

SENATE BILL NO. 417

INTRODUCED BY WEEDING, HARP  
BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

IN THE SENATE

FEBRUARY 16, 1993

INTRODUCED AND REFERRED TO COMMITTEE  
ON HIGHWAYS & TRANSPORTATION.

FIRST READING.

MARCH 5, 1993

COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 6, 1993

PRINTING REPORT.

SECOND READING, DO PASS.

MARCH 8, 1993

ENGROSSING REPORT.

THIRD READING, PASSED.  
AYES, 48; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 9, 1993

INTRODUCED AND REFERRED TO COMMITTEE  
ON HIGHWAYS & TRANSPORTATION.

FIRST READING.

MARCH 29, 1993

COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

POSTED ON CONSENT CALENDAR.

MARCH 30, 1993

CONSENT CALENDAR, QUESTIONS AND ANSWERS.

MARCH 31, 1993

OBJECTION FILED TO CONSENT CALENDAR  
RECOMMENDATION.

APRIL 1, 1993

SECOND READING, CONCURRED IN AS  
AMENDED.

ON MOTION, RULES SUSPENDED TO ALLOW  
BILL TO BE PLACED ON 3RD READING  
THIS DAY.

THIRD READING, CONCURRED IN.

AYES, 93; NOES, 5.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 6, 1993

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 7, 1993

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

R

1 Senate BILL NO. 417  
 2 INTRODUCED BY Wendling HARR  
 3 BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE BAD DEBT  
 6 CREDIT ALLOWANCE ON GASOLINE AND SPECIAL FUEL TAXES PAYABLE  
 7 TO THE DEPARTMENT OF TRANSPORTATION; AUTHORIZING THE  
 8 DEPARTMENT TO WRITE OFF THE COLLECTION OF A TAX, PENALTY, OR  
 9 INTEREST DUE WHENEVER THE DEPARTMENT DETERMINES THAT IT IS  
 10 NOT COST-EFFECTIVE TO ATTEMPT TO COLLECT THE TAX, PENALTY,  
 11 OR INTEREST; AMENDING SECTIONS 15-70-221 AND 15-70-328, MCA;  
 12 AND PROVIDING AN EFFECTIVE DATE."  
 13

#### 14 STATEMENT OF INTENT

15 A statement of intent is required for this bill because  
 16 [section 3] grants the department of transportation  
 17 authority to adopt rules for establishing procedures to  
 18 determine whether it is cost-effective to collect any tax,  
 19 penalty, or interest from a delinquent taxpayer. The  
 20 legislature intends that the rules adopted by the department  
 21 address the circumstances under which it is no longer  
 22 cost-effective to pursue the collection of a tax, penalty,  
 23 or interest. These circumstances include but are not limited  
 24 to the difficulty of finding the delinquent taxpayer, the  
 25 difficulty of locating the assets of the taxpayer, or the

1 financial condition of the taxpayer. In addition, the rules  
 2 adopted by the department may include procedures to remove,  
 3 for accounting purposes, a delinquency from the department's  
 4 accounts receivable.

5 The legislature also intends that rules provide that if  
 6 a tax delinquency is written off, it is not forgiven, but  
 7 the department will incur no further expense in collecting  
 8 the tax.  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 15-70-221, MCA, is amended to read:

12 "15-70-221. Refund or credit authorized. (1) Any A  
 13 person who ~~shall--purchase~~ purchases and ~~use~~ uses any  
 14 gasoline on which the Montana gasoline license tax has been  
 15 paid for denaturing alcohol to be used in gasohol, or used  
 16 in operating or propelling stationary gasoline engines, or  
 17 tractors used off the public highways and streets, or for  
 18 any commercial use other than propelling vehicles upon any  
 19 of the public highways or streets of this state ~~shall-be~~ is  
 20 allowed a refund of the amount of tax paid directly or  
 21 indirectly on the gasoline ~~so--used~~. Such The refund or  
 22 ~~drawback-should-in-no-instance~~ may not exceed the tax paid  
 23 or to be paid to the state, and no a refund ~~shall-be~~ is not  
 24 allowed of for that portion of the tax per gallon upon on  
 25 aviation gasoline allocated to the department of

1 transportation by 67-1-301.

2 (2) Any A distributor paying who pays the gasoline  
3 license tax to this state erroneously ~~shall be~~ is allowed a  
4 credit or refund of the amount of tax so paid.

5 (3) (a) A distributor is entitled to a credit for the  
6 tax paid to the department on those sales of gasoline with a  
7 tax liability of \$1,000 or greater for which the distributor  
8 has not received no consideration from or on behalf of the  
9 purchaser and for which the distributor has not forgiven any  
10 liability. The distributor ~~shall~~ may not have declared the  
11 accounts of the purchaser worthless more than once during a  
12 3-year period, and the dealer must have claimed those  
13 accounts as bad debts for federal income tax purposes.

14 (b) If a credit has been granted under this subsection  
15 (3), any amount collected on the accounts ~~that were~~ declared  
16 worthless must be reported to the department and the tax due  
17 must be prorated on the collected amount and must be paid to  
18 the department.

19 (c) The department may require a distributor to submit  
20 periodic reports listing accounts that are delinquent for 90  
21 days or more.

22 (4) Any A person who purchases and exports for sale,  
23 use, or consumption outside Montana any gasoline on which  
24 the Montana gasoline tax has been paid is entitled to a  
25 credit or refund of the amount of tax so paid upon

1 completion of the information reports required under  
2 15-70-209 and presentation to the department of ~~such--other~~  
3 proof of delivery outside Montana as it may by rule  
4 require."

5 **Section 2.** Section 15-70-328, MCA, is amended to read:

6 "15-70-328. Credits. (1) (a) Any A licensed special  
7 fuel user or licensed special fuel dealer who has paid a  
8 special fuel tax either directly or to the vendor from whom  
9 it was purchased ~~shall~~ must receive credit in the amount of  
10 any:

11 (i) the tax paid on special fuel exported for use  
12 outside of this state or for any use off the public roads  
13 and highways of this state; or

14 (ii) ~~for--any~~ overpayment of special fuel taxes not due  
15 to the state.

16 (b) Special fuel carried from this state in the fuel  
17 tank of a motor vehicle is deemed considered to be exported  
18 from this state.

19 (2) Any A licensed special fuel user who purchases a  
20 temporary special fuel permit and thereafter applies for a  
21 special fuel vehicle permit for the same vehicle in less  
22 than 11 days after the temporary permit is issued ~~shall~~ must  
23 receive credit in the amount of the temporary permit fee.

24 (3) (a) A special fuel dealer who has paid a special  
25 fuel tax is entitled to a credit of the tax paid to the

department on those sales of special fuels with a tax liability of \$1,000 or greater for which the dealer has not received no consideration from or on behalf of the purchaser and for which the special fuel dealer has not forgiven any liability. The dealer ~~shall~~ may not have declared the accounts of the purchaser worthless more than once during a 3-year period, and the dealer must have claimed those accounts as bad debts for federal income tax purposes.

(b) If a credit has been granted under this subsection (3), any amount collected on the accounts that were declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a dealer to submit periodic reports listing accounts that are delinquent for 90 days or more."

**NEW SECTION. Section 3.** Writeoff of collection of tax, penalty, or interest -- rules. (1) (a) The department of transportation may write off the collection of any tax, penalty, or interest due to the state under this chapter whenever the department determines that it is not cost-effective for the department to attempt to collect the tax, penalty, or interest.

(b) The department shall establish procedures to determine the cost-effectiveness of collecting the tax,

penalty, or interest.

(c) If the department writes off the collection of any tax, penalty, or interest, the department shall place in the taxpayer's file a written justification for the writeoff that includes a determination that attempted collection is not cost-effective.

(2) The department shall adopt rules to establish the procedures to carry out the purposes of this section.

**NEW SECTION. Section 4.** Codification instruction. [Section 3] is intended to be codified as an integral part of Title 15, chapters 70 and 71, and the provisions of Title 15, chapters 70 and 71, apply to [section 3].

**NEW SECTION. Section 5.** Effective date. [This act] is effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0417, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the bad debt credit allowance on gasoline and special fuel taxes payable to the Department of Transportation; authorizing the department to write off the collection of a tax, penalty, or interest due whenever the department determines that it is not cost-effective to attempt to collect the tax, penalty or interest; and providing an effective date.

ASSUMPTIONS:

1. By establishing a minimum \$200 tax liability in order to receive a credit for bad debts, the department will avoid potentially high administrative costs incurred in the attempt to collect or determine the ability to collect the accounts.
2. Granting write off authority will enable the department to manage its collections and resolve disputed billings more efficiently.
3. Administrative costs saved by this bill cannot be quantified.

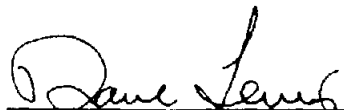
FISCAL IMPACT:

Expenditures:

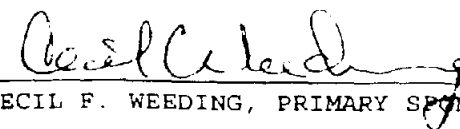
None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Greater flexibility for the department in administering its collections.

 2-23-93

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

 2/24/93

CECIL F. WEEDING, PRIMARY SPONSOR      DATE

Fiscal Note for SB0417, as introduced

**SB 417**

APPROVED BY COMMITTEE  
ON HIGHWAYS & TRANSPORTATION

SENATE BILL NO. 417

INTRODUCED BY WEEDING, HARP

BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE BAD DEBT CREDIT ALLOWANCE ON GASOLINE AND SPECIAL FUEL TAXES PAYABLE TO THE DEPARTMENT OF TRANSPORTATION; AUTHORIZING THE DEPARTMENT TO WRITE OFF THE COLLECTION OF A TAX, PENALTY, OR INTEREST DUE WHENEVER THE DEPARTMENT DETERMINES THAT IT IS NOT COST-EFFECTIVE TO ATTEMPT TO COLLECT THE TAX, PENALTY, OR INTEREST; AMENDING SECTIONS 15-70-221 AND 15-70-328, MCA; AND PROVIDING AN EFFECTIVE DATE."

## STATEMENT OF INTENT

A statement of intent is required for this bill because [section 3] grants the department of transportation authority to adopt rules for establishing procedures to determine whether it is cost-effective to collect any tax, penalty, or interest from a delinquent taxpayer. The legislature intends that the rules adopted by the department address the circumstances under which it is no longer cost-effective to pursue the collection of a tax, penalty, or interest. These circumstances include but are not limited to the difficulty of finding the delinquent taxpayer, the difficulty of locating the assets of the taxpayer, or the

financial condition of the taxpayer. In addition, the rules adopted by the department may include procedures to remove, for accounting purposes, a delinquency from the department's accounts receivable.

The legislature also intends that rules provide that if a tax delinquency is written off, it is not forgiven, but the department will incur no further expense in collecting the tax.

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

**Section 1.** Section 15-70-221, MCA, is amended to read:

"15-70-221. Refund or credit authorized. (1) Any A person who ~~shall--purchase~~ purchases and ~~use~~ uses any gasoline on which the Montana gasoline license tax has been paid for denaturing alcohol to be used in gasohol, ~~or used~~ in operating or propelling stationary gasoline engines, ~~or~~ tractors used off the public highways and streets, or for any commercial use other than propelling vehicles upon any of the public highways or streets of this state ~~shall-be is~~ is allowed a refund of the amount of tax paid directly or indirectly on the gasoline ~~so--used~~. ~~Such~~ The refund ~~or drawback-should-in-no-instance~~ may not exceed the tax paid or to be paid to the state, and ~~no a~~ a refund ~~shall-be is not~~ is not allowed ~~of for~~ that portion of the tax per gallon ~~upon on~~ on aviation gasoline allocated to the department of

1 transportation by 67-1-301.

2 (2) Any A distributor paying who pays the gasoline  
3 license tax to this state erroneously ~~shall be~~ is allowed a  
4 credit or refund of the amount of tax so paid.

5 (3) (a) A distributor is entitled to a credit for the  
6 tax paid to the department on those sales of gasoline with a  
7 tax liability of \$17000 \$200 or greater for which the  
8 distributor has not received no consideration from or on  
9 behalf of the purchaser and for which the distributor has  
10 not forgiven any liability. The distributor ~~shall~~ may not  
11 have declared the accounts of the purchaser worthless more  
12 than once during a 3-year period, and the dealer must have  
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16 (3), any amount collected on the accounts ~~that were~~ declared  
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19 the department.

20 (c) The department may require a distributor to submit  
21 periodic reports listing accounts that are delinquent for 90  
22 days or more.

23 (4) Any A person who purchases and exports for sale,  
24 use, or consumption outside Montana any gasoline on which  
25 the Montana gasoline tax has been paid is entitled to a

1 credit or refund of the amount of tax so paid upon  
2 completion of the information reports required under  
3 15-70-209 and presentation to the department of ~~such other~~  
4 proof of delivery outside Montana as it may by rule  
5 require."

6 **Section 2.** Section 15-70-328, MCA, is amended to read:

7 "15-70-328. Credits. (1) (a) Any A licensed special  
8 fuel user or licensed special fuel dealer who has paid a  
9 special fuel tax either directly or to the vendor from whom  
10 it was purchased ~~shall~~ must receive credit in the amount of  
11 any:

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13 outside of this state or for any use off the public roads  
14 and highways of this state; or

15 (ii) for any overpayment of special fuel taxes not due  
16 to the state.

17 (b) Special fuel carried from this state in the fuel  
18 tank of a motor vehicle is ~~deemed~~ considered to be exported  
19 from this state.

20 (2) Any A licensed special fuel user who purchases a  
21 temporary special fuel permit and thereafter applies for a  
22 special fuel vehicle permit for the same vehicle in less  
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 14 15, chapters 70 and 71, apply to [section 3].

15 NEW SECTION. Section 5. Effective date. [This act] is  
 16 effective July 1, 1993.

-End-

## 1 SENATE BILL NO. 417

2 INTRODUCED BY WEEDING, HARP

3 BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

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6 CREDIT ALLOWANCE ON GASOLINE AND SPECIAL FUEL TAXES PAYABLE  
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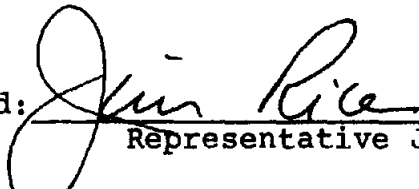
-End-

#1

HOUSE COMMITTEE OF THE WHOLE AMENDMENT  
Senate Bill 417  
Representative Jim Rice

April 1, 1993 9:14 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 417 (third reading copy -- blue).

Signed:   
Representative Jim Rice

And, that such amendments to Senate Bill 417 read as follows:

1. Title, line 12.

Following: "DATE"

Insert: "AND AN APPLICABILITY DATE"

2. Page 6.

Following: line 14

Insert: "NEW SECTION. Section 5. Applicability. [This act] applies to sales of gasoline and special fuels on or after [the effective date of this act] and to taxes due on those sales."

Renumber: subsequent section

-END-

ADOPT

REJECT

HOUSE

SB417.1

730914CW.Hss

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24 allowed of for that portion of the tax per gallon upon on  
25 aviation gasoline allocated to the department of



1 transportation by 67-1-301.

2 (2) Any A distributor paying who pays the gasoline  
3 license tax to this state erroneously ~~shall be~~ is allowed a  
4 credit or refund of the amount of tax so paid.

5 (3) (a) A distributor is entitled to a credit for the  
6 tax paid to the department on those sales of gasoline with a  
7 tax liability of \$1,000 \$200 or greater for which the  
8 distributor has not received no consideration from or on  
9 behalf of the purchaser and for which the distributor has  
10 not forgiven any liability. The distributor ~~shall~~ may not  
11 have declared the accounts of the purchaser worthless more  
12 than once during a 3-year period, and the dealer must have  
13 claimed those accounts as bad debts for federal income tax  
14 purposes.

15 (b) If a credit has been granted under this subsection  
16 (3), any amount collected on the accounts ~~that were~~ declared  
17 worthless must be reported to the department and the tax due  
18 must be prorated on the collected amount and must be paid to  
19 the department.

20 (c) The department may require a distributor to submit  
21 periodic reports listing accounts that are delinquent for 90  
22 days or more.

23 (4) Any A person who purchases and exports for sale,  
24 use, or consumption outside Montana any gasoline on which  
25 the Montana gasoline tax has been paid is entitled to a

1 credit or refund of the amount of tax so paid upon  
2 completion of the information reports required under  
3 15-70-209 and presentation to the department of such other  
4 proof of delivery outside Montana as it may by rule  
5 require."

6 **Section 2.** Section 15-70-328, MCA, is amended to read:

7 "15-70-328. Credits. (1) (a) Any A licensed special  
8 fuel user or licensed special fuel dealer who has paid a  
9 special fuel tax either directly or to the vendor from whom  
10 it was purchased ~~shall~~ must receive credit in the amount of  
11 any:

12 (i) the tax paid on special fuel exported for use  
13 outside of this state or for any use off the public roads  
14 and highways of this state; or

15 (ii) for any overpayment of special fuel taxes not due  
16 to the state.

17 (b) Special fuel carried from this state in the fuel  
18 tank of a motor vehicle is deemed considered to be exported  
19 from this state.

20 (2) Any A licensed special fuel user who purchases a  
21 temporary special fuel permit and thereafter applies for a  
22 special fuel vehicle permit for the same vehicle in less  
23 than 11 days after the temporary permit is issued ~~shall~~ must  
24 receive credit in the amount of the temporary permit fee.

25 (3) (a) A special fuel dealer who has paid a special

fuel tax is entitled to a credit of the tax paid to the department on those sales of special fuels with a tax liability of \$17,000 \$200 or greater for which the dealer has not received no consideration from or on behalf of the purchaser and for which the special fuel dealer has not forgiven any liability. The dealer ~~shall~~ may not have declared the accounts of the purchaser worthless more than once during a 3-year period, and the dealer must have claimed those accounts as bad debts for federal income tax purposes.

(b) If a credit has been granted under this subsection (3), any amount collected on the accounts that were declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a dealer to submit periodic reports listing accounts that are delinquent for 90 days or more."

**NEW SECTION. Section 3. Writeoff of collection of tax, penalty, or interest -- rules.** (1) (a) The department of transportation may write off the collection of any tax, penalty, or interest due to the state under this chapter whenever the department determines that it is not cost-effective for the department to attempt to collect the tax, penalty, or interest.

(b) The department shall establish procedures to determine the cost-effectiveness of collecting the tax, penalty, or interest.

(c) If the department writes off the collection of any tax, penalty, or interest, the department shall place in the taxpayer's file a written justification for the writeoff that includes a determination that attempted collection is not cost-effective.

(2) The department shall adopt rules to establish the procedures to carry out the purposes of this section.

**NEW SECTION. Section 4. Codification instruction.** [Section 3] is intended to be codified as an integral part of Title 15, chapters 70 and 71, and the provisions of Title 15, chapters 70 and 71, apply to [section 3].

**NEW SECTION. Section 5. Effective date.** [This act] is effective July 1, 1993.

-End-



## 1 SENATE BILL NO. 417

2 INTRODUCED BY WEEDING, HARP

3 BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE BAD DEBT  
6 CREDIT ALLOWANCE ON GASOLINE AND SPECIAL FUEL TAXES PAYABLE  
7 TO THE DEPARTMENT OF TRANSPORTATION; AUTHORIZING THE  
8 DEPARTMENT TO WRITE OFF THE COLLECTION OF A TAX, PENALTY, OR  
9 INTEREST DUE WHENEVER THE DEPARTMENT DETERMINES THAT IT IS  
10 NOT COST-EFFECTIVE TO ATTEMPT TO COLLECT THE TAX, PENALTY,  
11 OR INTEREST; AMENDING SECTIONS 15-70-221 AND 15-70-328, MCA;  
12 AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

## 14 STATEMENT OF INTENT

15 A statement of intent is required for this bill because  
16 [section 3] grants the department of transportation  
17 authority to adopt rules for establishing procedures to  
18 determine whether it is cost-effective to collect any tax,  
19 penalty, or interest from a delinquent taxpayer. The  
20 legislature intends that the rules adopted by the department  
21 address the circumstances under which it is no longer  
22 cost-effective to pursue the collection of a tax, penalty,  
23 or interest. These circumstances include but are not limited  
24 to the difficulty of finding the delinquent taxpayer, the  
25 difficulty of locating the assets of the taxpayer, or the

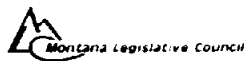
1 financial condition of the taxpayer. In addition, the rules  
2 adopted by the department may include procedures to remove,  
3 for accounting purposes, a delinquency from the department's  
4 accounts receivable.

5 The legislature also intends that rules provide that if  
6 a tax delinquency is written off, it is not forgiven, but  
7 the department will incur no further expense in collecting  
8 the tax.

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 15-70-221, MCA, is amended to read:

12 "15-70-221. Refund or credit authorized. (1) Any A  
13 person who ~~shall--purchase~~ purchases and ~~use~~ uses any  
14 gasoline on which the Montana gasoline license tax has been  
15 paid for denaturing alcohol to be used in gasohol, ~~or used~~  
16 in operating or propelling stationary gasoline engines, or  
17 tractors used off the public highways and streets, or for  
18 any commercial use other than propelling vehicles upon any  
19 of the public highways or streets of this state shall-be is  
20 allowed a refund of the amount of tax paid directly or  
21 indirectly on the gasoline so--used. Such The refund ~~or~~  
22 ~~drawback-should-in-no-instance~~ may not exceed the tax paid  
23 or to be paid to the state, and ~~no a~~ refund ~~shall-be is not~~  
24 allowed of for that portion of the tax per gallon upon on  
25 aviation gasoline allocated to the department of



1 transportation by 67-1-301.

2 (2) Any A distributor ~~paying who pays~~ the gasoline  
3 license tax to this state erroneously ~~shall-be~~ is allowed a  
4 credit or refund of the amount of tax ~~so~~ paid.

5 (3) (a) A distributor is entitled to a credit for the  
6 tax paid to the department on those sales of gasoline with a  
7 tax liability of \$17000 \$200 or greater for which the  
8 distributor has not received no consideration from or on  
9 behalf of the purchaser and for which the distributor has  
10 not forgiven any liability. The distributor ~~shall~~ may not  
11 have declared the accounts of the purchaser worthless more  
12 than once during a 3-year period, and the dealer must have  
13 claimed those accounts as bad debts for federal income tax  
14 purposes.

15 (b) If a credit has been granted under this subsection  
16 (3), any amount collected on the accounts ~~that-were~~ declared  
17 worthless must be reported to the department and the tax due  
18 must be prorated on the collected amount and must be paid to  
19 the department.

20 (c) The department may require a distributor to submit  
21 periodic reports listing accounts that are delinquent for 90  
22 days or more.

23 (4) Any A person who purchases and exports for sale,  
24 use, or consumption outside Montana ~~any~~ gasoline on which  
25 the Montana gasoline tax has been paid is entitled to a

1 credit or refund of the amount of tax ~~so~~ paid upon  
2 completion of the information reports required under  
3 15-70-209 and presentation to the department of ~~such-other~~  
4 proof of delivery outside Montana as it may by rule  
5 require."

6 **Section 2.** Section 15-70-328, MCA, is amended to read:

7 "15-70-328. Credits. (1) (a) Any A licensed special  
8 fuel user or licensed special fuel dealer who has paid a  
9 special fuel tax either directly or to the vendor from whom  
10 it was purchased ~~shall~~ must receive credit in the amount of  
11 any:

12 (i) the tax paid on special fuel exported for use  
13 outside of this state or for any use off the public roads  
14 and highways of this state; or

15 (ii) for-any overpayment of special fuel taxes not due  
16 to the state.

17 (b) Special fuel carried from this state in the fuel  
18 tank of a motor vehicle is deemed considered to be exported  
19 from this state.

20 (2) Any A licensed special fuel user who purchases a  
21 temporary special fuel permit and ~~thereafter~~ applies for a  
22 special fuel vehicle permit for the same vehicle in less  
23 than 11 days after the temporary permit is issued ~~shall~~ must  
24 receive credit in the amount of the temporary permit fee.

25 (3) (a) A special fuel dealer who has paid a special

fuel tax is entitled to a credit of the tax paid to the department on those sales of special fuels with a tax liability of \$1,000 \$200 or greater for which the dealer has not received no consideration from or on behalf of the purchaser and for which the special fuel dealer has not forgiven any liability. The dealer ~~shall~~ may not have declared the accounts of the purchaser worthless more than once during a 3-year period, and the dealer must have claimed those accounts as bad debts for federal income tax purposes.

(b) If a credit has been granted under this subsection (3), any amount collected on the accounts that were declared worthless must be reported to the department and the tax due must be prorated on the collected amount and must be paid to the department.

(c) The department may require a dealer to submit periodic reports listing accounts that are delinquent for 90 days or more."

**NEW SECTION. Section 3. Writeoff of collection of tax, penalty, or interest -- rules.** (1) (a) The department of transportation may write off the collection of any tax, penalty, or interest due to the state under this chapter whenever the department determines that it is not cost-effective for the department to attempt to collect the tax, penalty, or interest.

(b) The department shall establish procedures to determine the cost-effectiveness of collecting the tax, penalty, or interest.

(c) If the department writes off the collection of any tax, penalty, or interest, the department shall place in the taxpayer's file a written justification for the writeoff that includes a determination that attempted collection is not cost-effective.

(2) The department shall adopt rules to establish the procedures to carry out the purposes of this section.

**NEW SECTION. Section 4. Codification instruction.** [Section 3] is intended to be codified as an integral part of Title 15, chapters 70 and 71, and the provisions of Title 15, chapters 70 and 71, apply to [section 3].

**NEW SECTION. SECTION 5. APPLICABILITY. [THIS ACT] APPLIES TO SALES OF GASOLINE AND SPECIAL FUELS ON OR AFTER [THE EFFECTIVE DATE OF THIS ACT] AND TO TAXES DUE ON THOSE SALES.**

**NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 1993.

-End-