

2 INTRODUCED BY *Wm. E. BoharSKI, Molnar, Ince, Storall, Wagner, Arnett, Curtyss, B. Kelly, R. ...*
 3 *Denny Bookout, Shur, Ols, Beauvry, Sliter, Hayne, Smith, Gore*
 4 *GRANDS, Knox, McKimphus, Kasten, Stevenson, Anderson, Cott*
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4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING CERTAIN NUISANCE TAXES BY ELIMINATING THE
 5 \$10 FILING FEES FOR SMALL BUSINESS CORPORATIONS AND REPEALING THE LICENSE TAX ON SALES
 6 OF CEMENT AND BYPRODUCTS; AMENDING SECTION 15-31-202, MCA; REPEALING SECTIONS
 7 15-31-204, 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208,
 8 15-59-209, 15-59-210, 15-59-212, 15-59-213, 15-59-214, AND 15-59-221, MCA; AND PROVIDING AN
 9 EFFECTIVE DATE AND APPLICABILITY DATES."
 10

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

12
13 **Section 1.** Section 15-31-202, MCA, is amended to read:

14 **"15-31-202. Small business corporation not subject to chapter.** (1) A small business corporation
15 is not subject to the taxes imposed by this chapter. The corporate net income or loss of the corporation
16 is included in the stockholders' adjusted gross income as defined in 15-30-111.

17 ~~(2) Each small business corporation is required to pay the minimum fee of \$10 required by~~
18 ~~15-31-204."~~

19
20 **NEW SECTION. Section 2. Repealer.** (1) Section 15-31-204, MCA, is repealed.

21 (2) Sections 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208,
22 15-59-209, 15-59-210, 15-59-212, 15-59-213, 15-59-214, and 15-59-221, MCA, are repealed.

23
24 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 1997.

25
26 **NEW SECTION. Section 4. Applicability.** (1) [Sections 1 and 2(1)] apply retroactively, with the
27 meaning of 1-2-109, to tax periods beginning after December 31, 1996.

28 (2) [Section 2(2)] applies to tax periods beginning after June 30, 1997.

29 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0274, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act eliminating certain nuisance taxes by eliminating the \$10 filing fees for small business corporations and repealing the license tax on sales of cement and byproducts, and providing an effective date and applicability dates.

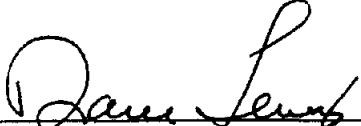
ASSUMPTIONS:

1. Approximately 10,000 sub-S corporations file returns annually with the department and pay the \$10 minimum fee.
2. Cement Dealers License Tax collections have averaged \$600 per year over the last four years.
3. Cement Dealers License Tax collections in each of FY98 and FY99 will be equal to the FY93-FY96 average collections.

FISCAL IMPACT:

Net Impact:

	<u>FY98</u>	<u>FY99</u>
Corporation License Tax	<u>Difference</u> (\$100,000)	<u>Difference</u> (\$100,000)
<u>Cement Dealer's License Tax</u>	<u>(\$600)</u>	<u>(\$600)</u>
Total (General Fund)	<u>(\$100,600)</u>	<u>(\$100,600)</u>

 1-20-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

STEVE VICK, PRIMARY SPONSOR DATE
Fiscal Note for HB0274, as introduced
HB 274

HOUSE BILL NO. 274

INTRODUCED BY VICK, ROSE, BOHLINGER, WALTERS, MILLS, BARNETT, BOHARSKI, MOLNAR,
WAGNER, PROUSE, ARNOTT, STOVALL, BITNEY, CURTISS, MARSHALL, HOLLAND, ORR, DENNY,
BOOKOUT, AHNER, OHS, BEAUDRY, HAYNE, SLITER, SMITH, JORE, GRINDE, KNOX, DEBRUYCKER,
KASTEN, DEVANEY, ANDERSON, COBB

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING CERTAIN NUISANCE TAXES BY ELIMINATING THE
\$10 FILING FEES FOR SMALL BUSINESS CORPORATIONS, ELIMINATING THE RURAL COOPERATIVE
UTILITIES ANNUAL FEE, AND REPEALING THE LICENSE TAX ON SALES OF CEMENT AND BYPRODUCTS;
AMENDING ~~SECTION~~ SECTIONS 15-31-202 AND 35-18-503, MCA; REPEALING SECTIONS 15-31-204,
15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208, 15-59-209,
15-59-210, 15-59-212, 15-59-213, 15-59-214, ~~AND~~ 15-59-221, 35-18-504, 35-18-505, 35-18-506, AND
35-18-510, MCA; AND PROVIDING AN EFFECTIVE DATE AND APPLICABILITY DATES."

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

Section 1. Section 15-31-202, MCA, is amended to read:

"15-31-202. Small business corporation not subject to chapter. ~~(1)~~ A small business corporation
is not subject to the taxes imposed by this chapter. The corporate net income or loss of the corporation
is included in the stockholders' adjusted gross income as defined in 15-30-111.

~~(2) Each small business corporation is required to pay the minimum fee of \$10 required by
15-31-204."~~

SECTION 2. SECTION 35-18-503, MCA, IS AMENDED TO READ:

"35-18-503. ~~Annual fee to department of revenue exemption~~ Exemption from other taxes.
Cooperatives and foreign corporations transacting business in this state pursuant to the provisions of this
chapter ~~shall pay annually on or before July 1, to the department of revenue a fee of \$10 for each 100
persons or fractions thereof to whom electricity or telephone service was supplied during the previous
calendar year within the state and, except as provided in 10-4-201, shall be~~ are exempt from all ~~other
excise and income taxes of whatsoever kind or nature."~~

1 **NEW SECTION. Section 3. Repealer.** (1) Section 15-31-204, MCA, is repealed.
2 (2) Sections 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208,
3 15-59-209, 15-59-210, 15-59-212, 15-59-213, 15-59-214, and 15-59-221, MCA, are repealed.

4 **(3) SECTIONS 35-18-504, 35-18-505, 35-18-506, AND 35-18-510, MCA, ARE REPEALED.**

5

6 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 1997.

7

8 **NEW SECTION. Section 5. Applicability.** (1) [Sections 1 and ~~2(1)~~ 3(1)] apply retroactively, ~~with~~
9 WITHIN the meaning of 1-2-109, to tax periods beginning after December 31, 1996.

10 (2) [Section ~~2(2)~~ 3(2) AND (3)] applies to tax periods beginning after June 30, 1997.

11

-END-

1 HOUSE BILL NO. 274

2 INTRODUCED BY VICK, ROSE, BOHLINGER, WALTERS, MILLS, BARNETT, BOHARSKI, MOLNAR,
 3 WAGNER, PROUSE, ARNOTT, STOVALL, BITNEY, CURTISS, MARSHALL, HOLLAND, ORR, DENNY,
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 9 UTILITIES ANNUAL FEE, AND REPEALING THE LICENSE TAX ON SALES OF CEMENT AND BYPRODUCTS;
 10 AMENDING ~~SECTION~~ SECTIONS 15-31-202 AND 35-18-503, MCA; REPEALING SECTIONS 15-31-204,
 11 15-59-201, 15-59-203, 15-59-204, 15-59-205, 15-59-206, 15-59-207, 15-59-208, 15-59-209,
 12 15-59-210, 15-59-212, 15-59-213, 15-59-214, ~~AND 15-59-221, 35-18-504, 35-18-505, 35-18-506, AND~~
 13 35-18-510, MCA; AND PROVIDING AN EFFECTIVE DATE AND APPLICABILITY DATES."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16
 17 **Section 1.** Section 15-31-202, MCA, is amended to read:

18 **"15-31-202. Small business corporation not subject to chapter.** ~~{}~~ A small business corporation
 19 is not subject to the taxes imposed by this chapter. The corporate net income or loss of the corporation
 20 is included in the stockholders' adjusted gross income as defined in 15-30-111.

21 ~~{2} Each small business corporation is required to pay the minimum fee of \$10 required by~~
 22 ~~15-31-204."~~

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 24 **SECTION 2. SECTION 35-18-503, MCA, IS AMENDED TO READ:**

25 **"35-18-503. Annual fee to department of revenue — exemption Exemption from other taxes.**
 26 Cooperatives and foreign corporations transacting business in this state pursuant to the provisions of this
 27 chapter ~~shall pay annually on or before July 1, to the department of revenue a fee of \$10 for each 100~~
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THIRD READING

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