

1 Senate BILL NO. 336
 2 INTRODUCED BY ~~Hollan Rose Nays Bradley~~
 3 ~~John Van Valkenburg~~ ~~John~~ DENNY ~~Redman~~

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE TERMINATION DATE FOR THE INCOME AND
 5 CORPORATE TAX CREDIT FOR RECYCLING OF MATERIAL; AMENDING SECTION 5, CHAPTER 542, LAWS
 6 OF 1995; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
 10 Section 1. Section 5, Chapter 542, Laws of 1995, is amended to read:

11 "Section 5. Termination -- exception. (1) [Sections 1 through 3] terminate December 31, ~~1997~~
 12 2001.

13 (2) Notwithstanding subsection (1), 15-32-603(3), as numbered by [this act], which reads: "A
 14 credit under this section may be claimed by a taxpayer for a business only if the qualifying property is
 15 purchased before January 1, ~~1998~~ 2002.", is deleted in its entirety on December 31, ~~1997~~ 2001."

16
 17 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

18 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB 0336, Introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act extending the termination date for the income and corporate tax credit for recycling of material; and providing an immediate effective date.

ASSUMPTIONS:

1. By extending the temporary code to December 31, 2001, this proposal extends the recycling credit for clean-up equipment for contaminated soils and keeps the phaseout schedule for the recycling credit.
2. Based on the phaseout schedule, the maximum recycling credit possible is \$125,000 for each item of property (25% of \$250,000 + 15% of 250,000 + 5% of 500,000).
3. Because the credit for clean-up equipment for contaminated soils has not been available in the past, the Department of Revenue has no historic data on which to base the revenue impact of that part of the recycling credit. However, because this type of equipment is relatively expensive, it is expected that at most two taxpayers would purchase soil clean-up equipment each year. Each taxpayer is expected to purchase only one item of soil clean-up property each year.
4. Given that the maximum credit per property item under this proposal is \$125,000, the total credit given for soil clean-up equipment is not expected to exceed \$250,000 in any year.
5. FY 99 is the first year revenue is impacted under this proposal.
6. The proposal will have a minimal impact on Department of Revenue expenditures.

FISCAL IMPACT:

	<u>FY 98</u>	<u>FY 99</u>
<u>Revenues:</u>		
Income Taxes (01)	\$0	(\$250,000)

Dave Lewis 2-17-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Mike Halligan 2-17-97
MIKE HALLIGAN, PRIMARY SPONSOR DATE

Fiscal Note for SB 0336, as Introduced

SB 336

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Senate BILL NO. 336

INTRODUCED BY

Holly Rose Noy Beaudry
John Alton Van Valkenburg Justin DENNY Reblin

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~~Jenkins Alving Van Valkenburg Foster~~ DENNY Reblin

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APPROVED BY COM
ON TAXATION

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~~Johnston Alton~~ ~~Van Valkenburg Foster~~ DENNY Reblin

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2 INTRODUCED BY HALLIGAN, ROSE, HARPER, BEAUDRY, JENKINS, STANG, VAN VALKENBURG,
3 FOSTER, DENNY, REHBEIN
4

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