax, 7% of the tax liability.

15 (2) The surtax imposed by this section must, in  
 16 accordance with the provisions of 15-1-501(6), be deposited  
 17 to the credit of the state general fund."

18 **Section 33.** Section 39-71-2504, MCA, is amended to  
 19 read:

20 "39-71-2504. Workers' compensation tax account. (1)  
 21 There is a workers' compensation tax account in the state  
 22 special revenue fund. The workers' compensation tax account  
 23 consists of a tax account and a workers' compensation bond  
 24 repayment account.

25 (2) All collections of the tax, interest and penalties

1 on the tax, and revenue appropriated to the workers'  
 2 compensation tax account under section 11, Chapter 9,  
 3 Special Laws of June 1989, must, in accordance with the  
 4 provisions of 15-1-501(6), be deposited in the workers'  
 5 compensation tax account. All such money deposited in the  
 6 workers' compensation tax account must be credited to the  
 7 workers' compensation bond repayment account to the extent  
 8 necessary to pay the principal of and redemption premium and  
 9 interest due on workers' compensation bonds issued under  
 10 39-71-2354 and 39-71-2355 and to establish and maintain a  
 11 reserve for the bonds equal to the maximum annual principal  
 12 of and interest on the bonds in any future year. The balance  
 13 in the workers' compensation bond repayment account must be  
 14 credited to the tax account within the workers' compensation  
 15 tax account and is statutorily appropriated, as provided in  
 16 17-7-502, to the state fund to be used to reduce the  
 17 unfunded liability in the state fund incurred for claims for  
 18 injuries resulting from accidents that occurred before July  
 19 1, 1990."

20 NEW SECTION. **Section 34.** Repealer. Section 15-1-502,  
 21 MCA, is repealed.

22 NEW SECTION. **Section 35.** Retroactive applicability.  
 23 [This act] applies retroactively, within the meaning of  
 24 1-2-109, to all tax periods beginning after December 31,  
 25 1992, and to taxes collected by audit after December 31,

1 1992, or taxes collected after December 31, 1992, if the  
2 payment was made after the date on which the tax was  
3 payable.

4 NEW SECTION. **Section 36.** Effective date. [This act] is  
5 effective on passage and approval.

-End-



## 1 HOUSE BILL NO. 641

2 INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,  
3 MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,  
4 MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD  
5 BY REQUEST OF THE HOUSE TAXATION COMMITTEE  
6

7 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX  
8 REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE  
9 GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE  
10 PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;  
11 SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED  
12 BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH  
13 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS  
14 15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,  
15 15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,  
16 15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,  
17 15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,  
18 16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,  
19 16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,  
20 23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,  
21 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
22 RETROACTIVE APPLICABILITY DATE."  
23

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

25 Section 1. Section 15-1-501, MCA, is amended to read:

1 "15-1-501. (Temporary) Disposition of money from  
2 certain designated license and other taxes. (1) The state  
3 treasurer COLLECTING DEPARTMENT shall deposit to the credit  
4 of the state general fund in accordance with the provisions  
5 of subsection (6) all money received by--him from the  
6 collection of:

7 (a) fees from driver's licenses, motorcycle  
8 endorsements, and duplicate driver's licenses as provided in  
9 61-5-121;

10 (b) electrical energy producer's license taxes under  
11 chapter 51;

12 (c) severance taxes allocated to the general fund under  
13 chapter 36;

14 (d) liquor license taxes under Title 16;

15 (e) telephone company license taxes under chapter 53;  
16 and

17 (f) inheritance and estate taxes under Title 72,  
18 chapter 16.

THERE ARE NO CHANGES IN THIS BILL  
AND WILL NOT BE REPRINTED. PLEASE  
REFER TO YELLOW COPY FOR COMPLETE TEXT.

## HOUSE BILL NO. 641

INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,  
MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,  
MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD  
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX  
REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE  
GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE  
PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;  
SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED  
BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS  
15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,  
15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,  
15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,  
15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,  
16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,  
16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,  
23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,  
MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-1-501, MCA, is amended to read:

"15-1-501. (Temporary) Disposition of money from  
certain designated license and other taxes. (1) The state  
treasurer COLLECTING DEPARTMENT shall deposit to the credit  
of the state general fund in accordance with the provisions  
of subsection (6) all money received by--him from the  
collection of:

(a) fees from driver's licenses, motorcycle  
endorsements, and duplicate driver's licenses as provided in  
61-5-121;

(b) electrical energy producer's license taxes under  
chapter 51;

(c) severance taxes allocated to the general fund under  
chapter 36;

(d) liquor license taxes under Title 16;

(e) telephone company license taxes under chapter 53;  
and

(f) inheritance and estate taxes under Title 72,  
chapter 16.

(2) All money received from the collection of income  
taxes under chapter 30 of this title must, in accordance  
with the provisions of subsection (6), be deposited as  
follows:

(a) 62.8% of the taxes to the credit of the state  
general fund;

(b) 8.7% of the taxes to the credit of the debt service

1 account for long-range building program bonds as described  
2 in 17-5-408;

3 (c) 28.5% of the taxes to the credit of the state  
4 special revenue fund for state equalization aid to the  
5 public schools of Montana as described in 20-9-343; and

6 (d) all interest and penalties to the credit of the  
7 state general fund.

8 (3) All money received from the collection of  
9 corporation license and income taxes under chapter 31 of  
10 this title, except as provided in 15-31-702, must, in  
11 accordance with the provisions of subsection (6), be  
12 deposited as follows:

13 (a) 61% of the taxes to the credit of the state general  
14 fund;

15 (b) 10.5% of the taxes to the credit of the debt  
16 service account for long-range building program bonds as  
17 described in 17-5-408;

18 (c) 28.5% of the taxes to the credit of the state  
19 special revenue fund for state equalization aid to the  
20 public schools of Montana as described in 20-9-343; and

21 (d) all interest and penalties to the credit of the  
22 state general fund.

23 (4) The state treasurer shall also deposit to the  
24 credit of the state general fund all money received ~~by him~~  
25 from the collection of license taxes, fees, and all net

1 revenues and receipts from all other sources under the  
2 operation of the Montana Alcoholic Beverage Code.

3 (5) After the distribution provided for in 15-36-112,  
4 the remainder of the oil severance tax collections must be  
5 deposited in the general fund.

6 (6) Notwithstanding any other provision of law, the  
7 distribution of tax revenue must be made according to the  
8 provisions of the law governing allocation of the tax that  
9 were in effect for the period in which the tax revenue was  
10 recorded for accounting purposes. Tax revenue must be  
11 recorded as prescribed by the department of administration,  
12 pursuant to 17-1-102(2) and (5), in accordance with  
13 generally accepted accounting principles.

14 ~~(6)~~ (7) All refunds of taxes must be attributed to the  
15 funds in which the taxes are deposited. All refunds of  
16 interest and penalties must be attributed to the funds in  
17 which the interest and penalties are deposited.

18 15-1-501. (Effective July 1, 1993) Disposition of money  
19 from certain designated license and other taxes. (1) The  
20 state treasurer shall deposit to the credit of the state  
21 general fund in accordance with the provisions of subsection  
22 (6) all money received ~~by him~~ from the collection of:

23 (a) fees from driver's licenses, motorcycle  
24 endorsements, and duplicate driver's licenses as provided in  
25 61-5-121;

1 (b) electrical energy producer's license taxes under  
 2 chapter 51;  
 3 (c) severance taxes allocated to the general fund under  
 4 chapter 36;  
 5 (d) liquor license taxes under Title 16;  
 6 (e) telephone company license taxes under chapter 53;  
 7 and  
 8 (f) inheritance and estate taxes under Title 72,  
 9 chapter 16.  
 10 (2) All money received from the collection of income  
 11 taxes under chapter 30 of this title must, in accordance  
 12 with the provisions of subsection (6), be deposited as  
 13 follows:  
 14 (a) 59.5% of the taxes to the credit of the state  
 15 general fund;  
 16 (b) 8.7% of the taxes to the credit of the debt service  
 17 account for long-range building program bonds as described  
 18 in 17-5-408;  
 19 (c) 31.8% of the taxes to the credit of the state  
 20 special revenue fund for state equalization aid to the  
 21 public schools of Montana as described in 20-9-343; and  
 22 (d) all interest and penalties to the credit of the  
 23 state general fund.  
 24 (3) All money received from the collection of  
 25 corporation license and income taxes under chapter 31 of

1 this title, except as provided in 15-31-702, must, in  
 2 accordance with the provisions of subsection (6), be  
 3 deposited as follows:  
 4 (a) 61% of the taxes to the credit of the state general  
 5 fund;  
 6 (b) 10.5% of the taxes to the credit of the debt  
 7 service account for long-range building program bonds as  
 8 described in 17-5-408;  
 9 (c) 28.5% of the taxes to the credit of the state  
 10 special revenue fund for state equalization aid to the  
 11 public schools of Montana as described in 20-9-343; and  
 12 (d) all interest and penalties to the credit of the  
 13 state general fund.  
 14 (4) The ~~state--treasurer~~ DEPARTMENT OF REVENUE shall  
 15 also deposit to the credit of the state general fund all  
 16 money received ~~by him~~ from the collection of license taxes,  
 17 fees, and all net revenues and receipts from all other  
 18 sources under the operation of the Montana Alcoholic  
 19 Beverage Code.  
 20 (5) After the distribution provided for in 15-36-112,  
 21 the remainder of the oil severance tax collections must be  
 22 deposited in the general fund.  
 23 (6) Notwithstanding any other provision of law, the  
 24 distribution of tax revenue must be made according to the  
 25 provisions of the law governing allocation of the tax that

were in effect for the period in which the tax revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (5), in accordance with generally accepted accounting principles.

(7)(6) All refunds of taxes must be attributed to the funds in which the taxes are deposited CURRENTLY BEING RECORDED. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are deposited CURRENTLY BEING RECORDED."

**Section 2.** Section 15-23-716, MCA, is amended to read:

"15-23-716. (Temporary) 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, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 3.** Section 15-25-122, MCA, is amended to read:

"15-25-122. Disposition of proceeds. (1) The department shall, in accordance with the provisions of 15-1-501(6), transfer all taxes collected pursuant to this chapter, less

the administrative fee authorized in 15-25-111(1), to the state-treasurer-on-a-monthly-basis:

{2}--The-state-treasurer-shall-deposit AS FOLLOWS:

(1) one-third of the tax to the credit of the department of family services to be used for the youth evaluation program and chemical abuse aftercare programs:

{3}--The-treasurer-shall-credit; AND

(2) the remaining two-thirds of the tax proceeds as follows:

(a) one-half to the department of justice to be used:

(i) for grants to youth courts to fund chemical abuse assessments; and

(ii) for grants to counties to fund services for the detention of juvenile offenders in facilities separate from adult jails, as authorized in 41-5-1002; and

(b) one-half to the account created by 44-12-206(3) if a state government law enforcement agency seized the drugs. If a local government law enforcement agency seized the drugs, then that amount must be credited to the treasurer or finance officer of the local government, be deposited in its general fund, and be used to enforce drug laws."

**Section 4.** Section 15-31-702, MCA, is amended to read:

"15-31-702. Distribution of corporation license taxes collected from banks or savings and loan associations. (1) All corporation license taxes, interest, and penalties

collected from banks and savings and loan associations must, in accordance with the provisions of 15-1-501(6), be distributed in the following manner:

(a) 20% must be remitted-to-the-state-treasurer--to--be allocated as provided in 15-1-501(3); and

(b) 80% is statutorily appropriated, as provided in 17-7-502, for allocation to the various taxing jurisdictions within the county in which the bank or savings and loan association is located.

(2) The corporation license taxes, interest, and penalties distributed under subsection (1)(b) must be allocated to each taxing jurisdiction in the proportion that its mill levy for that fiscal year bears to the total mill levy of the taxing authorities of the district in which the bank or savings and loan association is located.

(3) "Taxing jurisdictions" means, for the purposes of this section, all taxing authorities within a county permitted under state law to levy mills against the taxable value of property in the taxing district in which the bank or savings and loan association is located.

(4) If a return filed by a bank or savings and loan association involves branches or offices in more than one taxing jurisdiction, the department of revenue shall provide a method by rule for equitable distribution among those taxing jurisdictions."

**Section 5.** Section 15-35-108, MCA, is amended to read:

"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated according-to-the-provisions-in-effect-on-the-date-the-tax-is due-under-15-35-104--Severance--taxes--collected--under--the provisions-of-this-chapter-are-allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Starting July 1, 1992, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the general fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state

1 equalization aid to public schools of the state;

2 (c) 1% to the state special revenue fund to the credit  
3 of the county land planning account;

4 (d) 1 1/4% to the credit of the renewable resource  
5 development bond fund;

6 (e) 0% to a nonexpendable trust fund for the purpose of  
7 parks management. Income from this trust fund must be  
8 appropriated for the development, operation, and maintenance  
9 of any sites and areas described in 23-1-102.

10 (f) 1% to the state special revenue fund to the credit  
11 of the state library commission for the purposes of  
12 providing basic library services for the residents of all  
13 counties through library federations and for payment of the  
14 costs of participating in regional and national networking;

15 (g) 1/2 of 1% to the state special revenue fund for  
16 conservation districts;

17 (h) 1 1/4% to the debt service fund type to the credit  
18 of the water development debt service fund;

19 (i) 2% to the state special revenue fund for the  
20 Montana Growth Through Agriculture Act;

21 (j) 1 2/3% to the Montana arts council, to be allocated  
22 as follows:

23 (i) 42 1/2% for operating costs; and

24 (ii) 57 1/2% to a nonexpendable trust fund for the  
25 purpose of protection of works of art in the state capitol

1 and for other cultural and aesthetic projects. Income from  
2 this trust fund shall be appropriated for protection of  
3 works of art in the state capitol and for other cultural and  
4 aesthetic projects.

5 (k) beginning July 1, 1991, and ending June 30, 1993,  
6 3 1/3% to a special revenue account to be used by the  
7 department of fish, wildlife, and parks for the development,  
8 operation, and maintenance of state parks and the  
9 stabilization and preservation of historic sites within the  
10 state park system;

11 (l) all other revenues from severance taxes collected  
12 under the provisions of this chapter to the credit of the  
13 general fund of the state. (Terminates June 30, 1993--sec.  
14 3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January  
15 1992.)

16 15-35-108. (Effective July 1, 1993) Disposal of  
17 severance taxes. Severance taxes collected under this  
18 chapter must, in accordance with the provisions of  
19 15-1-501(6), be allocated according--to--the--provisions--in  
20 ~~effect-on-the-date-the-tax-is-due-under-15-35-104--Severance~~  
21 ~~taxes--collected--under--the--provisions-of-this-chapter-are~~  
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section 5,  
24 of the Montana constitution, 50% of total coal severance tax  
25 collections. The trust fund money must be deposited in the

1 fund established under 17-6-203(6) and invested by the board  
2 of investments as provided by law.

3 (2) Starting July 1, 1987, and ending June 30, 2003,  
4 12% of coal severance tax collections are allocated to the  
5 highway reconstruction trust fund account in the state  
6 special revenue fund.

7 (3) Coal severance tax collections remaining after  
8 allocation to the trust fund under subsection (1) are  
9 allocated in the following percentages of the remaining  
10 balance:

11 (a) 17 1/2% to the credit of the local impact account.  
12 Unencumbered funds remaining in the local impact account at  
13 the end of each biennium are allocated to the state special  
14 revenue fund for state equalization aid to public schools of  
15 the state.

16 (b) 30% to the state special revenue fund for state  
17 equalization aid to public schools of the state;

18 (c) 1% to the state special revenue fund to the credit  
19 of the county land planning account;

20 (d) 1 1/4% to the credit of the renewable resource  
21 development bond fund;

22 (e) 3 1/3% to a nonexpendable trust fund for the  
23 purpose of parks acquisition or management. Income from this  
24 trust fund must be appropriated for the acquisition,  
25 development, operation, and maintenance of any sites and

1 areas described in 23-1-102.

2 (f) 1% to the state special revenue fund to the credit  
3 of the state library commission for the purposes of  
4 providing basic library services for the residents of all  
5 counties through library federations and for payment of the  
6 costs of participating in regional and national networking;

7 (g) 1/2 of 1% to the state special revenue fund for  
8 conservation districts;

9 (h) 1 1/4% to the debt service fund type to the credit  
10 of the water development debt service fund;

11 (i) 2% to the state special revenue fund for the  
12 Montana Growth Through Agriculture Act;

13 (j) 1 2/3% to a nonexpendable trust fund for the  
14 purpose of protection of works of art in the state capitol  
15 and for other cultural and aesthetic projects. Income from  
16 this trust fund shall be appropriated for protection of  
17 works of art in the state capitol and other cultural and  
18 aesthetic projects.

19 (k) all other revenues from severance taxes collected  
20 under the provisions of this chapter to the credit of the  
21 general fund of the state. (Terminates July 1, 2003--sec. 4,  
22 Ch. 191, L. 1991.)

23 15-35-108. (Effective July 1, 2003) Disposal of  
24 severance taxes. Severance taxes collected under this  
25 chapter must, in accordance with the provisions of



~~15-1-501(6), be allocated according--to--the--provisions--in effect-on-the-date-the-tax-is-due-under-15-35-104--Severance taxes--collected--under--the--provisions-of-this-chapter-are allocated as follows:~~

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 3 1/3% to a nonexpendable trust fund for the

purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for conservation districts;

(h) 1 1/4% to the debt service fund type to the credit of the water development debt service fund;

(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state."

**Section 6.** Section 15-36-112, MCA, is amended to read:

1       "15-36-112. Disposition of oil and gas state and local  
2 government severance taxes -- calculation of unit value for  
3 local government severance tax. (1) Each year the department  
4 of revenue shall determine the amount of tax collected under  
5 this chapter from within each taxing unit.

6       (2) For purposes of the distribution of local  
7 government severance taxes collected under this chapter, the  
8 department shall determine the unit value of oil and gas for  
9 each taxing unit as follows:

10       (a) The unit value for petroleum and other mineral or  
11 crude oil for each taxing unit is the quotient obtained by  
12 dividing the net proceeds taxes calculated on petroleum or  
13 mineral or crude oil produced in that taxing unit in  
14 calendar year 1988 by the number of barrels of petroleum or  
15 other mineral or crude oil produced in that taxing unit  
16 during 1988, excluding new and interim production.

17       (b) The unit value for natural gas is the quotient  
18 obtained by dividing the net proceeds taxes calculated on  
19 natural gas produced in that taxing unit in calendar year  
20 1988 by the number of cubic feet of natural gas produced in  
21 that taxing unit during 1988, excluding new and interim  
22 production.

23       (3) The state and local government severance taxes  
24 collected under this chapter must, in accordance with the  
25 provisions of 15-1-501(6), are be allocated as follows:

1       (a) The local government severance tax is statutorily  
2 appropriated, as provided in 17-7-502, for allocation to the  
3 county for distribution as provided in subsection (4);

4       (b) The state severance tax is allocated to the state  
5 general fund.

6       (4) (a) For the purpose of distribution of the local  
7 government severance tax, the department shall adjust the  
8 unit value determined under this section according to the  
9 ratio that the local government severance taxes collected  
10 during the quarters to be distributed plus accumulated  
11 interest earned by the state and penalties and interest on  
12 delinquent local government severance taxes bears to the  
13 total liability for local government severance taxes for the  
14 quarters to be distributed. The taxes must be calculated and  
15 distributed as follows:

16       (i) By November 30 of each year, the department shall  
17 calculate and distribute to each eligible county the amount  
18 of local government severance tax, determined by multiplying  
19 unit value as adjusted in this subsection (4)(a) times the  
20 units of production on which the local government severance  
21 tax was owed during the calendar quarters ending March 31  
22 and June 30 of the preceding calendar year.

23       (ii) By May 31 of each year, the department shall  
24 calculate and distribute to each eligible county the amount  
25 of local government severance tax, determined by multiplying

unit value as adjusted in this subsection (4)(a) times the units of production on which the local government severance tax was owed during the 2 calendar quarters immediately following those quarters referred to in subsection (4)(a)(i).

(b) Any amount by which the total tax liability exceeds or is less than the total distributions determined in subsections (4)(a)(i) and (4)(a)(ii) must be calculated and distributed in the following manner:

(i) The excess amount or shortage must be divided by the total distribution determined for that period to obtain an excess or shortage percentage.

(ii) The excess percentage must be multiplied by the distribution to each taxing unit, and this amount must be added to the distribution to each respective taxing unit.

(iii) The shortage percentage must be multiplied by the distribution to each taxing unit, and this amount must be subtracted from the distribution to each respective taxing unit.

(5) Except as provided in subsection (6), the county treasurer shall distribute the money received under subsection (4) to the taxing units that levied mills in fiscal year 1990 against calendar year 1988 production in the same manner that all other property tax proceeds were distributed during fiscal year 1990 in the taxing unit,

except that no a distribution may not be made to a municipal taxing unit.

(6) The board of county commissioners of a county may direct the county treasurer to reallocate the distribution of local government severance tax money that would have gone to a taxing unit, as provided in subsection (5), to another taxing unit or taxing units, other than an elementary school or high school, within the county under the following conditions:

(a) The county treasurer shall first allocate the {local government severance} taxes to the taxing units within the county in the same proportion that all other property tax proceeds were distributed in the county in fiscal year 1990.

(b) If the allocation in subsection (6)(a) exceeds the total budget for a taxing unit, the commissioners may direct the county treasurer to allocate the excess to any taxing unit within the county.

(7) The board of trustees of an elementary or high school district may reallocate the {local government severance} taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the {local government severance} taxes to the budgeted funds of the district in the same proportion that all other property tax

proceeds were distributed in the district in fiscal year 1990.

(b) If the allocation under subsection (7)(a) exceeds the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district."

**Section 7.** Section 15-36-126, MCA, is amended to read:

"15-36-126. (Temporary) Surtax. (1) Each person required to pay the severance tax under this chapter on oil and gas production, other than production from a stripper well, shall pay, in addition to the tax liability computed as required in 15-36-101 and 15-36-121, a surtax of 7% of the tax liability.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 8.** Section 15-37-117, MCA, is amended to read:

"15-37-117. (Temporary) Disposition of metalliferous mines license taxes. (1) Except as provided in subsection (4), metalliferous mines license taxes collected under the provisions of this part are must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5% of total

collections each year;

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

(d) to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if no an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

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

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

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

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

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

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

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

(4) The proceeds of the surtax collected under 15-37-126 must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund.

15-37-117. (Effective on receipt of taxes on production occurring prior to January 1, 1993) Disposition of metalliferous mines license taxes. (1) Metalliferous mines license taxes collected under the provisions of this part are must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

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

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

(d) to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if no an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

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

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

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

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

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

(2) When an impact plan for a large-scale mineral

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

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

**Section 9.** Section 15-38-106, MCA, is amended to read:

"15-38-106. (Temporary) Payment of tax -- records -- collection of taxes -- refunds. (1) The tax imposed by this chapter shall must be paid by each person to which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in which the tax is paid. The tax shall must be paid to the department at the time the statement of yield for the preceding calendar year is filed with the department.

(2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds of the tax in the resource indemnity trust fund of the nonexpendable trust fund type. Every person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable

notice during normal business hours.

(3) The department shall examine the statement and compute the taxes thereon to be imposed, and the amount computed by the department shall ~~--be~~ is the taxes tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess shall must be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer.

15-38-106. (Effective July 1, 1993) Payment of tax -- records -- collection of taxes -- refunds. (1) The tax imposed by this chapter shall must be paid by each person to which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in which the tax is paid. The tax shall must be paid to the department at the time the statement of yield for the preceding calendar year is filed with the department.

(2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that 14.1% of the proceeds must be deposited in the ground water assessment account established

by 85-2-905. Every person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable notice during normal business hours.

(3) The department shall examine the statement and compute the taxes thereon to be imposed, and the amount computed by the department ~~shall--be~~ is the taxes tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess ~~shall~~ must be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer."

**Section 10.** Section 15-38-136, MCA, is amended to read:

"15-38-136. (Temporary) Surtax. (1) Each person required to pay the resource indemnity trust tax under this part shall pay, in addition to the tax liability computed as required in 15-38-104, a surtax of 7% of the tax liability.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 11.** Section 15-51-103, MCA, is amended to read:

"15-51-103. Disposition of revenue -- interest on

delinquency. The department of revenue shall, in accordance with the provisions of 15-1-501(6), ~~receipt-therefor-and promptly turn-the-same-over~~ remit the collected taxes to the state treasurer. Taxes not met paid on the due date ~~shall~~ become are delinquent, and a penalty of 10% plus interest at the rate of 1% per month or fraction of a month computed on the total of tax and penalty ~~shall~~ must be charged."

**Section 12.** Section 15-53-114, MCA, is amended to read:

"15-53-114. Disposal of license taxes. License taxes collected under this chapter ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be credited to the general fund of the state."

**Section 13.** Section 15-59-108, MCA, is amended to read:

"15-59-108. Deposit of taxes. All license taxes collected under the provisions of this part ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund of the state."

**Section 14.** Section 15-59-208, MCA, is amended to read:

"15-59-208. Deposit of license taxes. All license taxes collected under the provisions of this part ~~shall~~ must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund of the state."

**Section 15.** Section 15-60-210, MCA, is amended to read:

"15-60-210. Disposition of fee. All proceeds from the collection of utilization fees, including penalties and

1 interest, must, in accordance with the provisions of  
2 15-1-501(6), be deposited in the state general fund."

3 **Section 16.** Section 15-65-121, MCA, is amended to read:

4 "15-65-121. Distribution of tax proceeds -- general  
5 fund loan authority. (1) The proceeds of the tax imposed by  
6 15-65-111 must, in accordance with the provisions of  
7 15-1-501(6), be deposited in an account in the state special  
8 revenue fund to the credit of the department of revenue. The  
9 department may spend from that account in accordance with an  
10 expenditure appropriation by the legislature based on an  
11 estimate of the costs of collecting and disbursing the  
12 proceeds of the tax. Before allocating the balance of the  
13 tax proceeds in accordance with the provisions of  
14 15-1-501(6) and as provided in subsections (1)(a) through  
15 (1)(c), the department shall determine the expenditures by  
16 state agencies for in-state lodging for each reporting  
17 period and deduct 4% of that amount from the tax proceeds  
18 received each reporting period. The amount deducted must be  
19 deposited in the general fund. The balance of the tax  
20 proceeds received each reporting period and not deducted  
21 pursuant to the expenditure appropriation or deposited in  
22 the general fund is statutorily appropriated, as provided in  
23 17-7-502, and must be transferred to an account in the state  
24 special revenue fund to the credit of the department of  
25 commerce for tourism promotion and promotion of the state as

1 a location for the production of motion pictures and  
2 television commercials, to the Montana historical society,  
3 and to the university system, as follows:

4 (a) 1% to the Montana historical society to be used for  
5 the installation or maintenance of roadside historical signs  
6 and historic sites;

7 (b) 2.5% to the university system for the establishment  
8 and maintenance of a Montana travel research program; and

9 (c) the balance of the proceeds as follows:

10 (i) 75% to be used directly by the department of  
11 commerce;

12 (ii) except as provided in subsection (1)(c)(iii), 25%  
13 to be distributed by the department to regional nonprofit  
14 tourism corporations in the ratio of the proceeds collected  
15 in each tourism region to the total proceeds collected  
16 statewide;

17 (iii) if 25% of the proceeds collected annually within  
18 the limits of a city or consolidated city-county exceeds  
19 \$35,000, 50% of the amount available for distribution to the  
20 regional nonprofit tourism corporation in the region where  
21 the city or consolidated city-county is located is to be  
22 distributed to the nonprofit convention and visitors bureau  
23 in that city or consolidated city-county.

24 (2) If a city or consolidated city-county qualifies  
25 under this section for funds but fails to either recognize a



nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section."

**Section 17.** Section 15-65-136, MCA, is amended to read:

"15-65-136. (Temporary) Additional tax -- allocation.

(1) An additional tax is imposed on the user of a facility at a rate equal to 0.28% of the accommodation charge collected by the facility.

(2) The additional tax must, in accordance with the provisions of 15-1-501(6), be deposited to the credit of the state general fund."

**Section 18.** Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. All taxes, interest, and penalties collected under this chapter, except those

collected by a justice's court, must, in accordance with the provisions of 15-1-501(6), be ~~turned-over-promptly-to-the state-treasurer, who shall place the--money~~ PLACED in the state special revenue fund to the credit of the department of transportation. Those funds allocated to cities, towns, and counties in this section must, in accordance with the provisions of 15-1-501(6), be paid by the department of transportation from the state special revenue fund to the cities, towns, and counties.

(1) \$14,000,000 of the funds collected under this chapter, except those collected by a justice's court, is statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each fiscal year on a monthly basis to the counties and incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (1)(a) through (1)(c):

(a) \$54,000 must be designated for the purposes and functions of the Montana rural technical assistance transportation program in Bozeman;

(b) \$6,323,000 must be divided among the various counties in the following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the federal-aid interstate system

1 and the federal-aid primary system, bears to the total rural  
2 road mileage in the state, exclusive of the federal-aid  
3 interstate system and the federal-aid primary system;

4 (ii) 40% in the ratio that the rural population in each  
5 county outside incorporated cities and towns bears to the  
6 total rural population in the state outside incorporated  
7 cities and towns;

8 (iii) 20% in the ratio that the land area of each county  
9 bears to the total land area of the state;

10 (c) \$7,623,000 must be divided among the incorporated  
11 cities and towns in the following manner:

12 (i) 50% of the sum in the ratio that the population  
13 within the corporate limits of the city or town bears to the  
14 total population within corporate limits of all the cities  
15 and towns in Montana;

16 (ii) 50% in the ratio that the city or town street and  
17 alley mileage, exclusive of the federal-aid interstate  
18 system and the federal-aid primary system, within corporate  
19 limits bears to the total street and alley mileage,  
20 exclusive of the federal-aid interstate system and  
21 federal-aid primary system, within the corporate limits of  
22 all cities and towns in Montana.

23 (2) All funds allocated by this section to counties,  
24 cities, and towns must be used for the construction,  
25 reconstruction, maintenance, and repair of rural roads or

1 city or town streets and alleys or for the share that the  
2 city, town, or county might otherwise expend for  
3 proportionate matching of federal funds allocated for the  
4 construction of roads or streets that are part of the  
5 federal-aid primary or secondary highway system or urban  
6 extensions to those systems, except that the governing body  
7 of a town or third-class city, as defined in 7-1-4111, may  
8 each year expend no more than 25% of the funds allocated to  
9 that town or third-class city for the purchase of capital  
10 equipment and supplies to be used for the maintenance and  
11 repair of town or third-class city streets and alleys.

12 (3) All funds allocated by this section to counties,  
13 cities, and towns must be disbursed to the lowest  
14 responsible bidder according to applicable bidding  
15 procedures followed in all cases in which the contract for  
16 construction, reconstruction, maintenance, or repair is in  
17 excess of \$4,000.

18 (4) For the purposes of this section in which  
19 distribution of funds is made on a basis related to  
20 population, the population must be determined by the last  
21 preceding official federal census.

22 (5) For the purposes of this section in which  
23 determination of mileage is necessary for distribution of  
24 funds, it is the responsibility of the cities, towns, and  
25 counties to furnish to the department of transportation a

yearly certified statement indicating the total mileage within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of transportation.

(6) Except by a town or third-class city as provided in subsection (2), the funds authorized by this section may not be used for the purchase of capital equipment.

(7) Funds authorized by this section must be used for construction and maintenance programs only."

**Section 19.** Section 15-71-104, MCA, is amended to read:

"15-71-104. Disposition of funds. All taxes collected under this chapter ~~shall must, in accordance with the provisions of 15-1-501(6), be turned-over--promptly--to--the state-treasurer-and-the-state-treasurer-shall-place-the same taxes PLACED~~ in the state special revenue fund to the credit of the department of transportation."

**Section 20.** Section 16-1-306, MCA, is amended to read:

"16-1-306. Revenue to be paid to state treasurer. Except as provided in 16-1-404, 16-1-405, 16-1-408, 16-1-410, and 16-1-411, all fees, charges, taxes, and revenues collected by or under authority of the department ~~shall must, in accordance with the provisions of 15-1-501(6), be deposited with-the-state-treasurer: He The state-treasurer shall-deposit-the-funds~~ to the credit of the state general fund."

**Section 21.** Section 16-1-401, MCA, is amended to read:

"16-1-401. Liquor excise tax. (1) The department ~~is hereby-authorized-and-directed-to-charge, receive, and shall~~ collect at the time of the sale and delivery of any liquor as authorized under any provision of the laws of the state of Montana an excise tax at the rate of:

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

(b) 13.8% of the retail selling price on all liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed, and sold not more than 200,000 proof gallons of liquor nationwide in the calendar year preceding imposition of the tax pursuant to this section.

(2) The department shall retain the amount of such ~~the~~ excise tax received in a separate account and shall, in accordance with the provisions of 15-1-501(6), deposit with the-state-treasurer, to the credit of the general fund, such the sums collected and received not later than the 10th day of each ~~and-every~~ month."

**Section 22.** Section 16-1-404, MCA, is amended to read:

1 "16-1-404. License tax on liquor -- amount --  
 2 distribution of proceeds. (1) The department ~~is hereby~~  
 3 ~~authorized--and--directed--to--charge;--receive;--and~~ shall  
 4 collect at the time of sale and delivery of any liquor under  
 5 any provisions of the laws of the state of Montana a license  
 6 tax of:

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

13 (b) 8.6% of the retail selling price on all liquor sold  
 14 and delivered in the state by a company that manufactured,  
 15 distilled, rectified, bottled, or processed, and sold not  
 16 more than 200,000 proof gallons of liquor nationwide in the  
 17 calendar year preceding imposition of the tax pursuant to  
 18 this section.

19 (2) The license tax ~~shall~~ must be charged and collected  
 20 on all liquor brought into the state and taxed by the  
 21 department. The retail selling price ~~shall~~ must be computed  
 22 by adding to the cost of ~~said~~ the liquor the state markup as  
 23 designated by the department. The license tax ~~shall~~ must be  
 24 figured in the same manner as the state excise tax and ~~shall~~  
 25 be is in addition to ~~said~~ the state excise tax. The

1 department shall retain in a separate account the amount of  
 2 the license tax so received. Thirty percent of these  
 3 revenues are statutorily appropriated, as provided in  
 4 17-7-502, to the department and ~~shall~~ must, in accordance  
 5 with the provisions of 15-1-501(6), be allocated to the  
 6 counties according to the amount of liquor purchased in each  
 7 county to be distributed to the incorporated cities and  
 8 towns, as provided in subsection (3). Four and one-half  
 9 percent of these revenues are statutorily appropriated, as  
 10 provided in 17-7-502, and ~~shall~~ must, in accordance with the  
 11 provisions of 15-1-501(6), be allocated to the counties  
 12 according to the amount of liquor purchased in each county,  
 13 and this money may be used for county purposes. The  
 14 remaining revenues ~~shall~~ must, in accordance with the  
 15 provisions of 15-1-501(6), be deposited in the state special  
 16 revenue fund to the credit of the department of corrections  
 17 and human services for the treatment, rehabilitation, and  
 18 prevention of alcoholism. ~~Provided; however; in~~ In the case  
 19 of purchases of liquor by a retail liquor licensee for use  
 20 in ~~his~~ the licensee's business, the department shall make  
 21 ~~such~~ regulations as are necessary to apportion that  
 22 proportion of license tax so generated to the county where  
 23 the licensed establishment is located, for use as provided  
 24 in 16-1-405. That proportion of the license tax is  
 25 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, in accordance with the provisions of 15-1-501(6), 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~~ must 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~~ must 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~~ must 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~~ must be distributed as provided in 53-24-206."

**Section 23.** Section 16-1-408, MCA, is amended to read:

"16-1-408. **Additional tax.** An additional tax of \$1.30 per barrel is levied and imposed as provided by 16-1-406. One dollar of ~~this~~ the additional tax ~~is--to~~ must, in

accordance with the provisions of 15-1-501(6), be deposited, notwithstanding 16-1-306 and 16-1-410 or any other provision, with the state treasurer to the credit of the department of corrections and human services each quarter for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of ~~this~~ the additional tax ~~is-to~~ must be deposited in the general fund."

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

"16-1-410. **(Temporary) Tax revenue allocation.** Subject to 16-1-422, 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, in accordance with the provisions of 15-1-501(6), 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~~ DEPARTMENT OF REVENUE 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~~ must be determined as of the date of incorporation as

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

10 16-1-410. (Effective on receipt of taxes or fees for  
 11 September 1993) Tax revenue allocation. All revenue received  
 12 from taxes on beer under 16-1-406 and 16-1-408 over and  
 13 above \$1.50 per barrel of 31 gallons ~~shall~~ must, in  
 14 accordance with the provisions of 15-1-501(6), be deposited  
 15 with the state treasurer to the credit of the incorporated  
 16 cities and towns beer tax account in the state special  
 17 revenue fund. The money in the account is statutorily  
 18 appropriated, as provided in 17-7-502, to the state  
 19 treasurer DEPARTMENT OF REVENUE who shall, monthly,  
 20 distribute this amount of money to the incorporated cities  
 21 and towns in the direct proportion that the population of  
 22 each city and town bears to the total population of all  
 23 incorporated cities and towns as shown in the latest  
 24 official federal census. For cities and towns incorporated  
 25 after the latest official federal census, the census ~~shall~~

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

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

12 "16-1-411. (Temporary) Tax on wine. (1) A tax of 27  
 13 cents per liter is hereby levied and imposed on table wine  
 14 imported by any table wine distributor or the department.

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

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

24 (3) The tax paid by a table wine distributor in  
 25 accordance with subsection (2)(a) and the tax collected by

1 the department in accordance with subsection (2)(b) ~~shall~~  
 2 must, in accordance with the provisions of 15-1-501(6), be  
 3 distributed as follows:

- 4 (a) 16 cents to the state general fund; and  
 5 (b) of the remaining 11 cents:  
 6 (i) 8.34 cents to the state special revenue fund to the  
 7 credit of the department of corrections and human services  
 8 for the treatment, rehabilitation, and prevention of  
 9 alcoholism;  
 10 (ii) 1 1/3 cents is statutorily appropriated, as  
 11 provided in 17-7-502, to the department, for allocation to  
 12 the counties, based on population, for the purpose  
 13 established in 16-1-404; and  
 14 (iii) 1 1/3 cents is statutorily appropriated, as  
 15 provided in 17-7-502, to the department, for allocation to  
 16 the cities and towns, based on population, for the purpose  
 17 established in 16-1-405.

18 (4) The taxes computed and paid in accordance with  
 19 16-1-423, 16-2-301, and this section ~~shall~~ must be the only  
 20 taxes imposed by the state or any of its subdivisions,  
 21 including cities and towns.

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

24 16-1-411. (Effective on receipt of taxes or fees for  
 25 September 1993) 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~~ 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, in accordance with the provisions of 15-1-501(6), be  
 16 distributed as follows:

- 17 (a) 16 cents to the state general fund; and  
 18 (b) of the remaining 11 cents:  
 19 (i) 8.34 cents to the state special revenue fund to the  
 20 credit of the department of corrections and human services  
 21 for the treatment, rehabilitation, and prevention of  
 22 alcoholism;  
 23 (ii) 1 1/3 cents is statutorily appropriated, as  
 24 provided in 17-7-502, to the department, for allocation to  
 25 the counties, based on population, for the purpose

1 established in 16-1-404; and

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

6 (4) The tax computed and paid in accordance with this  
7 section ~~shall~~ must be the only tax imposed by the state or  
8 any of its subdivisions, including cities and towns."

9 **Section 26.** Section 16-1-421, MCA, is amended to read:

10 "16-1-421. (Temporary) Surtax on liquor --  
11 distribution. (1) In addition to the amount of tax liability  
12 determined under 16-1-401 through 16-1-403, each person  
13 subject to taxation under 16-1-401 through 16-1-403 shall  
14 pay, as a surtax, 7% of the tax liability.

15 (2) The surtax imposed by this section must, in  
16 accordance with the provisions of 15-1-501(6), be deposited  
17 to the credit of the state general fund."

18 **Section 27.** Section 16-1-422, MCA, is amended to read:

19 "16-1-422. (Temporary) Surtax on beer -- distribution.  
20 (1) After the amount of tax liability has been determined  
21 under 16-1-406 and 16-1-408, each wholesaler subject to  
22 taxation under this part shall pay, as a surtax, 7% of the  
23 tax liability.

24 (2) The surtax imposed by this section must, in  
25 accordance with the provisions of 15-1-501(6), be deposited

1 to the credit of the state general fund."

2 **Section 28.** Section 16-1-423, MCA, is amended to read:

3 "16-1-423. (Temporary) Surtax on table wine --  
4 distribution. (1) In addition to the amount of tax liability  
5 determined under 16-1-411, each table wine distributor  
6 subject to taxation under this part shall pay, as a surtax,  
7 7% of the tax liability.

8 (2) The surtax imposed by this section must, in  
9 accordance with the provisions of 15-1-501(6), be deposited  
10 to the credit of the state general fund."

11 **Section 29.** Section 16-11-119, MCA, is amended to read:

12 "16-11-119. (Temporary) Disposition of taxes --  
13 retirement of bonds. (1) Except as provided in subsection  
14 (2), all money collected under the provisions of 16-11-111,  
15 less the expense of collecting the taxes, must, in  
16 accordance with the provisions of 15-1-501(6), be paid--to  
17 ~~the--state-treasurer-and~~ deposited as follows: 72.79% in the  
18 long-range building program fund in the debt service fund  
19 type and 27.21% in the long-range building program fund in  
20 the capital projects fund type.

21 (2) In fiscal year 1993, \$1,133,624 is transferred from  
22 the long-range building program fund in the capital projects  
23 fund type to the general fund. (Terminates June 30,  
24 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

25 16-11-119. (Effective July 1, 1993) Disposition of



taxes -- retirement of bonds. All moneys money collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by ~~said that~~ section, shall must, in accordance with the provisions of 15-1-501(6), be paid-to-the-state-treasurer and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. All moneys money collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by ~~said that~~ section, shall must, in accordance with the provisions of 15-1-501(6), be paid-to-the-state-treasurer and deposited as follows: 70.89% in the long-range building program fund in the debt service fund type and 29.11% in the long-range building program fund in the capital projects fund type."

**Section 30.** Section 16-11-206, MCA, is amended to read:

"16-11-206. Wholesaler's discount -- disposition of taxes. The taxes specified in this part that are paid by the wholesaler ~~shall~~ must be paid to the department in full less a 5% defrayment for ~~his~~ the wholesaler's collection and administrative expense and ~~shall~~ must, in accordance with

the provisions of 15-1-501(6), be deposited by the department in the long-range building program debt service fund. Refunds of the tax paid ~~shall~~ must be made as provided in 15-1-503 in cases where the tobacco products purchased become unsalable."

**Section 31.** Section 23-5-610, MCA, is amended to read:

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

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

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

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

5 (4) (a) The department shall, in accordance with the  
 6 provisions of 15-1-501(6), forward one-third of the tax  
 7 collected under subsection (3) and the surtax imposed by  
 8 23-5-646 to the general fund.

9 (b) The department shall, in accordance with the  
 10 provisions of 15-1-501(6), forward the remaining two-thirds  
 11 of the tax collected under subsection (3) to the treasurer  
 12 of the county or the clerk, finance officer, or treasurer of  
 13 the city or town in which the licensed machine is located,  
 14 for deposit to the county or municipal treasury. Counties  
 15 are not entitled to proceeds from taxes on income from video  
 16 gambling machines located in incorporated cities and towns.  
 17 The two-thirds local government portion of tax collected  
 18 under subsection (3) is statutorily appropriated to the  
 19 department as provided in 17-7-502 for deposit to the county  
 20 or municipal treasury.

21 23-5-610. (Effective on receipt of taxes for calendar  
 22 quarter ending June 30, 1993) Video gambling machine gross  
 23 income tax -- records -- distribution -- quarterly statement  
 24 and payment. (1) A licensed operator issued a permit under  
 25 this part shall pay to the department a video gambling

1 machine tax of 15% of the gross income from each video  
 2 gambling machine licensed under this part. A licensed  
 3 operator may deduct from the gross income amounts equal to  
 4 amounts stolen from machines if the amounts are not repaid  
 5 by insurance and if a law enforcement agency investigated  
 6 the theft.

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

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

20 (4) (a) The department shall, in accordance with the  
 21 provisions of 15-1-501(6), forward one-third of the tax  
 22 collected under subsection (3) to the general fund.

23 (b) The department shall, in accordance with the  
 24 provisions of 15-1-501(6), forward the remaining two-thirds  
 25 of the tax collected under subsection (3) to the treasurer

1 of the county or the clerk, finance officer, or treasurer of  
 2 the city or town in which the licensed machine is located,  
 3 for deposit to the county or municipal treasury. Counties  
 4 are not entitled to proceeds from taxes on income from video  
 5 gambling machines located in incorporated cities and towns.  
 6 The two-thirds local government portion of tax collected  
 7 under subsection (3) is statutorily appropriated to the  
 8 department as provided in 17-7-502 for deposit to the county  
 9 or municipal treasury."

10 **Section 32.** Section 23-5-646, MCA, is amended to read:

11 "23-5-646. (Temporary) Surtax -- distribution. (1) In  
 12 addition to the amount of tax liability determined under  
 13 23-5-610, each licensed operator subject to taxation under  
 14 this part shall pay, as a surtax, 7% of the tax liability.

15 (2) The surtax imposed by this section must, in  
 16 accordance with the provisions of 15-1-501(6), be deposited  
 17 to the credit of the state general fund."

18 **Section 33.** Section 39-71-2504, MCA, is amended to  
 19 read:

20 "39-71-2504. Workers' compensation tax account. (1)  
 21 There is a workers' compensation tax account in the state  
 22 special revenue fund. The workers' compensation tax account  
 23 consists of a tax account and a workers' compensation bond  
 24 repayment account.

25 (2) All collections of the tax, interest and penalties

1 on the tax, and revenue appropriated to the workers'  
 2 compensation tax account under section 11, Chapter 9,  
 3 Special Laws of June 1989, must, in accordance with the  
 4 provisions of 15-1-501(6), be deposited in the workers'  
 5 compensation tax account. All such money deposited in the  
 6 workers' compensation tax account must be credited to the  
 7 workers' compensation bond repayment account to the extent  
 8 necessary to pay the principal of and redemption premium and  
 9 interest due on workers' compensation bonds issued under  
 10 39-71-2354 and 39-71-2355 and to establish and maintain a  
 11 reserve for the bonds equal to the maximum annual principal  
 12 of and interest on the bonds in any future year. The balance  
 13 in the workers' compensation bond repayment account must be  
 14 credited to the tax account within the workers' compensation  
 15 tax account and is statutorily appropriated, as provided in  
 16 17-7-502, to the state fund to be used to reduce the  
 17 unfunded liability in the state fund incurred for claims for  
 18 injuries resulting from accidents that occurred before July  
 19 1, 1990."

20 **NEW SECTION. Section 34. Repealer.** Section 15-1-502,  
 21 MCA, is repealed.

22 **NEW SECTION. Section 35. Retroactive applicability.**  
 23 [This act] applies retroactively, within the meaning of  
 24 1-2-109, to all tax periods beginning after December 31,  
 25 1992, and to taxes collected by audit after December 31,

1 1992, or taxes collected after December 31, 1992, if the  
2 payment was made after the date on which the tax was  
3 payable.

4 NEW SECTION. Section 36. Effective date. [This act] is  
5 effective on passage and approval.

-End-