



## Revenue and Transportation Interim Committee

---

### 61st Montana Legislature

#### SENATE MEMBERS

KIM GILLAN--Chair  
RON ERICKSON  
JEFF ESSMANN  
CHRISTINE KAUFMANN  
JIM PETERSON  
BRUCE TUTVEDT

#### HOUSE MEMBERS

ROY HOLLANDSWORTH--Vice Chair  
DICK BARRETT  
CYDNIE (CARLIE) BOLAND  
BRIAN HOVEN  
MIKE JOPEK  
BILL NOONEY

#### COMMITTEE STAFF

JEFF MARTIN, Research Analyst  
LEE HEIMAN, Staff Attorney  
FONG HOM, Secretary

TO: Committee Members  
FROM: Lee Heiman, Staff Attorney  
RE: Administrative Rule Activity  
DATE: February 19, 2010

### Department of Revenue

All notices are available on the Internet at:

[http://mt.gov/revenue/formsandresources/administrativerules/upcomingevents\\_proposedrulenotices.asp](http://mt.gov/revenue/formsandresources/administrativerules/upcomingevents_proposedrulenotices.asp)

#### Notice of Proposed Rules:

Withholding Taxes -- Minor Substantive Changes and General Cleanup. MAR 42-2-818. A public hearing was held on February 11, 2010, at 8:30 a.m. in the Third Floor Reception Conference Room, Mitchell Building, Helena. Comment period closes February 19, 2010. The Department proposes to amend seven rules and repeal five rules relating to withholding taxes. The proposed rules concern primarily cleanup: change of form names, dates, internal references, grammar, and the like. The rules also change all cites to MCA sections found in Title 15, chapter 30, due to the recodification of that chapter. The proposed changes would amend the subchapters that were not amended on the same subject in MAR 42-2-812.

Property Tax Assistance Program. MAR 42-2-819. A public hearing was held on February 4, 2010. Comment period closed February 12, 2010. The Department proposes to amend one rule relating to the reportable income required for the property tax assistance program beginning for 2010. The amendment is being proposed to correct an error in the amendment to the same section in MAR 42-1-816 that was adopted in 2009.

#### Notice of Adopted Rules:

Pass-Through Entities -- Composite Returns, Publicly Traded Partnership Reporting, Update of Forms and Internal References, and General Cleanup. MAR 42-2-809. The adopted rule relates to net operating loss treatment or individual shareholders and partners for composite returns and other matters. The Department received five comments on the rule. The Department adopted the rules as proposed on January 15, 2010.

Coal Severance Tax -- Contract Sales Price, Imputed Value, and Third-Party Intermediaries. MAR 42-2-811. The Department proposed rules to implement Ch. 433, L. 2009. The rules conform existing rules in three areas: use of contract sales price, determination of when and how the Department may impute value of coal for the tax, and providing that sales to a third-party intermediary are not to be used for determining a contract sales price. One comment was received. The Department adopted the rules as proposed on December 25, 2009.

Withholding Taxes -- Minor Substantive Changes and General Cleanup. MAR 42-2-812. The Department proposed amending 30 rules and repealing 3 rules relating to withholding taxes. The proposed rules concern primarily cleanup: change of form names, dates, internal references, grammar, and the like. The Department received a comment on the date of filing of 1099 Forms, amended the proposed rule to address the concern, and adopted the rules as proposed on January 15, 2010.

Annual Update of Market Value Trend Tables -- Farm and Construction Property in Purchase Incentive Rental Programs -- Property Reporting Requirements. MAR 42-2-813. The Department proposed to amend 16 rules for the annual update of trend tables used for determining market value of certain personal property for property tax purposes. The amendments include changes necessary to conform the rules to the farm implement and construction equipment property purchase incentive taxation rules adopted in the 2009 session. Two written comments were received. The Department adopted the rules as proposed on December 25, 2009.

Property Tax Assistance Program -- Tax Exemption for Disabled Veterans. MAR 42-2-816. The Department proposed amending two rules to implement the changes made by Ch. 6, and Ch. 483, L. 2009, to the Property Tax Assistance Program and the tax exemption for disabled veterans. The Department changed one proposed rule to delete a duplicate provision and adopted the rules on December 25, 2009. One of the adopted rules is proposed for change to correct an error in MAR 42-2-819.

## **Department of Transportation**

### **Notice of Proposed Rules:**

Administration of Medical Services Providers Grant Program. MAR 18-123. No public hearing is contemplated. The Department proposes to adopt five new rules to administer the Medical Services Providers Grant Program enacted as Ch. 437, L. 2009, which provides funds to acquire or lease an ambulance or emergency response vehicle. The rules provide for application, criteria for review of applications, reasons for denying a grant, an emergency fund for wrecked or nonfunctioning equipment, and reporting requirements. The grant criteria relating to number of calls in the prior year, includes general calls and more weighting for medical calls that are vehicle-related.

Small Fuel Distributor's Statements. MAR 18-125. No public hearing is contemplated. The Department proposes to amend one rule to allow fuel distributors who report less than 100,000 gallons of fuel to choose between electronic or paper reporting.

### **Notice of Adopted Rules:**

None.

CI0425 0042lhfa.