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House BILL NO. 299

Emerson
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Hargrove

INTRODUCED BY *Masolo*
Trent Mercer

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A REFUND OF 20 PERCENT OF THE SPECIAL FUEL LICENSE TAX PAID FOR OPERATING A READY-MIX CONCRETE TRUCK; AMENDING SECTION 15-70-356, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

Section 1. Section 15-70-356, MCA, is amended to read:

"15-70-356. Refund or credit authorized. (1) A person who purchases and uses ~~any~~ special fuel on which the Montana special fuel license tax has been paid for operating stationary special fuel engines, for operating tractors used off the public highways and streets, or for ~~any~~ a commercial use other than operating vehicles upon ~~any~~ of the public highways or streets of this state is allowed a refund of the amount of tax paid directly or indirectly on the special fuel ~~so~~ that is used. The refund may not exceed the tax paid or to be paid to the state.

(2) The United States government, the state of Montana, any other state, or ~~any~~ a county, incorporated city, town, or school district of this state is entitled to a refund of the taxes paid on special fuel regardless of the use of the special fuel.

(3) A person who purchases and uses special fuel on which the Montana special fuel license tax has been paid for operating a ready-mix concrete truck that does not have an auxiliary fuel supply tank for operating a stationary special fuel engine is allowed a refund of 20% of the tax paid on the special fuel used.

~~(3)~~(4) A distributor who pays the special fuel license tax to this state erroneously is allowed a credit or refund of the amount of tax paid.

~~(4)~~(5) (a) A distributor is entitled to a credit for the tax paid to the department on those sales of special fuel with a tax liability of \$200 or greater for which the distributor has not received consideration from or on behalf of the purchaser and for which the distributor has not forgiven any liability. The distributor shall have declared the accounts of the purchaser worthless not more than once during a 3-year period and claimed those accounts as bad debts for federal income tax purposes.



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1 (b) If a credit has been granted under subsection ~~(4)(a)~~ (5)(a), ~~any~~ the amount collected on the
2 accounts declared worthless must be reported to the department and the tax due must be prorated on the
3 collected amount and must be paid to the department.

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

6 ~~(5)(6)~~ A person who purchases and exports for sale, use, or consumption outside Montana ~~any~~ a
7 special fuel on which the Montana special fuel tax has been paid is entitled to a credit or refund of the
8 amount of tax paid unless the person is not licensed and is not paying the tax to the state ~~where~~ for which
9 the fuel is destined. Upon completion of the reports required under 15-70-351, the department shall
10 authorize the credit or refund."

11

12 NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 1996.

13

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0299, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing a refund of 20 percent of the special fuel license tax paid for operating a ready-mix concrete truck.

ASSUMPTIONS:

1. The department does not have information regarding the relative amounts of fuel used to power the mixer versus fuel used to propel the vehicle on the roadway. For purposes of this fiscal note, it is assumed that ready-mix concrete trucks with auxiliary fuel tanks use an average of 20% of fuel to power the mixer.
2. The department would administer only one refund method for ready-mix concrete trucks.
3. The department does not have information regarding the percent of ready-mix concrete trucks with auxiliary fuel tanks. Based on assumption #1, there would be no change in refunds for these vehicles.
4. For ready-mix concrete trucks without auxiliary tanks, refund requests will increase and net special fuels tax revenues would decrease.
5. The highway online claims system will need to be modified to allow for a special option for ready-mix trucks and capture the specific information required for federal reporting and management purposes.
6. There will be additional time spent by collections section and compliance review staff to verify accuracy and eligibility for refunds and audit for compliance. A special form will need to be created to accommodate these requests.

FISCAL IMPACT:

Expenditures:

There will be a marginal impact on workload and expenditures. No additional budget authority over the Executive Budget would be required.

Revenues:

There will be a decrease in net revenues for the highway special revenue account due to the new class of refunds. It is not possible to quantify this effect due to lack of statistical information.

Dave Lewis 1-26-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Gay Masolo
GAY MASOLO, PRIMARY SPONSOR DATE

Fiscal Note for HB0299, as introduced

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