

Unofficial Draft Copy

As of: July 28, 2016 (9:45am)

LCCOL4

**** Bill No. ****

Introduced By *****

By Request of the Energy and Telecommunications Interim Committee

A Bill for an Act entitled: "An Act increasing the electrical energy producer's license tax; requiring a portion of the electrical energy producer's license tax to be deposited in the coal severance tax permanent fund; amending sections 15-51-101, 15-51-103, and 17-2-124, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-51-101, MCA, is amended to read:

"15-51-101. Rate of tax -- electrical energy producers. (1)

In addition to the license tax, ~~now provided by law, each person or other organization now engaged in the generation, manufacture, or production of electricity and electrical energy in the state of Montana, either through waterpower or by any other means, for barter, sale, or exchange (and hereinafter referred to as the "producer")~~ a producer shall ~~on or before the 30th day after each calendar quarter, quarterly periods ending March 31, June 30, September 30, and December 31, render~~ provide a statement to the department of revenue showing the gross amount, except for actual and necessary plant use, required to produce the energy of electricity and electrical energy produced, manufactured, or generated during the preceding calendar quarter without any deduction. The statement must be provided quarterly no later than

Unofficial Draft Copy

As of: July 28, 2016 (9:45am)

LCCOL4

March 31, June 30, September 30, and December 31. and

(2) (a) Except as provided in subsection (2) (b), a producer shall pay a license tax thereon in the sum of \$.0002 per kilowatt hour on all such electricity and electrical energy generated, manufactured, or produced, measured at the place of production and as shown and based on the statement provided in accordance with subsection (1) required in the manner and within the time hereinafter provided.

(b) Beginning July 1, 2017, through June 30, 2042, a producer shall pay a license tax of \$.00029 per kilowatt hour on all electricity and electrical energy generated, manufactured, or produced, measured at the place of production and based on the statement provided in accordance with subsection (1).

(3) For the purposes of this part, "producer" means a person or other organization engaged in the generation, manufacture, or production of electricity and electrical energy in the state of Montana, either through water power or by any other means, for barter, sale, or exchange."

{ *Internal References to 15-51-101:*

15-32-107x 15-51-102x 15-51-106x 15-51-111x
15-51-113x }

Section 2. Section 15-51-103, MCA, is amended to read:

"15-51-103. Disposition of revenue -- penalty and interest on delinquency. (1) The Except as provided in subsection (2), the department shall, in accordance with the provisions of 17-2-124, promptly remit the collected taxes to the state treasurer.

(2) Beginning July 1, 2017, and for each quarter through

Unofficial Draft Copy

As of: July 28, 2016 (9:45am)

LCCOL4

June 30, 2042, the department shall:

(a) determine the total amount of the tax collected, less the amount of tax that would have been paid if the tax was \$.0002 per kilowatt hour; and

(b) deposit the difference between the total amount collected and the amount that would have been collected into the coal severance tax permanent fund established in 17-5-703(1)(d).

(4) Taxes not paid on the due date are delinquent, and penalty and interest must be added to the delinquent taxes as provided in 15-1-216."

{*Internal References to 15-51-103: None.*}

Section 3. Section 17-2-124, MCA, is amended to read:

"17-2-124. Disposition of money from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the appropriate fund in accordance with the provisions of subsection (3) all money received from the collection of taxes and fees.

(2) ~~The~~ Except as provided in 15-51-103(2), the department of revenue shall deposit to the credit of the state general fund all money received from the collection of license taxes and all net revenue and receipts from all sources, other than certain fees, under Title 16, chapters 1 through 4 and 6.

(3) The distribution of tax and fee revenue must be made according to the provisions of the law governing allocation of the tax or fee that were in effect for the period in which the tax or fee revenue was recorded for accounting purposes. Tax

Unofficial Draft Copy

As of: July 28, 2016 (9:45am)

LCCOL4

revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (4), in accordance with generally accepted accounting principles.

(4) All refunds of taxes or fees must be attributed to the funds in which the taxes or fees are currently being recorded. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are currently being recorded."

{ Internal References to 17-2-124:

15-35-108x	15-35-108x	15-36-331x	15-36-331x
15-37-117x	15-37-117x	15-37-117x	15-38-106x
15-50-311x	15-51-103a	15-53-156x	15-59-108x
15-60-210x	15-65-121x	15-65-121x	15-66-102x
15-67-102x	15-68-820x	15-70-101x	15-70-101x
15-70-125x	15-72-106x	16-1-306x	16-1-401x
16-1-404x	16-1-406x	16-1-411x	16-11-114x
16-11-119x	16-11-119x	23-5-610x	39-71-2321x }

NEW SECTION. **Section 4. Contingent voidness.** If LCCOL3 is not passed and approved, then [this act] is void.

NEW SECTION. **Section 5. {standard} Effective date.** [This act] is effective July 1, 2017.

- END -

{Name : Sonja E. Nowakowski
Title : Research Analyst
Agency : LSD LEPO
Phone : 406-444-3078
E-Mail : snowakowski@mt.gov }