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, 1993COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 3, 1993 SECOND READING, CONCURRED IN.

APRIL 5, 1993THIRD 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.

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HOUSE BILL NO. 641 1 Hussington 3 Muleyal Willing Brand of THE HOUSE TAXATION CONNITTEE ORP A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAN REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE 7 8 PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES; SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED 9 BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH 10 11 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS 15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108. 12 15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136, 13 14 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, 15 16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421, 16 16-1-423, 16-11-119, 16-11-206, 23-5-610, 17 16-1-422. 23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502, 18 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A 19 RETROACTIVE APPLICABILITY DATE." 20

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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

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:

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 under10 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 state21 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;

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

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

3 (d) all interest and penalties to the credit of the4 state general fund.

5 (3) All money received from the collection of 6 corporation license and income taxes under chapter 31 of 7 this title, except as provided in 15-31-702, must, in 8 accordance with the provisions of subsection (6), be 9 deposited as follows:

10 (a) 61% of the taxes to the credit of the state general 11 fund;

12 (b) 10.5% of the taxes to the credit of the debt 13 service account for long-range building program bonds as 14 described in 17-5-408;

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

18 (d) all interest and penalties to the credit of the19 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.

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

2 deposited in the general fund. 3 (6) Notwithstanding any other provision of law, the 4 distribution of tax revenue must be made according to the 5 provisions of the law governing allocation of the tax that 6 were in effect for the period in which the tax revenue was 7 recorded for accounting purposes. Tax revenue must be 8 recorded as prescribed by the department of administration, 9 pursuant to 17-1-102(2) and (5), in accordance with 10 generally accepted accounting principles. 11 (6)(7) All refunds of taxes must be attributed to the 12 funds in which the taxes are deposited. All refunds of 13 interest and penalties must be attributed to the funds in 14 which the interest and penalties are deposited. 15 15-1-501. (Effective July 1, 1993) Disposition of money 16 from certain designated license and other taxes. (1) The 17 state treasurer shall deposit to the credit of the state

the remainder of the oil severance tax collections must be

19 (6) all money received by-him from the collection of:

general fund in accordance with the provisions of subsection

20 (a) fees from driver's licenses, motorcycle
21 endorsements, and duplicate driver's licenses as provided in
22 61-5-121;

23 (b) electrical energy producer's license taxes under24 chapter 51;

25 (c) severance taxes allocated to the general fund under

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1	chapter 36;	1	(a) 61% of the taxes to the credit of the state general
2	(d) liquor license taxes under Title 16;	2	fund;
3	(e) telephone company license taxes under chapter 53;	3	(b) 10.5% of the taxes to the credit of the debt
4	and	4	service account for long-range building program bonds as
5	(f) inheritance and estate taxes under Title 72,	5	described in 17-5-408;
6	chapter 16.	6	(c) 28.5% of the taxes to the credit of the state
7	(2) All money received from the collection of income	7	special revenue fund for state equalization aid to the
8	taxes under chapter 30 of this title must, in accordance	8	public schools of Montana as described in 20-9-343; and
9	with the provisions of subsection (6), be deposited as	9	(d) all interest and penalties to the credit of the
10	follows:	10	state general fund.
11	(a) 59.5% of the taxes to the credit of the state	11	(4) The state treasurer shall also deposit to the
12	general fund;	12	credit of the state general fund all money received byhim
13	(b) 8.7% of the taxes to the credit of the debt service	13	from the collection of license taxes, fees, and all net
14	account for long-range building program bonds as described	14	revenues and receipts from all other sources under the
15	in 17-5-408;	15	operation of the Montana Alcoholic Beverage Code.
16	(c) 31.8% of the taxes to the credit of the state	16	(5) After the distribution provided for in 15-36-112,
17	special revenue fund for state equalization aid to the	17	the remainder of the oil severance tax collections must be
18	public schools of Montana as described in 20-9-343; and	18	deposited in the general fund.
19	(d) all interest and penalties to the credit of the	19	(6) Notwithstanding any other provision of law, the
20	state general fund.	20	distribution of tax revenue must be made according to the
21	(3) All money received from the collection of	21	provisions of the law governing allocation of the tax that
22	corporation license and income taxes under chapter 31 of	22	were in effect for the period in which the tax revenue was
23	this title, except as provided in 15-31-702, must <u>, in</u>	23	recorded for accounting purposes. Tax revenue must be
24	accordance with the provisions of subsection (6), be	24	recorded as prescribed by the department of administration,
25	deposited as follows:	25	pursuant to 17-1-102(2) and (5), in accordance with

1 generally accepted accounting principles.

<u>(7)(6)</u> 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."

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."

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 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

1 aftercare programs.

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2 (3) The treasurer shall credit the remaining two-thirds3 of the tax proceeds as follows:

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

5 (i) for grants to youth courts to fund chemical abuse6 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

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

4 (2) The corporation license taxes, interest, and 5 penalties distributed under subsection (1)(b) must be 6 allocated to each taxing jurisdiction in the proportion that 7 its mill levy for that fiscal year bears to the total mill 8 levy of the taxing authorities of the district in which the 9 bank or savings and loan association is located.

10 (3) "Taxing jurisdictions" means, for the purposes of 11 this section, all taxing authorities within a county 12 permitted under state law to levy mills against the taxable 13 value of property in the taxing district in which the bank 14 or savings and loan association is located.

15 (4) If a return filed by a bank or savings and loan 16 association involves branches or offices in more than one 17 taxing jurisdiction, the department of revenue shall provide 18 a method by rule for equitable distribution among those 19 taxing jurisdictions."

20 Section 5. Section 15-35-108, MCA, is amended to read: 21 "15-35-108. (Temporary) Disposal of severance taxes. 22 Severance taxes collected under this chapter must, in 23 accordance with the provisions of 15-1-501(6), be allocated 24 according-to-the-provisions-in-effect-on-the-date-the-tax-is 25 due--under--i5-35-i04:--Severance--taxes-collected-under-the

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

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

7 (2) Starting July 1, 1992, and ending June 30, 1993,
8 12% of coal severance tax collections are allocated to the
9 general fund.

10 (3) Coal severance tax collections remaining after the 11 allocations provided by subsections (1) and (2) are 12 allocated in the following percentages of the remaining 13 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 stateequalization aid to public schools of the state;

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

23 (d) 1 1/4% to the credit of the renewable resource24 development bond fund;

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

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parks management. Income from this trust fund must be
 appropriated for the development, operation, and maintenance
 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

(ii) 57 1/2% 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 for other cultural and
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

department of fish, wildlife, and parks for the development,
 operation, and maintenance of state parks and the
 stabilization and preservation of historic sites within the
 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 <u>15-1-501(6)</u>, 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.

(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:

5 (a) 17 1/2% to the credit of the local impact account. 6 Unencumbered funds remaining in the local impact account at 7 the end of each biennium are allocated to the state special 8 revenue fund for state equalization aid to public schools of 9 the state.

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

12 (c) 1% to the state special revenue fund to the credit13 of the county land planning account;

14 (d) 1 1/4% to the credit of the renewable resource 15 development bond fund;

16 (e) 3 1/3% to a nonexpendable trust fund for the
17 purpose of parks acquisition or management. Income from this
18 trust fund must be appropriated for the acquisition,
19 development, operation, and maintenance of any sites and
20 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;

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

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

7 (j) 1 2/3% to a nonexpendable trust fund for the 8 purpose of protection of works of art in the state capitol 9 and for other cultural and aesthetic projects. Income from 10 this trust fund shall be appropriated for protection of 11 works of art in the state capitol and other cultural and 12 aesthetic projects.

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

17 15-35-108. (Effective July 1, 2003) Disposal of 18 severance taxes. Severance taxes collected under this 19 chapter must, in accordance with the provisions of 15-1-501(6), be allocated according-to-the-provisions-in 20 21 effect-on-the-date-the-tax-is-due-under-15-35-104--Severance 22 taxes-collected-under-the-provisions--of--this--chapter--are 23 allocated as follows:

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

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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.

4 (2) Coal severance tax collections remaining after 5 allocation to the trust fund under subsection (1) are 6 allocated in the following percentages of the remaining 7 balance:

8 (a) 17 1/2% to the credit of the local impact account. 9 Unencumbered funds remaining in the local impact account at 10 the end of each biennium are allocated to the state special 11 revenue fund for state equalization aid to public schools of 12 the state.

13 (b) 30% to the state special revenue fund for state14 equalization aid to public schools of the state;

15 (c) 1% to the state special revenue fund to the credit16 of the county land planning account;

17 (d) 1 1/4% to the credit of the renewable resource18 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.

24 (f) 1% to the state special revenue fund to the credit25 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;

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

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

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

10 (j) 1 2/3% to a nonexpendable trust fund for the 11 purpose of protection of works of art in the state capitol 12 and for other cultural and aesthetic projects. Income from 13 this trust fund shall be appropriated for protection of 14 works of art in the state capitol and other cultural and 15 aesthetic projects.

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

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

20 "15-36-112. Disposition of oil and gas state and local
21 government severance taxes -- calculation of unit value for'
22 local government severance tax. (1) Each year the department
23 of revenue shall determine the amount of tax collected under
24 this chapter from within each taxing unit.

25 (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:

4 (a) The unit value for petroleum and other mineral or 5 crude oil for each taxing unit is the quotient obtained by 6 dividing the net proceeds taxes calculated on petroleum or 7 mineral or crude oil produced in that taxing unit in 8 calendar year 1988 by the number of barrels of petroleum or 9 other mineral or crude oil produced in that taxing unit 10 during 1988, excluding new and interim production.

11 (b) The unit value for natural gas is the quotient 12 obtained by dividing the net proceeds taxes calculated on 13 natural gas produced in that taxing unit in calendar year 14 1988 by the number of cubic feet of natural gas produced in 15 that taxing unit during 1988, excluding new and interim 16 production.

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

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

23 (b) The state severance tax is allocated to the state24 general fund.

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

1 government severance tax, the department shall adjust the 2 unit value determined under this section according to the 3 ratio that the local government severance taxes collected during the guarters to be distributed plus accumulated ۵ interest earned by the state and penalties and interest on 5 6 delinquent local government severance taxes bears to the total liability for local government severance taxes for the 7 guarters to be distributed. The taxes must be calculated and я 9 distributed as follows:

10 (i) By November 30 of each year, the department shall 11 calculate and distribute to each eligible county the amount 12 of local government severance tax, determined by multiplying 13 unit value as adjusted in this subsection (4)(a) times the 14 units of production on which the local government severance 15 tax was owed during the calendar quarters ending March 31 16 and June 30 of the preceding calendar year.

17 (ii) By May 31 of each year, the department shall calculate and distribute to each eligible county the amount 18 19 of local government severance tax, determined by multiplying 20 unit value as adjusted in this subsection (4)(a) times the 21 units of production on which the local government severance tax was owed during the 2 calendar guarters immediately 22 23 following those quarters referred to in subsection 24 (4)(a)(i).

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

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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:

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.

(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.

14 (5) Except as provided in subsection (6), the county 15 treasurer shall distribute the money received under subsection (4) to the taxing units that levied mills in 16 fiscal year 1990 against calendar year 1988 production in 17 the same manner that all other property tax proceeds were 18 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.

(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:

4 (a) The county treasurer shall first allocate the 5 flocal 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 flocal 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 flocal
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.

(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."

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

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1 "15-36-126. (Temporary) Surtax. (1) Each person 2 required to pay the severance tax under this chapter on oil 3 and gas production, other than production from a stripper 4 well, shall pay, in addition to the tax liability computed 5 as required in 15-36-101 and 15-36-121, a surtax of 7% of 6 the tax liability.

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

10 Section 8. Section 15-37-117, MCA, is amended to read: 11 "15-37-117. (Temporary) Disposition of metalliferous 12 mines license taxes. (1) Except as provided in subsection 13 (4), metalliferous mines license taxes collected under the 14 provisions of this part are <u>must, in accordance with the</u> 15 provisions of 15-1-501(6), be allocated as follows:

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

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

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

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

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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:

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

10 (ii) all money not allocated to the account pursuant to 11 subsection (1)(d)(i) to be further allocated as follows:

12 (A) 33 1/3% is allocated to the county for planning or13 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

17 (C) 33 1/3% is allocated to the high school districts
18 within the county that have been affected by the development
19 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.

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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 15-37-126 must, in accordance with the provisions of 7 15-1-501(6), be deposited to the credit of the general fund. 8 15-37-117. (Effective on receipt of taxes on production 9 occurring prior to January 1, 1993) Disposition of 10 11 metalliferous mines license taxes. (1) Metalliferous mines license taxes collected under the provisions of this part 12 are must, in accordance with the provisions of 15-1-501(6), 13

14 <u>be</u> 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;

(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

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;

(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

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.

(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.

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:

"15-38-106. (Temporary) Payment of tax -- records --6 collection of taxes -- refunds. (1) The tax imposed by this 7 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 the year preceding January 1 of the year in which the tax is 10 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.

(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.

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 which the tax applies, on or before March 31, on the value 10 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 preceding calendar year is filed with the department. 14

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

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

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

10 Section 10. Section 15-38-136, MCA, is amended to read: "15-38-136, (Temporary) Surtax, (1) Each person 11 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. (2) The additional tax must, in accordance with the 15 16 provisions of 15-1-501(6), be deposited to the credit of the 17 state general fund."

Section 11. Section 15-51-103, MCA, is amended to read: 18 "15-51-103. Disposition of revenue -- interest on 19 delinguency. The department of revenue shall, in accordance 20 with the provisions of 15-1-501(6), receipt-therefor-and 21 promptly turn-the-same-over remit the collected taxes to the 22 23 state treasurer. Taxes not met paid on the due date shall 24 become are delinguent, and a penalty of 10% plus interest at the rate of 1% per month or fraction of a month computed on 25

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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 $15-1-501(6)_r$ 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

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

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

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

(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

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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.

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

9 Section 17. Section 15-65-136, MCA, is amended to read:
10 "15-65-136. (Temporary) Additional tax -- allocation.
11 (1) An additional tax is imposed on the user of a facility
12 at a rate equal to 0.28% of the accommodation charge
13 collected by the facility.

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

Section 18. Section 15-70-101, MCA, is amended to read: 17 "15-70-101. Disposition of funds. All taxes, interest, 18 and penalties collected under this chapter, except those 19 collected by a justice's court, must, in accordance with the 20 provisions of 15-1-501(6), be turned over promptly to the 21 state treasurer, who shall place the money in the state 22 special revenue fund to the credit of the department of 23 transportation. Those funds allocated to cities, towns, and 24 counties in this section must, in accordance with the 25

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.

4 (1) \$14,000,000 of the funds collected under this 5 chapter, except those collected by a justice's court, is 6 statutorily appropriated, as provided in 17-7-502, to the 7 department of transportation and must be allocated each 8 fiscal year on a monthly basis to the counties and 9 incorporated cities and towns in Montana for construction, 10 reconstruction, maintenance, and repair of rural roads and 11 city or town streets and alleys, as provided in subsections 12 (1)(a) through (1)(c):

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

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

18 (i) 40% in the ratio that the rural road mileage in
19 each county, exclusive of the federal-aid interstate system
20 and the federal-aid primary system, bears to the total rural
21 road mileage in the state, exclusive of the federal-aid
22 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

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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.

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

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.

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.

(5) For the purposes of this section in which 16 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 yearly certified statement indicating the total mileage 20 21 within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by 22 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

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1 be used for the purchase of capital equipment.

2 (7) Funds authorized by this section must be used for
3 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 shell 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: 11 *16-1-306. Revenue to be paid to state treasurer. 12 13 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 14 revenues collected by or under authority of the department 15 16 shall must, in accordance with the provisions of 17 15-1-501(6), be deposited with the state treasurer. He The state treasurer shall deposit the funds to the credit of the 18 19 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-chargey-receivey-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 Nontana an excise tax at the rate of: 1 (a) 16% of the retail selling price on all liquor sold 2 and delivered in the state by a company that manufactured, 3 distilled, rectified, bottled, or processed, and sold more 4 than 200,000 proof gallons of liquor nationwide in the 5 calendar year preceding imposition of the tax pursuant to 6 this section;

7 (b) 13.8% of the retail selling price on all liquor 8 sold and delivered in the state by a company that 9 manufactured, distilled, rectified, bottled, or processed, 10 and sold not more than 200,000 proof gallons of liquor 11 nationwide in the calendar year preceding imposition of the 12 tax pursuant to this section.

13 (2) The department shall retain the amount of such the 14 excise tax received in a separate account and shall, in 15 accordance with the provisions of 15-1-501(6), deposit with 16 the state treasurer, to the credit of the general fund, such 17 the sums collected and received not later than the 10th day 18 of each and-every month."

19 Section 22. Section 16-1-404, MCA, is amended to read:
20 "16-1-404. License tax on liquor -- amount -21 distribution of proceeds. (1) The department is--hereby
22 authorized--and--directed--to--chargey--receivey--and shall
23 collect at the time of sale and delivery of any liquor under
24 any provisions of the laws of the state of Montana a license
25 tax of:

1 (a) 10% of the retail selling price on all liquor sold 2 and delivered in the state by a company that manufactured, 3 distilled, rectified, bottled, or processed, and sold more 4 than 200,000 proof gallons of liquor nationwide in the 5 calendar year preceding imposition of the tax pursuant to 6 this section;

7 (b) 8.6% 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 not 10 more than 200,000 proof gallons of liquor nationwide in the 11 calendar year preceding imposition of the tax pursuant to 12 this section.

(2) The license tax shall must be charged and collected 13 14 on all liquor brought into the state and taxed by the 15 department. The retail selling price shall must be computed by adding to the cost of seid the liquor the state markup as 16 designated by the department. The license tax shall must be 17 figured in the same manner as the state excise tax and shall 18 19 be is in addition to said the state excise tax. The department shall retain in a separate account the amount of 20 the license tax so received. Thirty percent of these 21 revenues are statutorily appropriated, as provided in 22 23 17-7-502, to the department and shall must, in accordance with the provisions of 15-1-501(6), be allocated to the 24 counties according to the amount of liquor purchased in each 25

1 county to be distributed to the incorporated cities and 2 towns, as provided in subsection (3). Four and one-half 3 percent of these revenues are statutorily appropriated. as provided in 17-7-502, and shall must, in accordance with the ٨ 5 provisions of 15-1-501(6), be allocated to the counties 6 according to the amount of liquor purchased in each county, 7 and this money may be used for county purposes. The 8 remaining revenues shall must, in accordance with the 9 provisions of 15-1-501(6), be deposited in the state special 10 revenue fund to the credit of the department of corrections 11 and human services for the treatment, rehabilitation, and 12 prevention of alcoholism. Provided7-however7-in In the case 13 of purchases of liquor by a retail liquor licensee for use 14 in his the licensee's business, the department shall make 15 such regulations as are necessary to apportion that 16 proportion of license tax so generated to the county where 17 the licensed establishment is located, for use as provided 18 in 16-1-405. That proportion of the license tax is statutorily appropriated, as provided in 17-7-502, to the 19 20 department, which shall pay quarterly to each county 21 treasurer the proportion of the license tax due each county, 22 in accordance with the provisions of 15-1-501(6), to be allocated to the incorporated cities and towns of the 23 24 county.

25 (3) The license tax proceeds allocated to the county

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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.

8 (4) The license tax proceeds that are allocated to the 9 department of corrections and human services for the 10 treatment, rehabilitation, and prevention of alcoholism 11 shall must be credited quarterly to the department of 12 corrections and human services. The legislature may 13 appropriate a portion of the license tax proceeds to support 14 alcohol programs. The remainder shall must be distributed as 15 provided in 53-24-206."

16 Section 23. Section 16-1-408, MCA, is amended to read: 17 *16-1-408. Additional tax. An additional tax of \$1.30 per barrel is levied and imposed as provided by 16-1-406. 18 One dollar of this the additional tax is--to must, in 19 20 accordance with the provisions of 15-1-501(6), be deposited, notwithstanding 16-1-306 and 16-1-410 or any other 21 provision, with the state treasurer to the credit of the 22 23 department of corrections and human services each quarter 24 for the treatment, rehabilitation, and prevention of 25 alcoholism as approved by the state, and 30 cents of this

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1 <u>the</u> additional tax is-to must be deposited in the general 2 fund."

3 Section 24. Section 16-1-410, MCA, is amended to read: "16-1-410. (Temporary) Tax revenue allocation. Subject ۸ 5 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 6 gallons shall must, in accordance with the provisions of 7 8 15-1-501(6), be deposited with the state treasurer to the credit of the incorporated cities and towns beer tax account 9 10 in the state special revenue fund. The money in the account 11 is statutorily appropriated, as provided in 17-7-502, to the 12 state treasurer who shall, monthly, distribute this amount 13 of money to the incorporated cities and towns in the direct 14 proportion that the population of each city and town bears 15 to the total population of all incorporated cities and towns 16 as shown in the latest official federal census. For cities 17 and towns incorporated after the latest official federal 18 census, the census shall must be determined as of the date 19 of incorporation as evidenced by the certificate of the 20 incorporating officials of that city or town. If a city or 21 town disincorporates, it may not receive any funds under 22 this section and the amount previously distributed to the 23 city or town shall must be distributed to the remaining 24 incorporated cities and towns. All funds received by cities 25 and towns under this section shall must be expended for

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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 3 September 1993) Tax revenue allocation. All revenue received 4 from taxes on beer under 16-1-406 and 16-1-408 over and 5 above \$1.50 per barrel of 31 gallons shall must, in 6 accordance with the provisions of 15-1-501(6), be deposited 7 with the state treasurer to the credit of the incorporated 8 cities and towns beer tax account in the state special 9 revenue fund. The money in the account is statutorily 10 appropriated, as provided in 17-7-502, to the state 11 treasurer who shall, monthly, distribute this amount of 12 money to the incorporated cities and towns in the direct 13 proportion that the population of each city and town bears 14 to the total population of all incorporated cities and towns 15 as shown in the latest official federal census. For cities 16 and towns incorporated after the latest official federal 17 census, the census shall must be determined as of the date 18 of incorporation as evidenced by the certificate of the 19 incorporating officials of that city or town. If a city or 20 town disincorporates, it may not receive any funds under 21 this section and the amount previously distributed to the 22 city or town shall must be distributed to the remaining 23 incorporated cities and towns. All funds received by cities 24 and towns under this section shall must be expended for 25

2 transportation system, and public health."

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

state purposes such as law enforcement, maintenance of the

4 **"16-1-411. (Temporary) Tax on wine. (1)** A tax of 27 5 cents per liter is hereby levied and imposed on table wine 6 imported by any table wine distributor or the department.

7 (2) (a) The tax on table wine imported by a table wine 8 distributor shall <u>must</u> be paid by the table wine distributor 9 by the 15th day of the month following sale of the table 10 wine from the table wine distributor's warehouse. Failure to 11 file a table wine tax return or failure to pay the tax 12 required by this section subjects the table wine distributor 13 to the penalties and interest provided for in 16-1-409.

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

16 (3) The tax paid by a table wine distributor in 17 accordance with subsection (2)(a) and the tax collected by 18 the department in accordance with subsection (2)(b) shell 19 <u>must, in accordance with the provisions of 15-1-501(6)</u>, be 20 distributed as follows:

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

22 (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

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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 must15 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.

(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

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 must, in accordance with the provisions of 15-1-501(6), be 7 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.

(4) The tax computed and paid in accordance with this
section shall <u>must</u> 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.

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."

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.

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

19 Section 28. Section 16-1-423, MCA, is amended to read:
20 "16-1-423. (Temporary) Surtax on table wine -21 distribution. (1) In addition to the amount of tax liability
22 determined under 16-1-411, each table wine distributor
23 subject to taxation under this part shall pay, as a surtax,
24 7% of the tax liability.

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

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

2 to the credit of the state general fund."

Section 29. Section 16-11-119, MCA, is amended to read: 3 4 *16-11-119. (Temporary) Disposition of taxes ---5 retirement of bonds. (1) Except as provided in subsection 6 (2), all money collected under the provisions of 16-11-111, 7 less the expense of collecting the taxes, must, in 8 accordance with the provisions of 15-1-501(6), be paid to 9 the state treasurer and deposited as follows: 72.79% in the 10 long-range building program fund in the debt service fund 11 type and 27.21% in the long-range building program fund in the capital projects fund type. 12 13 (2) In fiscal year 1993, \$1,133,624 is transferred from

14 the long-range building program fund in the capital projects 15 fund type to the general fund. (Terminates June 30, 16 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

17 16-11-119. (Effective July 1, 1993) Disposition of taxes -- retirement of bonds. All moneys money collected 18 19 under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by 20 21 said that section, shall must, in accordance with the 22 provisions of 15-1-501(6), be paid to the state treasurer 23 and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the 24 25 long-range building program fund in the capital projects

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1 fund type.

2 16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. All moneys money collected 3 under the provisions of 16-11-111, less the expense of 4 collecting all the taxes levied, imposed, and assessed by 5 6 said that section, shall must, in accordance with the provisions of 15-1-501(6), be paid to the state treasurer 7 and deposited as follows: 70.89% in the long-range building 8 9 program fund in the debt service fund type and 29.11% in the 10 long-range building program fund in the capital projects fund type." 11

Section 30. Section 16-11-206, MCA, is amended to read: 12 13 "16-11-206. Wholesaler's discount --- disposition of 14 taxes. The taxes specified in this part that are paid by the 15 wholesaler shall must be paid to the department in full less a 5% defrayment for his the wholesaler's collection and 16 17 administrative expense and shall must, in accordance with 18 the provisions of 15-1-501(6), be deposited by the 19 department in the long-range building program debt service 20 fund. Refunds of the tax paid shall must be made as provided 21 in 15-1-503 in cases where the tobacco products purchased 22 become unsalable."

23 Section 31. Section 23-5-610, MCA, is amended to read:
24 "23-5-610. (Temporary) Video gambling machine gross
25 income tax -- records -- distribution -- quarterly statement

1 and payment. (1) A licensed operator issued a permit under this part shall pay to the department a video gambling 2 machine tax of 15% of the gross income from each video З gambling machine licensed under this part. A licensed 4 operator may deduct from the gross income amounts equal to 5 amounts stolen from machines if the amounts are not repaid 6 by insurance and if a law enforcement agency investigated 7 8 the theft.

9 (2) A licensed operator issued a permit under this part 10 shall keep a record of the gross income from each machine in 11 such the form as the department may require. The records 12 must at all times during the business hours of the licensee 13 be subject to inspection by the department.

14 (3) A licensed operator issued a permit under this part 15 shall, within 15 days after the end of each quarter, 16 complete and deliver to the department a statement showing the total gross income from each video gambling machine 17 18 licensed to him the operator, together with the total amount 19 due the state as video gambling machine gross income tax for 20 the preceding quarter. The statement must contain other 21 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.

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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 of the county or the clerk, finance officer, or treasurer of 4 the city or town in which the licensed machine is located, 5 for deposit to the county or municipal treasury. Counties 6 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 income tax -- records -- distribution -- guarterly statement 15 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 gambling machine licensed under this part. A licensed 19 operator may deduct from the gross income amounts equal to 20 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

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

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.

(b) The department shall, in accordance with the 15 provisions of 15-1-501(6), forward the remaining two-thirds 16 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. The two-thirds local government portion of tax collected 23 24 under subsection (3) is statutorily appropriated to the 25 department as provided in 17-7-502 for deposit to the county

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1 or municipal treasury."

Section 32. Section 23-5-646, MCA, is amended to read:
"23-5-646. (Temporary) Surtax -- distribution. (1) In
addition to the amount of tax liability determined under
23-5-610, each licensed operator subject to taxation under
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.

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

1 interest due on workers' compensation bonds issued under 2 39-71-2354 and 39-71-2355 and to establish and maintain a reserve for the bonds equal to the maximum annual principal 3 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 1, 1990." 11

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

14 <u>NEW SECTION.</u> 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 <u>NEW SECTION.</u> Section 36. Effective date. [This act] is
22 effective on passage and approval.

-End-

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STATE OF MONTANA - FISCAL NOTE Form BD-15 In compliance with a written request, there is hereby submitted a Fiscal Note for <u>HB0641, as introduced</u>.

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.

DAVID LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

MIKE FOSTER. DATE

Fiscal Note for <u>HB0641</u>, as introduced



53rd Legislature

HB 0641/02

.

APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 641	. 1	"15-1-501. (Temporary) Disposition of money from
2	INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,	2	certain designated license and other taxes. (1) The state
3	MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,	3	treasurer COLLECTING DEPARTMENT shall deposit to the credit
4	MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD	4	of the state general fund in accordance with the provisions
5	BY REQUEST OF THE HOUSE TAXATION COMMITTEE	5	of subsection (6) all money received byhim from the
6		6	collection of:
7	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX	7	(a) fees from driver's licenses, motorcycle
8	REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE	8	endorsements, and duplicate driver's licenses as provided in
9	GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE	9	61-5-121;
10	PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;	10	(b) electrical energy producer's license taxes under
11	SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED	11	chapter 51;
12	BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH	12	(c) severance taxes allocated to the general fund under
13	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS	13	chapter 36;
14	15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,	14	(d) liquor license taxes under Title 16;
15	15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-3B-136,	15	(e) telephone company license taxes under chapter 53;
16	15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,	16	and
17	15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,	17	(f) inheritance and estate taxes under Title 72,
18	16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,	18	chapter 16.
19	16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,	19	(2) All money received from the collection of income
20	23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,	20	taxes under chapter 30 of this title must, in accordance
21	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A	21	with the provisions of subsection (6), be deposited as
22	RETROACTIVE APPLICABILITY DATE."	22	follows:
23		23	(a) 62.8% of the taxes to the credit of the state
24	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	24	general fund;
25	Section 1. Section 15-1-501, MCA, is amended to read:	25	(b) 8.7% of the taxes to the credit of the debt service
	A		-2- HB 641

SECOND READING

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account for long-range building program bonds as described 1 1 in 17-5-408: 2 2 (c) 28.5% of the taxes to the credit of the state 3 3 special revenue fund for state equalization aid to the 4 4 public schools of Montana as described in 20-9-343; and 5 5 (d) all interest and penalties to the credit of the 6 6 7 state general fund. 7 (3) All money received from the collection of 8 B corporation license and income taxes under chapter 31 of 9 9 10 this title, except as provided in 15-31-702, must, in 10 11 accordance with the provisions of subsection (6), be 11 deposited as follows: 12 12 13 (a) 61% of the taxes to the credit of the state general 13 14 fund: 14 (b) 10.5% of the taxes to the credit of the debt 15 15 16 service account for long-range building program bonds as 16 described in 17-5-408; 17 17 (c) 28.5% of the taxes to the credit of the state 18 18 special revenue fund for state equalization aid to the 19 19 public schools of Montana as described in 20-9-343; and 20 20 (d) all interest and penalties to the credit of the 21 21 22 state general fund. 22 23 (4) The state treasurer shall also deposit to the 23 credit of the state general fund all money received by-him 24 24 25 from the collection of license taxes, fees, and all net 25

revenues and receipts from all other sources under the
 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) 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 (67(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

.7 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 <u>in accordance with the provisions of subsection</u> 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;

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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
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this title, except as provided in 15-31-702, must, in 1 2 accordance with the provisions of subsection (6), be 3 deposited as follows: (a) 61% of the taxes to the credit of the state general 4 fund; 5 (b) 10.5% of the taxes to the credit of the debt 6 7 service account for long-range building program bonds as 8 described in 17-5-408: (c) 28.5% of the taxes to the credit of the state 9 special revenue fund for state equalization aid to the 10 public schools of Montana as described in 20-9-343; and 11 12 (d) all interest and penalties to the credit of the 13 state general fund. 14 (4) The state--treasurer DEPARTMENT OF REVENUE shall also deposit to the credit of the state general fund all 15 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 Beverage Code. 19 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

provisions of the law governing allocation of the tax that

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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. (1) 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 <u>AS FOLLOWS:</u>
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 <u>; AND</u>
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

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collected from banks and savings and loan associations must, 1 in accordance with the provisions of 15-1-501(6), be 2 distributed in the following manner: З (a) 20% must be remitted-to-the-state-treasurer--to--be 4 allocated as provided in 15-1-501(3); and 5 (b) 80% is statutorily appropriated, as provided in 6 17-7-502, for allocation to the various taxing jurisdictions 7 within the county in which the bank or savings and loan 8 association is located. 9 (2) The corporation license taxes, interest, and 10 penalties distributed under subsection (1)(b) must be 11 allocated to each taxing jurisdiction in the proportion that 12 its mill levy for that fiscal year bears to the total mill 13 levy of the taxing authorities of the district in which the 14 bank or savings and loan association is located. 15 (3) "Taxing jurisdictions" means, for the purposes of 16 this section, all taxing authorities within a county 17 permitted under state law to levy mills against the taxable 18 value of property in the taxing district in which the bank 19 or savings and loan association is located. 20 (4) If a return filed by a bank or savings and loan 21

22 association involves branches or offices in more than one 23 taxing jurisdiction, the department of revenue shall provide 24 a method by rule for equitable distribution among those 25 taxing jurisdictions." 1 Section 5. Section 15-35-108, MCA, is amended to read: 2 "15-35-108. (Temporary) Disposal of severance taxes. 3 Severance taxes collected under this chapter must, in 4 accordance with the provisions of 15-1-501(6), be allocated 5 according-to-the-provisions-in-effect-on-the-date-the-tax-is 6 due-under-15-35-104.-Severance--taxes--collected--under--the 7 provisions-of-this-chapter-are-allocated as follows:

8 (1) To the trust fund created by Article IX, section 5, 9 of the Montana constitution, 50% of total coal severance tax 10 collections. The trust fund money must be deposited in the 11 fund established under 17-6-203(6) and invested by the board 12 of investments as provided by law.

13 (2) Starting July 1, 1992, and ending June 30, 1993,
14 12% of coal severance tax collections are allocated to the
15 general fund.

16 (3) Coal severance tax collections remaining after the 17 allocations provided by subsections (1) and (2) are 18 allocated in the following percentages of the remaining 19 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.

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

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equalization aid to public schools of the state; 1 (c) 1% to the state special revenue fund to the credit 2 of the county land planning account; 3 (d) 1 1/4% to the credit of the renewable resource 4 5 development bond fund; (e) 0% to a nonexpendable trust fund for the purpose of 6 parks management. Income from this trust fund must be 7 appropriated for the development, operation, and maintenance 8 of any sites and areas described in 23-1-102. 9 (f) 1% to the state special revenue fund to the credit 10 of the state library commission for the purposes of 11 providing basic library services for the residents of all 12 counties through library federations and for payment of the 13 costs of participating in regional and national networking; 14 (g) 1/2 of 1% to the state special revenue fund for 15 conservation districts; 16 (h) 1 1/4% to the debt service fund type to the credit 17 of the water development debt service fund; 18 (i) 2% to the state special revenue fund for the 19 Montana Growth Through Agriculture Act; 20 (j) 1 2/3% to the Montana arts council, to be allocated 21 22 as follows: (i) 42 1/2% for operating costs; and 23 (ii) 57 1/2% to a nonexpendable trust fund for the 24 purpose of protection of works of art in the state capitol 25 -11-HB 641

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 for other cultural and
 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;

(1) all other revenues from severance taxes collected
under the provisions of this chapter to the credit of the
general fund of the state. (Terminates June 30, 1993--sec.
3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January
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 attocated as follows: 23 (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

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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:

(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;

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;

(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

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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;

(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.

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

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<u>15-1-501(6)</u>, 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:

5 (1) To the trust fund cleated by Article IX, section 5, 6 of the Montana constitution, 50% of total coal severance tax 7 collections. The trust fund money must be deposited in the 8 fund established under 17-6-203(6) and invested by the board 9 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:

14 (a) 17 1/2% to the credit of the local impact account.
15 Unencumbered funds remaining in the local impact account at
16 the end of each biennium are allocated to the state special
17 revenue fund for state equalization aid to public schools of
18 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;

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

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

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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.

5 (f) 1% to the state special revenue fund to the credit 6 of the state library commission for the purposes of 7 providing basic library services for the residents of all 8 counties through library federations and for payment of the 9 costs of participating in regional and national networking;

10 (g) 1/2 of 1% to the state special revenue fund for 11 conservation districts;

12 (h) 1 1/4% to the debt service fund type to the credit13 of the water development debt service fund;

14 (i) 2% to the state special revenue fund for the15 Montana Growth Through Agriculture Act;

16 (j) 1 2/3% to a nonexpendable trust fund for the 17 purpose of protection of works of art in the state capitol 18 and for other cultural and aesthetic projects. Income from 19 this trust fund shall be appropriated for protection of 20 works of art in the state capitol and other cultural and 21 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."

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

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"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.

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.

(3) The state and local government severance taxes
collected under this chapter <u>must</u>, in accordance with the
provisions of 15-1-501(6), are 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);

4 (b) The state severance tax is allocated to the state5 general fund.

6 (4) (a) For the purpose of distribution of the local 7 government severance tax, the department shall adjust the unit value determined under this section according to the В 9 ratio that the local government severance taxes collected 10 during the guarters 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 total liability for local government severance taxes for the 13 quarters to be distributed. The taxes must be calculated and 14 15 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

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1 unit value as adjusted in this subsection (4)(a) times the 2 units of production on which the local government severance 3 tax was owed during the 2 calendar quarters immediately 4 following those quarters referred to in subsection 5 (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:

10 (i) The excess amount or shortage must be divided by 11 the total distribution determined for that period to obtain 12 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.

16 (iii) The shortage percentage must be multiplied by the 17 distribution to each taxing unit, and this amount must be 18 subtracted from the distribution to each respective taxing 19 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, HB 0641/02

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

3 (6) The board of county commissioners of a county may 4 direct the county treasurer to reallocate the distribution 5 of local government severance tax money that would have gone 6 to a taxing unit, as provided in subsection (5), to another 7 taxing unit or taxing units, other than an elementary school 8 or high school, within the county under the following 9 conditions:

(a) The county treasurer shall first allocate the
flocal 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.

15 (b) If the allocation in subsection (6)(a) exceeds the 16 total budget for a taxing unit, the commissioners may direct 17 the county treasurer to allocate the excess to any taxing 18 unit within the county.

19 (7) The board of trustees of an elementary or high
20 school district may reallocate the flocal government
21 severance; taxes distributed to the district by the county
22 treasurer under the following conditions:

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

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proceeds were distributed in the district in fiscal year 1 1 2 1990. (b) If the allocation under subsection (7)(a) exceeds 3 4 the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district." 5 6 Section 7. Section 15-36-126, MCA, is amended to read: 7 *15-36-126. (Temporary) Surtax. (1) Each person 8 required to pay the severance tax under this chapter on oil and gas production, other than production from a stripper 9 10 well, shall pay, in addition to the tax liability computed 11 as required in 15-36-101 and 15-36-121, a surtax of 7% of 12 the tax liability. (2) The additional tax must, in accordance with the 13 14 provisions of 15-1-501(6), be deposited to the credit of the 14 state general fund." 15 16 Section 8. Section 15-37-117, MCA, is amended to read: *15-37-117. (Temporary) Disposition of metalliferous 17 mines license taxes. (1) Except as provided in subsection 18 19 (4), metalliferous mines license taxes collected under the 20 provisions of this part are must, in accordance with the 20 21 provisions of 15-1-501(6), be allocated as follows: 22 (a) to the credit of the general fund of the state, 58% 23 of total collections each year;

24 (b) to the state special revenue fund to the credit of25 a hard-rock mining impact trust account, 1.5% of total

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collections each year;

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

۸ (d) to the county or counties identified 35 5 experiencing fiscal and economic impacts, resulting in 6 increased employment or local government costs, under an impact plan for a large-scale mineral development prepared 7 and approved pursuant to 90-6-307, in direct proportion to 8 the fiscal and economic impacts determined in the plan or, 9 10 if no an impact plan has not been prepared, to the county in 11 which the mine is located, 25% of total collections each 12 year, to be allocated by the county commissioners as 13 follows:

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

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

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

(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

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

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

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

(4) The proceeds of the surtax collected under 12 15-37-126 must, in accordance with the provisions of 13 15-1-501(6), be deposited to the credit of the general fund. 14 15-37-117. (Effective on receipt of taxes on production 15 occurring prior to January 1, 1993) Disposition of 16 metalliferous mines license taxes. (1) Metalliferous mines 17 license taxes collected under the provisions of this part 18 are must, in accordance with the provisions of 15-1-501(6), 19 be allocated as follows: 20

(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;

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

3 (d) to the county or counties identified as experiencing fiscal and economic impacts, resulting in 4 Ę, increased employment or local government costs, under an 6 impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to 7 8 the fiscal and economic impacts determined in the plan or, 9 if no an impact plan has not been prepared, to the county in 10 which the mine is located, 25% of total collections each 11 year, to be allocated by the county commissioners as 12 follows:

13 (i) not less than 40% to the county hard-rock mine
14 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:

17 (A) 33 1/3% is allocated to the county for planning or
18 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.

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

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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.

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

11 Section 9. Section 15-38-106, MCA, is amended to read: "15-38-106. (Temporary) Payment of tax -- records --12 13 collection of taxes -- refunds. (1) The tax imposed by this chapter shall must be paid by each person to which the tax 14 15 applies, on or before March 31, on the value of product in 16 the year preceding January 1 of the year in which the tax is 17 paid. The tax shall must be paid to the department at the 18 time the statement of yield for the preceding calendar year 19 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

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1 notice during normal business hours.

2 (3) The department shall examine the statement and 3 compute the taxes thereon to be imposed, and the amount computed by the department shall--be is the taxes tax 4 imposed, assessed against, and payable by the taxpayer. If 5 the tax found to be due is greater than the amount paid, the 6 excess shall must be paid by the taxpayer to the department 7 8 within 30 days after written notice of the amount of 9 deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference 10 must be applied as a tax credit against tax liability for 11 12 subsequent years or refunded if requested by the taxpayer.

15-38-106. (Effective July 1, 1993) Payment of tax --13 records -- collection of taxes -- refunds. (1) The tax 14 imposed by this chapter shall must be paid by each person to 15 16 which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in 17 which the tax is paid. The tax shall must be paid to the 18 department at the time the statement of yield for the 19 preceding calendar year is filed with the department. 20

(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

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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 5 compute the taxes thereon to be imposed, and the amount 6 computed by the department shall--be is the taxes tax 7 imposed, assessed against, and payable by the taxpayer. If 8 the tax found to be due is greater than the amount paid, the 9 excess shall must be paid by the taxpayer to the department 10 within 30 days after written notice of the amount of 11 deficiency is mailed by the department to the taxpayer. If 12 the tax imposed is less than the amount paid, the difference 13 must be applied as a tax credit against tax liability for 14 subsequent years or refunded if requested by the taxpayer." 15 Section 10. Section 15-38-136, MCA, is amended to read: 16 "15-38-136. (Temporary) Surtax. (1) Each person 17 required to pay the resource indemnity trust tax under this 18 part shall pay, in addition to the tax liability computed as 19 required in 15-38-104, a surtax of 7% of the tax liability. 20 (2) The additional tax must, in accordance with the 21 provisions of 15-1-501(6), be deposited to the credit of the 22 state general fund." 23

Section 11. Section 15-51-103, MCA, is amended to read:
"15-51-103. Disposition of revenue -- interest on

1 delinguency. The department of revenue shall, in accordance 2 with the provisions of 15-1-501(6), receipt-therefor-and 3 promptly turn-the-same-over remit the collected taxes to the 4 state treasurer. Taxes not met paid on the due date shall 5 become are delinguent, and a penalty of 10% plus interest at 6 the rate of 1% per month or fraction of a month computed on 7 the total of tax and penalty shall must be charged." Section 12. Section 15-53-114, MCA, is amended to read: 8

9 "15-53-114. Disposal of license taxes. License taxes
10 collected under this chapter shall must, in accordance with
11 the provisions of 15-1-501(6), be credited to the general
12 fund of the state."

13 Section 13. Section 15-59-108, MCA, is amended to read: 14 "15-59-108. Deposit of taxes. All license taxes 15 collected under the provisions of this part shall must, in 16 accordance with the provisions of 15-1-501(6), be deposited 17 to the credit of the general fund of the state."

18 Section 14. Section 15-59-208, MCA, is amended to read: 19 "15-59-208. Deposit of license taxes. All license taxes 20 collected under the provisions of this part shell must, in 21 accordance with the provisions of 15-1-501(6), be deposited 22 to the credit of the general fund of the state."

23 Section 15. Section 15-60-210, MCA, is amended to read:
24 "15-60-210. Disposition of fee. All proceeds from the
25 collection of utilization fees, including penalties and

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l	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	<u>15-1-501(6) and as provided in subsections (1)(a) through</u>
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

a location for the production of motion pictures and
 television commercials, to the Montana historical society,
 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 qualifies25 under this section for funds but fails to either recognize a

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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.

6 (3) If a regional nonprofit tourism corporation fails 7 to submit and gain approval for an annual marketing plan as 8 required in 15-65-122, then those funds otherwise allocated 9 to the regional nonprofit tourism corporation may be used by 10 the department of commerce for tourism promotion and 11 promotion of the state as a location for the production of 12 motion pictures and television commercials.

13 (4) The department of commerce may use general fund14 loans for efficient implementation of this section."

15 Section 17. Section 15-65-136, MCA, is amended to read:
16 "15-65-136. (Temporary) Additional tax -- allocation.
17 (1) An additional tax is imposed on the user of a facility
18 at a rate equal to 0.28% of the accommodation charge
19 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 1 2 provisions of 15-1-501(6), be turned-over-promptly-to-the 3 state-treasurery-who-shall-place-the--money PLACED in the state special revenue fund to the credit of the department 4 of transportation. Those funds allocated to cities, towns, 5 and counties in this section must, in accordance with the £ provisions of 15-1-501(6), be paid by the department of 7 8 transportation from the state special revenue fund to the 9 cities, towns, and counties.

10 (1) \$14,000,000 of the funds collected under this chapter, except those collected by a justice's court, is 11 statutorily appropriated, as provided in 17-7-502, to the 12 department of transportation and must be allocated each 13 14 fiscal year on a monthly basis to the counties and 15 incorporated cities and towns in Montana for construction, reconstruction, maintenance, and repair of rural roads and 16 city or town streets and alleys, as provided in subsections 17 18 (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 variouscounties in the following manner:

24 (i) 40% in the ratio that the rural road mileage in25 each county, exclusive of the federal-aid interstate system

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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;

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:

(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

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city or town streets and alleys or for the share that the ٦ city, town, or county might otherwise expend for 2 proportionate matching of federal funds allocated for the 3 construction of roads or streets that are part of the 4 5 federal-aid primary or secondary highway system or urban extensions to those systems, except that the governing body 6 of a town or third-class city, as defined in 7-1-4111, may 7 each year expend no more than 25% of the funds allocated to 8 9 that town or third-class city for the purchase of capital equipment and supplies to be used for the maintenance and 1.0 11 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.

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.

(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

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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.

5 (6) Except by a town or third-class city as provided in 6 subsection (2), the funds authorized by this section may not 7 be used for the purchase of capital equipment.

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

10 Section 19. Section 15-71-104, MCA, is amended to read: 11 "15-71-104. Disposition of funds. All taxes collected 12 under this chapter shall must, in accordance with the 13 provisions of 15-1-501(6), be turned-over--promptly--to--the 14 state-treasurer-and-the-state-treasurer-shall-place-the same 15 taxes PLACED in the state special revenue fund to the credit 16 of the department of transportation."

Section 20. Section 16-1-306, MCA, is amended to read: 17 *16-1-306. Revenue to be paid to state treasurer. 18 Except as provided in 16-1-404, 16-1-405, 16-1-408, 19 16-1-410, and 16-1-411, all fees, charges, taxes, and 20 revenues collected by or under authority of the department 21 shall must, in accordance with the provisions of 22 15-1-501(6), be deposited with-the-state-treasurer. He The 23 state-treasurer shall-deposit-the-funds to the credit of the 24 state general fund." 25

1 Section 21. Section 16-1-401, MCA, is amended to read: 2 "16-1-401. Liquor excise tax. (1) The department is 3 hereby-authorized-and-directed-to-charge7-receive7-and shall 4 collect at the time of the sale and delivery of any liquor 5 as authorized under any provision of the laws of the state 6 of Montana an excise tax at the rate of:

7 (a) 16% 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;

(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.

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

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

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1 *16-1-404. License tax on liquor -- amount --2 distribution of proceeds. (1) The department is-hereby 3 authorized--and--directed--to--charge7--receive7--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;

(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.

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

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

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1 department, which shall pay quarterly to each county 2 treasurer the proportion of the license tax due each county<u>r</u> 3 <u>in accordance with the provisions of 15-1-501(6)</u>, to be 4 allocated to the incorporated cities and towns of the 5 county.

(3) The license tax proceeds allocated to the county 6 7 under subsection (2) for use by cities and towns shall must 8 be distributed by the county treasurer to the incorporated 9 cities and towns within 30 days of receipt from the 10 department. The distribution of funds to the cities and 11 towns shall must be based on the proportion that the gross 12 sale of liquor in each city or town is to the gross sale of 13 liquor in all of the cities and towns of the county.

14 (4) The license tax proceeds that are allocated to the 15 department of corrections and human services for the 16 treatment, rehabilitation, and prevention of alcoholism 17 shall must be credited quarterly to the department of 18 corrections and human services. The legislature mav 19 appropriate a portion of the license tax proceeds to support 20 alcohol programs. The remainder shall must be distributed as 21 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

1 accordance with the provisions of 15-1-501(6), be deposited, 2 notwithstanding 16-1-306 and 16-1-410 or any other 3 provision, with the state treasurer to the credit of the 4 department of corrections and human services each guarter 5 for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of this 6 7 the additional tax is-to must be deposited in the general fund." я

9 Section 24. Section 16-1-410, MCA, is amended to read: 10 "16-1-410. (Temporary) Tax revenue allocation. Subject 11 to 16-1-422, all revenue received from taxes on beer under 12 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31 13 gallons shall must, in accordance with the provisions of 14 15-1-501(6), be deposited with the state treasurer to the 15 credit of the incorporated cities and towns beer tax account 16 in the state special revenue fund. The money in the account 17 is statutorily appropriated, as provided in 17-7-502, to the 18 state-treasurer DEPARTMENT OF REVENUE who shall, monthly, 19 distribute this amount of money to the incorporated cities 20 and towns in the direct proportion that the population of 21 each city and town bears to the total population of all 22 incorporated cities and towns as shown in the latest 23 official federal census. For cities and towns incorporated 24 after the latest official federal census, the census shall 25 must be determined as of the date of incorporation as

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

16-1-410. (Effective on receipt of taxes or fees for 10 September 1993) Tax revenue allocation. All revenue received 11 from taxes on beer under 16-1-406 and 16-1-408 over and 12 above \$1.50 per barrel of 31 gallons shall must, in 13 accordance with the provisions of 15-1-501(6), be deposited 14 with the state treasurer to the credit of the incorporated 15 cities and towns beer tax account in the state special 16 revenue fund. The money in the account is statutorily 17 appropriated, as provided in 17-7-502, to the state 18 treasurer DEPARTMENT OF REVENUE who shall, monthly, 19 distribute this amount of money to the incorporated cities 20 and towns in the direct proportion that the population of 21 each city and town bears to the total population of all 22 incorporated cities and towns as shown in the latest 23 official federal census. For cities and towns incorporated 24 after the latest official federal census, the census shall 25

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 previously distributed to the city or town shall must be 5 distributed to the remaining incorporated cities and towns. 6 7 All funds received by cities and towns under this section shall must be expended for state purposes such as law 8 enforcement, maintenance of the transportation system, and 9 10 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.

24 (3) The tax paid by a table wine distributor in25 accordance with subsection (2)(a) and the tax collected by

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

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

(b) of the remaining 11 cents:

5

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

(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.

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.

(5) The proceeds of the surtax imposed by 16-1-423 must
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

is hereby levied and imposed on table wine imported by any
 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 <u>must</u>, in <u>accordance with the provisions of 15-1-501(6)</u>, 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;

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

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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 <u>must</u> be the only tax imposed by the state or
8 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.

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

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.

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."

Section 29. Section 16-11-119, MCA, is amended to read: 11 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 accordance with the provisions of 15-1-501(6), be paid--to 16 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.

(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.)

25 16-11-119. (Effective July 1, 1993) Disposition of

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

16-11-119. (Effective August 15, 1993) Disposition of 10 taxes -- retirement of bonds. All moneys money collected 11 under the provisions of 16-11-111, less the expense of 12 13 collecting all the taxes levied, imposed, and assessed by said that section, shall must, in accordance with the 14 provisions of 15-1-501(6), be paid-to-the-state-treasurer 15 and deposited as follows: 70.89% in the long-range building 16 17 program fund in the debt service fund type and 29.11% in the long-range building program fund in the capital projects 18 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 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: 6 "23-5-610. (Temporary) Video gambling machine gross 7 8 income tax -- records -- distribution -- guarterly 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 gambling machine licensed under this part. A licensed 12 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.

(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

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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.

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.

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

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 guarter, 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.

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

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

Section 32. Section 23-5-646, MCA, is amended to read: "23-5-646. (Temporary) Surtax -- distribution. (1) In addition to the amount of tax liability determined under 23-5-610, each licensed operator subject to taxation under this part shall pay, as a surtax, 7% of the tax liability.

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

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

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

2 compensation tax account under section 11, Chapter 9, 3 Special Laws of June 1989, must, in accordance with the provisions of 15-1-501(6), be deposited in the workers' ۸ 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 1, 1990." 19

on the tax, and revenue appropriated to the workers'

20 <u>NEW SECTION.</u> Section 34. Repealer. Section 15-1-502,
21 MCA, is repealed.

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

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

4 NEW SECTION. Section 36. Effective date. [This act] is

5 effective on passage and approval.

-End-

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53rd Legislature

RETROACTIVE APPLICABILITY DATE."

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HOUSE BILL NO. 641	1 "15-1-501. (Temporary) Disposition of money from
INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,	2 certain designated license and other taxes. (1) The state
MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,	3 treasurer COLLECTING DEPARTMENT shall deposit to the credit
MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD	4 of the state general fund in accordance with the provisions
BY REQUEST OF THE HOUSE TAXATION COMMITTEE	5 of subsection (6) all money received byhim from the
	6 collection of:
A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX	7 (a) fees from driver's licenses, motorcycle
REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE	8 endorsements, and duplicate driver's licenses as provided in
GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE	9 61-5-121;
PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;	10 (b) electrical energy producer's license taxes under
SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED	11 chapter 51;
BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH	12 (c) severance taxes allocated to the general fund under
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS	13 chapter 36;
15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,	14 (d) liquor license taxes under Title 16;
15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,	15 (e) telephone company license taxes under chapter 53;
15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,	16 and
15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,	17 (f) inheritance and estate taxes under Title 72,
16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,	18 chapter 16.
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	

22 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:

via Legislative Counci

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

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HB 641

1	HOUSE BILL NO. 641	1 "15-1-501. (Temporary) Disposition of money from
2	INTRODUCED BY FOSTER, GILBERT, HARRINGTON, DOLEZAL, KELLER,	2 certain designated license and other taxes. (1) The state
3	MCCARTHY, ANDERSON, ORR, T. NELSON, M. HANSON, FELAND, TUNBY,	3 treasurer <u>COLLECTING DEPARTMENT</u> shall deposit to the credit
4	MCCAFFREE, BOHLINGER, DRISCOLL, HIBBARD	4 of the state general fund in accordance with the provisions
5	BY REQUEST OF THE HOUSE TAXATION COMMITTEE	5 of subsection (6) all money received byhim from the
6		6 collection of:
7	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT TAX	7 (a) fees from driver's licenses, motorcycle
8	REVENUE MUST BE DISTRIBUTED ACCORDING TO THE STATUTE	8 endorsements, and duplicate driver's licenses as provided in
9	GOVERNING ALLOCATION OF THE TAX THAT WAS IN EFFECT FOR THE	9 61-5-121;
10	PERIOD THE TAX REVENUE WAS RECORDED FOR ACCOUNTING PURPOSES;	10 (b) electrical energy producer's license taxes under
11	SPECIFYING THAT TAX REVENUE MUST BE RECORDED AS PRESCRIBED	ll chapter 51;
12	BY THE DEPARTMENT OF ADMINISTRATION IN ACCORDANCE WITH	12 (c) severance taxes allocated to the general fund under
13	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AMENDING SECTIONS	13 chapter 36;
14	15-1-501, 15-23-716, 15-25-122, 15-31-702, 15-35-108,	<pre>14 (d) liquor license taxes under Title 16;</pre>
15	15-36-112, 15-36-126, 15-37-117, 15-38-106, 15-38-136,	15 (e) telephone company license taxes under chapter 53;
16	15-51-103, 15-53-114, 15-59-108, 15-59-208, 15-60-210,	16 and
17	15-65-121, 15-65-136, 15-70-101, 15-71-104, 16-1-306,	17 (f) inheritance and estate taxes under Title 72,
18	16-1-401, 16-1-404, 16-1-408, 16-1-410, 16-1-411, 16-1-421,	18 chapter 16.
19	16-1-422, 16-1-423, 16-11-119, 16-11-206, 23-5-610,	19 (2) All money received from the collection of income
20	23-5-646, AND 39-71-2504, MCA; REPEALING SECTION 15-1-502,	20 taxes under chapter 30 of this title must, in accordance
21	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A	21 with the provisions of subsection (6), be deposited as
22	RETROACTIVE APPLICABILITY DATE."	22 follows:
23		23 (a) 62.8% of the taxes to the credit of the state
24	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	24 general fund;
25	Section 1. Section 15-1-501, MCA, is amended to read:	25 (b) 8.7% of the taxes to the credit of the debt service

Montana Legustative Council

REFERENCE BILL

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1 account for long-range building program bonds as described in 17-5-408: 2 (c) 28.5% of the taxes to the credit of the state 3 4 special revenue fund for state equalization aid to the 5 public schools of Montana as described in 20-9-343; and (d) all interest and penalties to the credit of the 6 state general fund. 7 8 (3) All money received from the collection of 9 corporation license and income taxes under chapter 31 of this title, except as provided in 15-31-702, must, in 10 accordance with the provisions of subsection (6), be 11 12 deposited as follows: (a) 61% of the taxes to the credit of the state general 13 14 fund: 15 (b) 10.5% of the taxes to the credit of the debt service account for long-range building program bonds as 16 described in 17-5-408; 17 (c) 28.5% of the taxes to the credit of the state 18 19 special revenue fund for state equalization aid to the public schools of Montana as described in 20-9-343; and 20 (d) all interest and penalties to the credit of the 21 22 state general fund. (4) The state treasurer shall also deposit to the 23 24 credit of the state general fund all money received by-him 25 from the collection of license taxes, fees, and all net HB 641 -3-

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

revenues and receipts from all other sources under the

provisions of the law governing allocation of the tax that 8 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 generally accepted accounting principles. 13 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;

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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	1
11	taxes under chapter 30 of this title must, in accordance	1
12	with the provisions of subsection (6), be deposited as	1
13	follows:	1
14	(a) 59.5% of the taxes to the credit of the state	1
15	general fund;	1
16	(b) 8.7% of the taxes to the credit of the debt service	2
17	account for long-range building program bonds as described	-
18	in 17-5-40B;	1
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	
	-5- НВ 641	

1	this title, except as provided in 15-31-702, must <u>, in</u>
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 statetreasurer 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 receip's 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

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were in effect for the period in which the tax revenue was	1
recorded for accounting purposes. Tax revenue must be	2
recorded as prescribed by the department of administration,	3
pursuant to 17-1-102(2) and (5), in accordance with	4
generally accepted accounting principles.	5
(7)(6) All refunds of taxes must be attributed to the	6
funds in which the taxes are deposited CURRENTLY BEING	7
RECORDED. All refunds of interest and penalties must be	8
attributed to the funds in which the interest and penalties	9
are deposited CURRENTLY BEING RECORDED."	10
Section 2. Section 15-23-716, MCA, is amended to read:	11
"15-23-716. (Temporary) Surtax distribution. (1)	12
Each person required to pay the coal gross proceeds tax	13
under this part shall pay, in addition to the tax liability	14
determined under 15-23-703, a surtax of 7% of the tax	15
liability.	16
(2) Notwithstanding the provisions of 15-23-707, the	17
money received from county treasurers from the surtax	18
collected under this section must, in accordance with the	19
provisions of 15-1-501(6), be deposited to the credit of the	20
state general fund."	21
Section 3. Section 15-25-122, MCA, is amended to read:	22
"15-25-122. Disposition of proceeds. (1) The department	23
shall, in accordance with the provisions of 15-1-501(6),	24
transfer all taxes collected pursuant to this chapter, less	25
	<pre>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 <u>CURRENTLY BEING</u> <u>RECORDED</u>. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are deposited <u>CURRENTLY BEING RECORDED</u>." 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),</pre>

 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:

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

11 (i) for grants to youth courts to fund chemical abuse12 assessments; and

3 (ii) for grants to counties to fund services for the
4 detention of juvenile offenders in facilities separate from
5 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

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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:

4 (a) 20% must be remitted-to-the-state-treasurer--to--be 5 allocated as provided in 15-1-501(3); and

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

10 (2) The corporation license taxes, interest, and 11 penalties distributed under subsection (1)(b) must be 12 allocated to each taxing jurisdiction in the proportion that 13 its mill levy for that fiscal year bears to the total mill 14 levy of the taxing authorities of the district in which the 15 bank or savings and loan association is located.

16 (3) "Taxing jurisdictions" means, for the purposes of
17 this section, all taxing authorities within a county
18 permitted under state law to levy mills against the taxable
19 value of property in the taxing district in which the bank
20 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."

1 Section 5. Section 15-35-108, MCA, is amended to read: 2 "15-35-108. (Temporary) Disposal of severance taxes. 3 Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated 4 5 according-to-the-provisions-in-effect-on-the-date-the-tax-is 6 due-under-15-35-184:-Severance--taxes--collected--under--the 7 provisions-of-this-chapter-are-allocated as follows: В (1) To the trust fund created by Article IX, section 5, 9 of the Montana constitution, 50% of total coal severance tax 10 collections. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board 11 12 of investments as provided by law. 13 (2) Starting July 1, 1992, and ending June 30, 1993, 14 12% of coal severance tax collections are allocated to the 15 general fund. 16 (3) Coal severance tax collections remaining after the 17 allocations provided by subsections (1) and (2) are 18 allocated in the following percentages of the remaining 19 balance: (a) 17 1/2% to the credit of the local impact account. 20 21 Unencumbered funds remaining in the local impact account at 22 the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of 23

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

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the state.

(c) 1% to the state special revenue fund to the credit 2 of the county land planning account; 3 (d) 1 1/4% to the credit of the renewable resource 4 development bond fund; 5 (e) 0% to a nonexpendable trust fund for the purpose of 6 parks management. Income from this trust fund must be 7 appropriated for the development, operation, and maintenance 8 of any sites and areas described in 23-1-102. 9 (f) 1% to the state special revenue fund to the credit 10 of the state library commission for the purposes of 11 providing basic library services for the residents of all 12 counties through library federations and for payment of the 13 costs of participating in regional and national networking; 14 (g) 1/2 of 1% to the state special revenue fund for 15 conservation districts; 16 (h) 1 1/4% to the debt service fund type to the credit 17 of the water development debt service fund; 18 (i) 2% to the state special revenue fund for the 19 Montana Growth Through Agriculture Act; 20 (i) $1 \frac{2}{3}$ to the Montana arts council, to be allocated 21 as follows: 22 (i) 42 1/2% for operating costs; and 23 (ii) 57 1/2% to a nonexpendable trust fund for the 24 purpose of protection of works of art in the state capitol 25 HB 641 -11-

equalization aid to public schools of the state;

1

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 for other cultural and
 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;

(1) all other revenues from severance taxes collected
under the provisions of this chapter to the credit of the
general fund of the state. (Terminates June 30, 1993--sec.
3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January
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 <u>15-1-501(6)</u>, 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:

(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

2 of investments as provided by law.

1

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:

(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;

18 (c) 1% to the state special revenue fund to the credit19 of the county land planning account;

20 (d) 1 1/4% to the credit of the renewable resource
21 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

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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;

(i) 2% to the state special revenue fund for the
 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

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<u>15-1-501(6)</u>, 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:

5 (1) To the trust fund created by Article IX, section 5, 6 of the Montana constitution, 50% of total coal severance tax 7 collections. The trust fund money must be deposited in the 8 fund established under 17-6-203(6) and invested by the board 9 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:

14 (a) 17 1/2% to the credit of the local impact account.
15 Unencumbered funds remaining in the local impact account at
16 the end of each biennium are allocated to the state special
17 revenue fund for state equalization aid to public schools of
18 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;

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

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

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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.

5 (f) 1% to the state special revenue fund to the credit 6 of the state library commission for the purposes of 7 providing basic library services for the residents of all 8 counties through library federations and for payment of the 9 costs of participating in regional and national networking;

10 (g) 1/2 of 1% to the state special revenue fund for 11 conservation districts;

12 (h) 1 1/4% to the debt service fund type to the credit13 of the water development debt service fund;

14 (i) 2% to the state special revenue fund for the15 Montana Growth Through Agriculture Act;

16 (j) 1 2/3% to a nonexpendable trust fund for the 17 purpose of protection of works of art in the state capitol 18 and for other cultural and aesthetic projects. Income from 19 this trust fund shall be appropriated for protection of 20 works of art in the state capitol and other cultural and 21 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."

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

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*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.

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 <u>must</u>, in accordance with the
25 provisions of 15-1-501(6), are be allocated as follows:

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(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);

4 (b) The state severance tax is allocated to the state5 general fund.

(4) (a) For the purpose of distribution of the local 6 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 during the guarters to be distributed plus accumulated 10 11 interest earned by the state and penalties and interest on 12 delinguent local government severance taxes bears to the 13 total liability for local government severance taxes for the quarters to be distributed. The taxes must be calculated and 14 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 guarters ending March 31 22 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

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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 guarters immediately
 following those guarters referred to in subsection
 (4)(a)(i).

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

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

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

16 (iii) The shortage percentage must be multiplied by the
17 distribution to each taxing unit, and this amount must be
18 subtracted from the distribution to each respective taxing
19 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,

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except that no <u>a</u> distribution may <u>not</u> be made to a municipal
 taxing unit.

3 (6) The board of county commissioners of a county may 4 direct the county treasurer to reallocate the distribution 5 of local government severance tax money that would have gone 6 to a taxing unit, as provided in subsection (5), to another 7 taxing unit or taxing units, other than an elementary school 8 or high school, within the county under the following 9 conditions:

(a) The county treasurer shall first allocate the
flocal 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.

15 (b) If the allocation in subsection (6)(a) exceeds the 16 total budget for a taxing unit, the commissioners may direct 17 the county treasurer to allocate the excess to any taxing 18 unit within the county.

19 (7) The board of trustees of an elementary or high
20 school district may reallocate the flocal government
21 severance¹ taxes distributed to the district by the county
22 treasurer under the following conditions:

23 (a) The district shall first allocate the flocal
24 government severance; taxes to the budgeted funds of the
25 district in the same proportion that all other property tax

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1 proceeds were distributed in the district in fiscal year 2 1990. (b) If the allocation under subsection (7)(a) exceeds 3 4 the total budget for a fund, the trustees may allocate the 5 excess to any budgeted fund of the school district." Section 7. Section 15-36-126. MCA, is amended to read: б 7 "15-36-126. (Temporary) Surtax. (1) Each person 8 required to pay the severance tax under this chapter on oil 9 and gas production, other than production from a stripper 10 well, shall pay, in addition to the tax liability computed

12 the tax liability.
13 (2) The additional tax must, in accordance with the

11

as required in 15-36-101 and 15-36-121, a surtax of 7% of

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

16 Section 8. Section 15-37-117, MCA, is amended to read: 17 "15-37-117. (Temporary) Disposition of metalliferous 18 mines license taxes. (1) Except as provided in subsection 19 (4), metalliferous mines license taxes collected under the 20 provisions of this part are must, in accordance with the 21 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 ofa hard-rock mining impact trust account, 1.5% of total

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1 collections each year;

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

4 (d) to the county or counties identified as 5 experiencing fiscal and economic impacts, resulting in 6 increased employment or local government costs, under an impact plan for a large-scale mineral development prepared 7 8 and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, 9 10 if no an impact plan has not been prepared, to the county in 11 which the mine is located, 25% of total collections each 12 year, to be allocated by the county commissioners as 13 follows:

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

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

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

(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

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

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

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

(4) The proceeds of the surtax collected under 12 15-37-126 must, in accordance with the provisions of 13 15-1-501(6), be deposited to the credit of the general fund. 14 15-37-117. (Effective on receipt of taxes on production 15 occurring prior to January 1, 1993) Disposition of 16 metalliferous mines license taxes. (1) Metalliferous mines 17 license taxes collected under the provisions of this part 18 are must, in accordance with the provisions of 15-1-501(6), 19 20 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;

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

(d) to the county or counties identified 3 as 4 experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an 5 impact plan for a large-scale mineral development prepared 6 and approved pursuant to 90-6-307, in direct proportion to 7 the fiscal and economic impacts determined in the plan or, 8 if no an impact plan has not been prepared, to the county in 9 10 which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as 11 12 follows:

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

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

17 (A) 33 1/3% is allocated to the county for planning or
18 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.

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

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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.

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

Section 9. Section 15-38-106, MCA, is amended to read: 11 *15-38-106. (Temporary) Payment of tax -- records --12 collection of taxes -- refunds. (1) The tax imposed by this 13 chapter shall must be paid by each person to which the tax 14 applies, on or before March 31, on the value of product in 15 the year preceding January 1 of the year in which the tax is 16 paid. The tax shall must be paid to the department at the 17 time the statement of yield for the preceding calendar year 18 is filed with the department. 19

20 (2) The department shall, in accordance with the 21 provisions of 15-1-501(6), deposit the proceeds of the tax 22 in the resource indemnity trust fund of the nonexpendable 23 trust fund type. Every person to whom the tax applies shall 24 keep records in accordance with 15-38-105, and the records 25 are subject to inspection by the department upon reasonable

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1 notice during normal business hours.

2 (3) The department shall examine the statement and з compute the taxes thereon to be imposed, and the amount computed by the department shall--be is the taxes tax 4 imposed, assessed against, and payable by the taxpayer. If 5 6 the tax found to be due is greater than the amount paid, the 7 excess shall must be paid by the taxpayer to the department within 30 days after written notice of the amount of 8 9 deficiency is mailed by the department to the taxpayer. If 10 the tax imposed is less than the amount paid, the difference 11 must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer. 12

15-38-106. (Effective July 1, 1993) Payment of tax --13 14 records -- collection of taxes -- refunds. (1) The tax 15 imposed by this chapter shall must be paid by each person to 16 which the tax applies, on or before March 31, on the value 17 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 18 19 department at the time the statement of yield for the 20 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

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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 5 compute the taxes thereon to be imposed, and the amount 6 computed by the department shall--be is the taxes tax 7 imposed, assessed against, and payable by the taxpayer. If 8 the tax found to be due is greater than the amount paid, the 9 excess shall must be paid by the taxpayer to the department 10 within 30 days after written notice of the amount of 11 deficiency is mailed by the department to the taxpayer. If 12 the tax imposed is less than the amount paid, the difference 13 must be applied as a tax credit against tax liability for 14 subsequent years or refunded if requested by the taxpayer." 15 Section 10. Section 15-38-136, MCA, is amended to read: 16 *15-38-136. (Temporary) Surtax. (1) Each person 17 required to pay the resource indemnity trust tax under this 18 part shall pay, in addition to the tax liability computed as 19 required in 15-38-104, a surtax of 7% of the tax liability. 20 (2) The additional tax must, in accordance with the 21 provisions of 15-1-501(6), be deposited to the credit of the 22

23 state general fund."

Section 11. Section 15-51-103, MCA, is amended to read:
"15-51-103. Disposition of revenue -- interest on

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1 delinguency. The department of revenue shall, in accordance 2 with the provisions of 15-1-501(6), receipt-therefor-and 3 promptly turn-the-same-over remit the collected taxes to the 4 state treasurer. Taxes not met paid on the due date shall become are delinguent, and a penalty of 10% plus interest at 5 6 the rate of 1% per month or fraction of a month computed on 7 the total of tax and penalty shall must be charged." 8 Section 12. Section 15-53-114, MCA, is amended to read: 9 *15-53-114. Disposal of license taxes. License taxes 10 collected under this chapter shall must, in accordance with 11 the provisions of 15-1-501(6), be credited to the general 12 fund of the state." Section 13. Section 15-59-108, MCA, is amended to read: 13 14 "15-59-108. Deposit of taxes. All license taxes 15 collected under the provisions of this part shall must, in 16 accordance with the provisions of 15-1-501(6), be deposited to the credit of the general fund of the state." 17 Section 14. Section 15-59-208, MCA, is amended to read: 18 "15-59-208. Deposit of license taxes. All license taxes 19 20 collected under the provisions of this part shall must, in 21 accordance with the provisions of 15-1-501(6), be deposited

22 to the credit of the general fund of the state."

23 Section 15. Section 15-60-210, MCA, is amended to read:
 24 "15-60-210. Disposition of fee. All proceeds from the
 25 collection of utilization fees, including penalties and

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1 interest, must, in accordance with the provisions of 15-1-501(6), be deposited in the state general fund." 2 3 Section 16. Section 15-65-121, MCA, is amended to read: "15-65-121, Distribution of tax proceeds -- general 4 fund loan authority. (1) The proceeds of the tax imposed by 5 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 tax proceeds in accordance with the provisions of 13 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

a location for the production of motion pictures and
 television commercials, to the Montana historical society,
 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

(c) the balance of the proceeds as follows:

9

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

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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.

6 (3) If a regional nonprofit tourism corporation fails 7 to submit and gain approval for an annual marketing plan as 8 required in 15-65-122, then those funds otherwise allocated 9 to the regional nonprofit tourism corporation may be used by 10 the department of commerce for tourism promotion and 11 promotion of the state as a location for the production of 12 motion pictures and television commercials.

13 (4) The department of commerce may use general fund14 loans for efficient implementation of this section."

15 Section 17. Section 15-65-136, MCA, is amended to read: 16 "15-65-136. (Temporary) Additional tax -- allocation. 17 (1) An additional tax is imposed on the user of a facility 18 at a rate equal to 0.28% of the accommodation charge 19 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

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1 collected by a justice's court, must, in accordance with the 2 provisions of 15-1-501(6), be turned-over-promptly-to-the state-treasurery-who-shall-place-the--money PLACED in the 3 4 state special revenue fund to the credit of the department 5 of transportation. Those funds allocated to cities, towns, 6 and counties in this section must, in accordance with the 7 provisions of 15-1-501(6), be paid by the department of 8 transportation from the state special revenue fund to the Q. cities, towns, and counties.

10 (1) \$14,000,000 of the funds collected under this 11 chapter, except those collected by a justice's court, is 12 statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each 13 14 fiscal year on a monthly basis to the counties and 15 incorporated cities and towns in Montana for construction, 16 reconstruction, maintenance, and repair of rural roads and 17 city or town streets and alleys, as provided in subsections 18 (1)(a) through (1)(c):

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

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

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

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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;

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;

(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;

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.

(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

1 city or town streets and alleys or for the share that the 2 city, town, or county might otherwise expend for proportionate matching of federal funds allocated for the 3 construction of roads or streets that are part of the 4 federal-aid primary or secondary highway system or urban 5 extensions to those systems, except that the governing body 6 of a town or third-class city, as defined in 7-1-4111, may 7 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 equipment and supplies to be used for the maintenance and 10 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.

(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

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yearly certified statement indicating the total mileage 1 within their respective areas applicable to this chapter. 2 All mileage submitted is subject to review and approval by 3 the department of transportation. 4

(6) Except by a town or third-class city as provided in S subsection (2), the funds authorized by this section may not 6 be used for the purchase of capital equipment. 7

(7) Funds authorized by this section must be used for 8 construction and maintenance programs only." 9

Section 19. Section 15-71-104, MCA, is amended to read: 10 "15-71-104. Disposition of funds. All taxes collected 11 under this chapter shall must, in accordance with the 12 provisions of 15-1-501(6), be turned-over--promptly--to--the 13 state-treasurer-and-the-state-treasurer-shall-place-the same 14 taxes PLACED in the state special revenue fund to the credit 15 of the department of transportation." 16

Section 20. Section 16-1-306, MCA, is amended to read: 17 *16-1-306. Revenue to be paid to state treasurer. 18 Except as provided in 16-1-404, 16-1-405, 16-1-408, 19 16-1-410, and 16-1-411, all fees, charges, taxes, and 20 revenues collected by or under authority of the department 21 shall must, in accordance with the provisions of 22 15-1-501(6), be deposited with-the-state-treasurer. He The 23 state-treasurer shall-deposit-the-funds to the credit of the 24 state general fund." 25

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Section 21. Section 16-1-401, MCA, is amended to read: 2 "16-1-401, Liquor excise tax. (1) The department is 3 hereby-authorized-and-directed-to-chargey-receivey-and shall 4 collect at the time of the sale and delivery of any liquor 5 as authorized under any provision of the laws of the state 6 of Montana an excise tax at the rate of: 7 (a) 16% 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) 13.8% of the retail selling price on all liquor 14 sold and delivered in the state by a company that 15 manufactured, distilled, rectified, bottled, or processed, and sold not more than 200,000 proof gallons of liquor 16 17 nationwide in the calendar year preceding imposition of the 18 tax pursuant to this section.

19 (2) The department shall retain the amount of such the 20 excise tax received in a separate account and shall, in 21 accordance with the provisions of 15-1-501(6), deposit with 22 the-state-treasurer, to the credit of the general fund, such 23 the sums collected and received not later than the 10th day 24 of each and-every month."

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

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1 "16-1-404. License tax on liquor -- amount --2 distribution of proceeds. (1) The department is-hereby 3 authorized--and--directed--to--charge7--receive7--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;

(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.

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 revenues are statutorily appropriated, as provided in 3 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 counties according to the amount of liquor purchased in each б 7 county to be distributed to the incorporated cities and в towns, as provided in subsection (3). Four and one-half 9 percent of these revenues are statutorily appropriated, as provided in 17-7-502, and shall must, in accordance with the 10 provisions of 15-1-501(6), be allocated to the counties 11 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 provisions of 15-1-501(6), be deposited in the state special 15 revenue fund to the credit of the department of corrections 16 17 and human services for the treatment, rehabilitation, and 18 prevention of alcoholism. Provided7-howevery-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 the licensed establishment is located, for use as provided 23 24 in 16-1-405. That proportion of the license tax is statutorily appropriated, as provided in 17-7-502, to the 25

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1 department, which shall pay guarterly to each county 2 treasurer the proportion of the license tax due each county, 3 <u>in accordance with the provisions of 15-1-501(6)</u>, to be 4 allocated to the incorporated cities and towns of the 5 county.

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

14 (4) The license tax proceeds that are allocated to the department of corrections and human services for the 15 16 treatment, rehabilitation, and prevention of alcoholism 17 shall must be credited quarterly to the department of 18 corrections and human services. The legislature may 19 appropriate a portion of the license tax proceeds to support 20 alcohol programs. The remainder shall must be distributed as 21 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

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accordance with the provisions of 15-1-501(6), be deposited, 1 2 notwithstanding 16-1-306 and 16-1-410 or any other 3 provision, with the state treasurer to the credit of the department of corrections and human services each guarter 4 5 for the treatment, rehabilitation, and prevention of alcoholism as approved by the state, and 30 cents of this 6 7 the additional tax is-to must be deposited in the general fund." R

9 Section 24. Section 16-1-410, MCA, is amended to read: 10 "16-1-410. (Temporary) Tax revenue allocation. Subject 11 to 16-1-422, all revenue received from taxes on beer under 12 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31 13 gallons shall must, in accordance with the provisions of 14 15-1-501(6), be deposited with the state treasurer to the 15 credit of the incorporated cities and towns beer tax account 16 in the state special revenue fund. The money in the account is statutorily appropriated, as provided in 17-7-502, to the 17 18 state-treasurer DEPARTMENT OF REVENUE who shall, monthly, 19 distribute this amount of money to the incorporated cities 20 and towns in the direct proportion that the population of 21 each city and town bears to the total population of all 22 incorporated cities and towns as shown in the latest 23 official federal census. For cities and towns incorporated 24 after the latest official federal census, the census shall 25 must be determined as of the date of incorporation as

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

16-1-410. (Effective on receipt of taxes or fees for 10 September 1993) Tax revenue allocation. All revenue received 11 from taxes on beer under 16-1-406 and 16-1-408 over and 12 above \$1.50 per barrel of 31 gallons shall must, in 13 accordance with the provisions of 15-1-501(6), be deposited 14 with the state treasurer to the credit of the incorporated 15 cities and towns beer tax account in the state special 16 revenue fund. The money in the account is statutorily 17 provided in 17-7-502, to the state 18 appropriated, as treasurer DEPARTMENT OF REVENUE who shall, monthly, 19 distribute this amount of money to the incorporated cities 20 and towns in the direct proportion that the population of 21 each city and town bears to the total population of all 22 incorporated cities and towns as shown in the latest 23 official federal census. For cities and towns incorporated 24 after the latest official federal census, the census shall 25

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 ٦ 4 may not receive any funds under this section and the amount previously distributed to the city or town shall must be 5 distributed to the remaining incorporated cities and towns. 6 7 All funds received by cities and towns under this section shall must be expended for state purposes such as law 8 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.

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

24 (3) The tax paid by a table wine distributor in25 accordance with subsection (2)(a) and the tax collected by

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

(a) 16 cents to the state general fund; and 4

(b) of the remaining 11 cents: 5

(i) 8.34 cents to the state special revenue fund to the 6 credit of the department of corrections and human services 7 for the treatment, rehabilitation, and prevention of в 9 alcoholism;

(ii) 1 1/3 cents is statutorily appropriated, as 10 provided in 17-7-502, to the department, for allocation to 11 the counties, based on population, for the purpose 12 established in 16-1-404; and 13

(iii) 1 1/3 cents is statutorily appropriated, as 14 provided in 17-7-502, to the department, for allocation to 15 the cities and towns, based on population, for the purpose 16 established in 16-1-405. 17

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

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

16-1-411. (Effective on receipt of taxes or fees for 24 September 1993) Tax on wine. (1) A tax of 27 cents per liter 25

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

3 (2) (a) The tax on table wine imported by a table wine distributor shall must be paid by the table wine distributor 4 5 by the 15th day of the month following sale of the table wine from the table wine distributor's warehouse. Failure to 7 file a table wine tax return or failure to pay the tax required by this section subjects the table wine distributor 8 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.

(3) The tax paid by a table wine distributor in 12 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 for the treatment, rehabilitation, and prevention of 21 alcoholism; 22

23 (ii) 1 1/3 cents is statutorily appropriated, aş 24 provided in 17-7-502, to the department, for allocation to 25 the counties, based on population, for the purpose

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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."

Section 26. Section 16-1-421, MCA, is amended to read: 9 *16-1-421. (Temporary) Surtax on liquor ___ 10 distribution. (1) In addition to the amount of tax liability 11 determined under 16-1-401 through 16-1-403, each person 12 subject to taxation under 16-1-401 through 16-1-403 shall 13 pay, as a surtax, 7% of the tax liability. 14

15 (2) The surtax imposed by this section must, in
accordance with the provisions of 15-1-501(6), be deposited
17 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.

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

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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 -retirement of bonds. (1) Except as provided in subsection 13 (2), all money collected under the provisions of 16-11-111, 14 less the expense of collecting the taxes, must, in 15 accordance with the provisions of 15-1-501(6), be paid--to 16 17 the--state-treasurer-and deposited as follows; 72.79% in the 18 long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in 19 the capital projects fund type. 20

(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.)

25 16-11-119. (Effective July 1, 1993) Disposition of

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

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

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

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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."

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 -- guarterly statement 9 and payment. (1) A licensed operator issued a permit under this part shall pay to the department a video gambling 10 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.

(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

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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.

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.

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

23-5-610. (Effective on receipt of taxes for calendar
quarter ending June 30, 1993) 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

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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.

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 due the state as video gambling machine gross income tax for 17 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.

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

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

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

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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 reserve for the bonds equal to the maximum annual principal 11 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."

on the tax, and revenue appropriated to the workers'

20 <u>NEW SECTION.</u> Section 34. Repealer. Section 15-1-502,
21 MCA, is repealed.

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

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

4 <u>NEW SECTION.</u> Section 36. Effective date. [This act] is

5 effective on passage and approval.

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-End-