



Montana Department of
REVENUE

Legislation Affecting the Department of Revenue

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Property Tax

HB 30 Short Title: Remove voted levies approved after creation of TIF from tax increment provision

Primary Sponsor: Jeff Essmann

Bill Description HB 30 changes tax increment district financing by directing revenue from voted mills that are approved after the adoption of a tax increment financing district (TIF) to the taxing jurisdiction instead of the TIF. Since the general fund mills are already set, and the university mills are already exempt, this will not have a direct impact on the state.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): This act would apply to any levies voted on after passage. TY 2017 (FY 2018) would be the first time any impact would be possible.

HB 115 Short Title: Revise agricultural implements and machinery appraisal laws

Primary Sponsor: George G. Kipp

Bill Description: HB 115 revises the guide that must be used for valuing agricultural implements and machinery. Currently there is one specific guide listed that the department must use, the Northwest Region Official Guide published by the North American Equipment Dealers Association. HB 115 would remove mention of one guide allowing for the use of any published national agricultural and implement valuation guide. There is no administrative costs to the department associated with this bill. However, there is a potential savings of \$21,000 annually. Currently the department has a subscription to and utilizes Equipment Watch for valuing heavy equipment. If the department was to utilize Equipment Watch for agricultural equipment as well as heavy equipment, they would no longer need to purchase the Northwest Region Official Guide at a cost of about \$21,000 annually.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$21,000	\$21,000	\$21,000	\$21,000

Effective Date: Passage and approval

Applicability Date(s): Not specified

HB 224 Short Title: Extending veterans' exemption to property used or leased by organization

Primary Sponsor: Tom Jacobson

Bill Description: HB 224 extends the veterans' organization property tax exemption to property rented, leased, or used by the veterans' organizations. Previously, the exemption required ownership and use. There are not expected to be many of these types of organizations, so there is not anticipated to be a meaningful fiscal impact to the general fund.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): TY 2017 (FY 2018) would be the first year a taxpayer could receive an exemption.

HB 226 Short Title: Allow increase property tax abatement for new or expanding industry

Primary Sponsor: Zac Perry

Bill Description: HB 226 increases the local option tax abatement for new and expanding industries for new property put in place after TY 2018. Because the new and expanding tax abatement is a local option tax abatement, it does not apply to either the 95 state equalization mills or the university six mills, and there is no property tax revenue impact to the state. It was initially estimated that there would be a cost of \$13,200 for system changes, but that was removed by OBPP.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): TY 2017 (FY 2018) would be the first year any local impact would be seen as a result of HB 226.

HB 614 Short Title: Exempting pulse processing equipment from property taxation

Primary Sponsor: Rob Cook

Bill Description: HB 614 proposes to exempt certain investments in pulse (peas, lentils, and other legumes) brokering and handling facilities from property taxation. Section 15-6-220, MCA, would be amended to include the machinery and equipment in a pulse processing facility placed in service after TY 2017. It is anticipated that this legislation will have a minimal impact on general fund tax revenue.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: TY 2018 (FY 2019) would be the first year revenue reduction is possible and TY 2027 (FY 2028) would be the last.

Applicability Date(s): Applies to machinery and equipment placed into service after December 31, 2017 and terminates after TY 2027 (FY 2028).

SB 85

Short Title: Submitting a 6-mill levy for support of the Montana University System to voters

Primary Sponsor: Mary Moe

Bill Description: SB 85 puts the ten-year extension of the six mill levy portion of funding for the Montana University System (MUS) through 2028 to the voters in November 2018.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	(\$1,926,000)	(\$2,111,000)

Effective Date: July 1, 2017

Applicability Date(s): July 1, 2017 to January 1, 2029

SB 94

Short Title: Provide property tax exemption for certain residential property

Primary Sponsor: Keith Regier

Bill Description: SB 94 creates a new property tax assistance program for homeowners by capping the land value of their primary residence parcel to 150 percent of the improvement value. SB 94 sets a minimum per acre land value for taxpayers in this program equal to the overall statewide average per acre value of all class 4 property under five acres. To qualify, the owner must live in the property for at least seven months of the year and the owner or a family member within the third degree of consanguinity must have owned the property for at least 30 years.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
(\$56,764)	(\$173,754)	(\$183,031)	(\$181,800)

Effective Date: Passage and approval

Applicability Date(s): This exemption will first be available to taxpayers in TY 2018 (FY 2019).

SB 132 Short Title: Revise tax laws related to pollution control equipment

Primary Sponsor: Tom Richmond

Bill Description: SB 132 makes permanent the ten-year property tax exemption for air and water pollution control and carbon capture equipment placed in service after January 1, 2014. The bill also makes permanent the 15-year 50 percent abatement in tax rates for equipment related to the sequestration of carbon dioxide placed in service after January 1, 2014. The bill has no fiscal impact until after December 31, 2025.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: October 1, 2017

Applicability Date(s): After December 31, 2025, the current termination date being repealed

SB 180 Short Title: Revise laws regarding taxation of certain airlines

Primary Sponsor: Mike Lang

Bill Description: SB 180 removes scheduled aircraft with a maximum take-off weight of 19,000 pounds or less, from property taxation as class 12. This reduces general fund revenue by about \$14,000 and six-mill university state special revenue by about \$850 per fiscal year during the 2019 biennium.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	(\$14,484)	(\$15,198)	(\$16,007)

Effective Date: Passage and approval

Applicability Date(s): Not specified

SB 324 Short Title: Revise property tax exemption laws

Primary Sponsor: Russel (Russ) Temple

Bill Description: SB 324 would require the residents of facilities that care for the retired, aged or chronically ill, to be 62 years old or older and have household incomes under \$45,000, for the facility (or portion of the facility) to retain exempt property tax status.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$12,260	\$13,510	\$13,510

Effective Date: October 1, 2017

Applicability Date(s): Properties could lose their exempt status beginning TY 2018 (FY 2019).

SB 359

Short Title: Providing for property tax incentives for qualified data centers

Primary Sponsor: Mark Blasdel

Bill Description: The bill creates a new class of taxable property (Class 17), which would be specific to data centers and establishes a tax rate of 0.5 percent of market value. There are currently no new data centers forecast to be built in the state, and as a result there is not anticipated to be any fiscal impact to state tax revenue in the 2019 biennium. Future tax years' impacts are unknown.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): TY 2018 (FY 2019) would be the first year a taxpayer could apply for the reduced rate.

Individual and Corporate Income Taxes

HB 42 Short Title: Revise partnership filing due dates to match federal tax filing due dates

Primary Sponsor: Kim Abbott

Bill Description: This bill changes the due date for partnership returns to the 15th day of the third month after the end of the partnership's tax year. Under previous law, the deadline was the 15th day of the fourth month after the end of the tax year. This should have no effect on tax collections.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval.

Applicability Date(s): Tax years beginning after December 31, 2016

HB 63 Short Title: Require withholding annual returns, W2s, and 1099s to be filed earlier

Primary Sponsor: Jim Hamilton

Bill Description: Changes the filing date for the Forms MW-3 and RW-3 and related W-2 and 1099s with payroll from February 28th to January 31st.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): Tax years beginning after December 31, 2016

HB 137 Short Title: Generally revise securities and insurance laws pertaining to the State Auditor

Primary Sponsor: Moffie Funk

Bill Description: HB 137 removes the references to the Insure Montana tax credit from the applicable statutes. The impact of these changes to the department is zero. The bill also results in extending the end date for the Securities Restitution Assistance Fund to July 1, 2021.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	(\$420,856)	(\$427,038)

Effective Date: October 1, 2017

Applicability Date(s): Immediate

HB 175 Short Title: Revise laws related to medical savings accounts

Primary Sponsor: Jim Hamilton

Bill Description: This bill makes several changes to medical savings accounts.

It increases the deduction allowed for contributions to an account from \$3,000 to \$3,500 for 2018 and to \$4,000 for 2019. Beginning in 2020, the department will be required to adjust this amount for inflation.

Under existing law, taxpayers can contribute more than \$3,000 to an account, but the excess contributions are not deductible. This bill limits contributions to the deductible amount.

Taxpayers who claim the deduction will be required to submit a report to the department showing beginning and ending balances for their account.

The immediate family of an account owner will be able to inherit the account rather than just the funds in the account.

Taxpayers will be able to use funds withdrawn from an account for long-term care, long-term care insurance and family leave expenses.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	(\$117,623)	(\$215,247)	(\$215,247)

Effective Date: October 1, 2017

Applicability Date(s): This bill applies to TY 2018 and later years

HB 308 Short Title: Provide for apprenticeship tax credit with increased amount for veterans

Primary Sponsor: Casey Schreiner

Bill Description: HB 308 would create a non-refundable tax credit for employers who participate in a registered apprenticeship program with the Department of Labor and Industry. The credit would apply to new apprentices. The credit is a non-refundable credit against individual income or corporate income tax in the amount of \$750 per apprentice and \$1,500 per veteran apprenticeship.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
(\$16,485)	(\$15,600)	(\$28,500)	(\$39,200)

Effective Date: January 1, 2018

Applicability Date(s): Tax years beginning after December 31, 2017

HB 391 Short Title: Provide for Montana earned income tax credit

Primary Sponsor: Tom Jacobson

Bill Description: This bill allows resident taxpayers who claim the federal earned income credit to claim a state credit equal to 3 percent of their federal credit

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	(\$4,654,547)	(\$4,581,765)

Effective Date: October 1, 2017

Applicability Date(s): Tax years beginning after December 31, 2018

HB 498 Short Title: Extend sunset provision for unlocking public lands program

Primary Sponsor: Jon Knokey

Bill Description: This bill extends the termination date for the unlocking state lands credit from the end of 2020 to the end of 2027.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: October 1, 2017

Applicability Date(s): Not specified

HB 511 Short Title: Revise income tax laws related to businesses

Primary Sponsor: Rob Cook

Bill Description: HB 511 revises the Multistate Tax Compact, as recommended by the Multistate Tax Commission, including providing for market sourcing of sales for the purposes of apportionment of corporate income tax and Montana source income for some pass-through businesses.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$450,000	\$1,500,000	\$1,500,000

Effective Date: January 1, 2018

Applicability Date(s): Tax years beginning after December 31, 2017

HB 550 Short Title: Revise laws related to corporate loss carryback and carryforward

Primary Sponsor: Jeff Essmann

Bill Description: HB 550 limits the allowed net operating losses for corporate income tax carried back to \$500,000 annually. It also extends the current 7-year carry forward period for corporate net operating losses to a 10-year carry forward period.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$950,000	\$1,691,000	\$1,387,000

Effective Date: October 1, 2017

Applicability Date(s): Tax years beginning after December 31, 2017

HB 574 Short Title: Allow business deductions for expenses reduced by federal credits

Primary Sponsor: Greg Hertz

Bill Description: HB 574 allows individual income taxpayers to deduct business expenses from Montana adjusted gross income when the expenses cannot be deducted federally due to a credit claimed by the taxpayer.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	(\$601,749)	(\$613,784)

Effective Date: October 1, 2017

Applicability Date(s): Tax years beginning after December 31, 2018.

HB 597 Short Title: Create voluntary contribution account to acquire public access easements

Primary Sponsor: Alan Doane

Bill Description: HB 597 creates the Montana Public Land Access Network Grant Program to be administered by the Department of Natural Resources and Conservation with grant approval from the Board of Land Commissioners. Donations will be collected in a state special revenue account, which is statutorily appropriated. HB 597 allows taxpayers to deduct donations to the public land access network grant program from their Montana taxable incomes.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
(\$6,900)	(\$6,900)	(\$6,900)	(\$6,900)

Effective Date: July 1, 2017

Applicability Date(s): Not specified

SB 10 Short Title: Repeal the refundable income tax credit relief multiple

Primary Sponsor: Mark Blasdel

Bill Description: This bill repeals 15-30-2336, MCA, which authorized the FY 2008 income tax credit (rebate) of residential property tax on a principal residence and the basis for establishing the level of that rebate.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Not specified

SB 138 Short Title: Revise income tax examination and collection laws

Primary Sponsor: Duane Ankney

Bill Description: Existing law allows a refund of individual income tax overpayments if a taxpayer files an original or amended return requesting a refund within the period set by the statute of limitations. If the taxpayer has overpaid or filed a return, this bill extends the time when a refund is allowed to one year after the overpayment or filing of the return.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): Tax years beginning after December 31, 2016

SB 252 Short Title: Revise pass-through entity withholding

Primary Sponsor: Mark Blasdel

Bill Description: SB 252 expands the current waiver from filing a composite return or withholding tax for certain second-tier pass-through entities to qualifying C. corporations and other entities.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): Tax years beginning after December 31, 2016

Natural Resource Taxes

HB 209 Short Title: Extend funding to coal board

Primary Sponsor: Barry Usher

Bill Description: HB 209 extends the coal severance tax allocation to the coal natural resource account of 5.8 percent through FY 2019. Beginning in FY 2020, the allocation reverts back to 2.9 percent. The reduction in revenue to the general fund from this increase in allocation would be made up by a reduction in the amount allocated to the Public Employee Retirement System. The net general fund impact is \$0.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Not specified

HB 648 Short Title: Authorize transfers and clarify natural resources funding (Sec. C)

Primary Sponsor: Carl Glimm

Bill Description: HB 648 authorizes various transfers between special revenue accounts and establishes an enterprise fund for lab fees at the diagnostic laboratory. The bill revises the Montana Code Annotated location and reference to the statutory appropriation from the general fund to the public employees' retirement system – resulting in no fiscal impact. The bill changes the allocation of coal severance tax revenue by breaking the 5.46 percent distribution used for library services, conservation districts, and the Montana Growth through Agriculture Act into three separate allocations. The bill also includes some FY 2017 appropriation reductions.

Impact on State General Fund:

FY2017	FY2018	FY2019	FY2020	FY2021
\$125,000	\$0	\$0	\$0	\$0

Effective Date: Passage and approval or July 1, 2017, depending on the section

Applicability Date(s): Not specified

SB 86 Short Title: Reinstate the enhanced recovery tax incentive for oil

Primary Sponsor: Tom Richmond

Bill Description: SB 86 increases the West Texas Intermediate (WTI) threshold price as it relates to the tax rates applied to incremental oil production from enhanced oil recovery projects. The bill proposes to raise the WTI threshold price from \$30/barrel to \$54/barrel. When the average price of WTI for a calendar quarter is below the threshold price,

incremental oil production is taxed at lower rates.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
Unknown	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Not specified

SB 260 Short Title: Create school facilities subtrust within coal trust fund

Primary Sponsor: Llew Jones

Bill Description: SB 260, as amended, creates the school facilities fund in the coal severance tax trust fund, and allocates 75% of coal severance taxes deposited in the coal severance tax bond fund in excess of the amount required for principal and interest payments to the school facilities fund. Interest earnings from the school facilities fund are deposited into the school facilities account in the state special revenue fund. Once the balance of the school facilities fund reaches \$200 million, the amount of 75 percent of coal severance taxes deposited in the coal severance tax bond fund in excess of the amount required for principle and interest payments is distributed to the coal severance tax permanent fund instead of the school facilities fund. In FY 2018 and FY 2019, money deposited in the school facilities account is transferred to the Public Employees' Retirement System.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Not specified

Liquor and Tobacco Taxes

HB 16 Short Title: Revise interim committee review authority over alcohol beverage laws

Primary Sponsor: Vince Ricci

Bill Description: HB 16 puts review authority over Montana alcoholic beverage code under the economic affairs interim committee instead of the revenue and transportation interim committee and adds monitoring functions of the state tax appeal board to the revenue and transportation interim committee. No fiscal impact associated with HB16.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): Not specified

HB 304 Short Title: Statutory appropriation to the Department of Revenue for cigarette tax stamps

Primary Sponsor: Rob Cook

Bill Description: HB 304 changes the distribution of the state's cigarette tax revenue and statutorily appropriates the money necessary for the department to purchase cigarette stamps from a state special revenue account.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Immediate

HB 428 Short Title: Revise laws for retail beer license lottery

Primary Sponsor: Donald W. Jones

Bill Description: HB 428 requires the department to hold a lottery when the department determines that a quota area is eligible for additional retail beer licenses and more applicants apply than licenses available. The bill also requires successful applicants pay the department a \$25,000 origination fee.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$62,000	\$75,000	\$100,000	\$50,000

Effective Date: Passage and approval

Applicability Date(s): Not specified

HB 462 Short Title: Alcohol licenses for certain educational organizations

Primary Sponsor: Frank Garner

Bill Description: HB 462 creates an academic brewers license that Flathead Valley Community College and Montana State University – Billings may apply for.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$1,000	\$400	\$400	\$400

Effective Date: Passage and approval

Applicability Date(s): Not specified

HB 541 Short Title: Revise small brewery laws

Primary Sponsor: Adam Hertz

Bill Description: HB 541 would tax all brewers that produce more than 10,000 barrels of beer at \$4.30 per barrel. Additionally, this bill would allow brewers to brew up to 60,000 barrels and operate a tasting room (previously 10,000 barrels). However, this bill also imposes an annual limit of 2,000 barrels which may be sold by a brewer for individual on-premise consumption.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$12,262	\$12,412	\$12,561	\$12,711

Effective Date: October 1, 2017

Applicability Date(s): October 1, 2017

SB 344 Short Title: A bill clarifying alcohol/gambling laws related to loan security documentation

Primary Sponsor: Frederick (Eric) Moore

Bill Description: SB 344, as amended, allows regulated lenders to use liquor licenses as collateral with the same credit terms and structure as any loan, and allows the department to collect a \$30 security fee when the lender wishes to be notified on department administrative action.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$5,250	\$5,250	\$5,250	\$5,250

Effective Date: Passage and approval

Applicability Date(s): Not specified

Miscellaneous Taxes and Fees

HB 61 Short Title: Revise and update 9-1-1 laws

Primary Sponsor: Frank Garner

Bill Description: This legislation revises existing 9-1-1 laws and the allocation of 9-1-1 fees received by the Department of Administration. There will be a decrease to the state special revenue account established in 10-4-301(1)(c), MCA, of \$5,430,000 in FY 2018.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: October 1, 2017

Applicability Date(s): Not specified

HB 219 Short Title: Revise net metering laws

Primary Sponsor: Zach Brown

Bill Description: The proposed bill allows the Public Service Commission to charge a net metering fee if production exceeds one percent of a regulated utility's production.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Passage and approval

Applicability Date(s): Immediate

HB 426 Short Title: Include prepaid telephone accounts as protected from expiration

Primary Sponsor: Jean Price

Bill Description: The bill protects inmate prepaid telephone accounts from expirations and places other restrictions on contracts with the service providers.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Immediate

HB 618 Short Title: Increase nursing home bed tax for nursing home rate increases

Primary Sponsor: Nancy Ballance

Bill Description: HB 618, as amended, increases the utilization fee and provides an appropriation for nursing facilities to increase nursing home reimbursement rates, and funds a wage increase to certified nursing assistants working in private nursing homes.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$28,130	\$65,356	\$65,356	\$65,356

Effective Date: July 1, 2017

Applicability Date(s): Not specified

SB 309 Short Title: Revise economic development laws related to Indian country, tourism

Primary Sponsor: Lea Whitford

Bill Description: This bill revises economic development laws related to Indian Country Economic Development, the Tourism Advisory Council, and the State-Tribal Economic Development Commission; designates an existing member of the Tourism Advisory Council to be a tribal member from the private sector; and defines additional duties and accounts of the State-Tribal Economic Development Commission.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: July 1, 2017

Applicability Date(s): Not specified

SB 333 Short Title: Montana Medical Marijuana Act

Primary Sponsor: Mary Caferro

Bill Description: SB 333 requires seed-to-sale tracking of medical marijuana sales, as well as the licensing of dispensaries and endorsements for chemical manufacturing. The bill also creates a tax on the gross sales of providers of medical marijuana products. The tax is 4 percent of gross sales in FY 2018 and 2 percent in subsequent years. The revenue from the tax is to be deposited into a state special revenue account.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
(\$725,528)	(\$92,240)	(\$93,314)	(\$94,405)

Effective Date: Passage and approval

Applicability Date(s): July 1, 2017

SB 363 Short Title: Generally revise aquatic invasive species

Primary Sponsor: Chas Vincent

Bill Description: SB 363 creates a new electrical energy fee on hydroelectric facilities in the state and an invasive species fee for utilities. There is also a pass fee proposed that would generate approximately \$3.27 million a year. As the Toston Dam is a state owned hydroelectric facility, the fee assessed in the bill would result in an interagency transfer from the Department of Natural Resources & Conservation (DNRC) to the Department of Fish, Wildlife and Parks. The Department of Fish, Wildlife, and Parks would use funds generated by this bill to fund staff and operations for the prevention and control of aquatic invasive species. The DNRC would use funds generated by this bill to fund staff and operations for the statewide invasive species program.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: May 15, 2017

Applicability Date(s): July 1, 2017

Revenue Administration

HB 62 Short Title: Dept. of Revenue to collect fees for public defender services

Primary Sponsor: Randy Brodehl

Bill Description: HB 62 requires the Office of the Public Defender (OPD) to work cooperatively with the department to collect any costs imposed on a defendant by the court for services provided by the OPD and to deposit those collections into the state general fund.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: October 1, 2017

Applicability Date(s): Not specified

HB 112 Short Title: Revise uniform dispute review procedures for collection of delinquent taxes

Primary Sponsor: Dave Fern

Bill Description: When a taxpayer disputes the department using an offset against state payments to collect delinquent taxes, this bill would make the department's uniform dispute procedures apply. Under current law, the state's general contested case procedure applies. This should have no effect on tax collections.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: This bill is effective on passage and approval.

Applicability Date(s): Not specified

HB 565 Short Title: Revise entitlement share laws

Primary Sponsor: Rob Cook

Bill Description: HB 565 revises the calculation of entitlement share payments by establishing a new, separate growth rate for reimbursements to local governments derived from previous legislation which lowered taxable values for personal property; and establishes a lower than forecasted growth factor for the remainder of the entitlement share payment. HB 565 revises the growth rate for entitlement share payments to local governments in FY 2018 and FY 2019 to 0.5 percent and 1.87 percent respectively for non-property related reimbursements and to one half the average rate of inflation for the prior three years for reimbursements related to taxable value reductions. After FY 2019, the non-personal property related entitlement share is to be calculated as if the reduction

in HB 565 had not occurred. This bill also allows the department to withhold entitlement share payments from any local government who fails to submit their annual reports as required by statute or who fails to remit any amounts collected on behalf of the state and owed to another taxing jurisdiction or the state.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$3,619,636	\$5,781,738	\$1,322,306	\$1,727,609

Effective Date: Passage and approval

Applicability Date(s): FY 2018 will be the first year the general fund will realize savings

SB 137 Short Title: Increase taxpayer appeal options and create informal procedures

Primary Sponsor: Duane Ankney

Bill Description: SB 137, as amended, directs parties disputing the department to the department's Office of Dispute Resolution (ODR) for informal consultation and communication. A taxpayer with a dispute may choose to bypass ODR, at which point the department is mandated to issue a final case ruling within 30 days. The bill applies to proceedings starting after December 31, 2017.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	\$0	\$0

Effective Date: Immediate

Applicability Date(s): January 1, 2018

SB 317 Short Title: Revise interest assessment on taxes other than individual income taxes

Primary Sponsor: Daniel R Salomon

Bill Description: Not paying taxes when due requires the taxpayer to pay interest on the unpaid taxes. Delinquent taxes incur deficiency assessments and interest charges. SB 317 as amended changes the interest rate charged on the delinquencies and deficiencies from 12 percent to three percentage points above the prime rate as reported by the Federal Reserve for all taxes except the individual income tax.

Impact on State General Fund:

FY2018	FY2019	FY2020	FY2021
\$0	\$0	(\$1,860,384)	(\$1,921,777)

Effective Date: July 1, 2019

Applicability Date(s): July 1, 2019