

Amendments to Senate Bill No. 282
Reference Copy

Requested by Senator Mike Phillips

For the Senate Free Conference Committee

Prepared by Megan Moore
April 22, 2013 (1:03pm)

1. Title, page 1, line 21.

Following: "~~15-32-502,~~"

Insert: "15-32-609, 15-32-610,"

2. Title, page 2, lines 1 and 2.

Strike: "15-32-601," through "15-32-611,"

3. Page 4, line 3.

Strike: the second "AND"

4. Page 4, line 5.

Following: (4)

Insert: "; and

(i) an amount equal to 10% of the taxpayer's expenditures for the purchase of recycled material as provided in 15-32-609 that was otherwise deductible by the taxpayer as a business-related expense in Montana"

5. Page 44.

Following: line 1

Insert: "**Section 34.** Section 15-32-609, MCA, is amended to read:

"15-32-609. Recycled material qualifying for deduction -- purpose -- rulemaking. (1) The purpose of providing a tax deduction for the purchase of recycled materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

(2) The department shall by rule adopted pursuant to 15-32-611 specify recycled material that qualifies for the deduction authorized by [section 1] or 15-32-610. The department shall classify qualifying recycled material into different categories based upon the reclaimed material used in producing the recycled material, the ultimate use of the recycled material

produced from the reclaimed material, and the amount and type of reclaimed material the recycled material must contain. In the definition of recycled material, the department may consider the point in the manufacturing and consumption cycle from which material was reclaimed and other factors contributing to precise definitions.

(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

(4) The rules must specify the unit of measurement for classifications of recycled materials. The measurement may be based upon volume, weight, fiber content, or other applicable standard.

(5) The department shall by rule designate one or more agencies that are generally recognized in the industry to certify the contents of recycled materials."

{Internal References to 15-32-609:

15-32-601 }"

Insert: "Section 35. Section 15-32-610, MCA, is amended to read:

"15-32-610. Deduction for purchase of recycled material. In addition to all other deductions from ~~adjusted gross individual income allowed in computing taxable income under Title 15, chapter 30, or from~~ gross corporate income allowed in computing net income under Title 15, chapter 31, part 1, a taxpayer may deduct an additional amount equal to 10% of the taxpayer's expenditures for the purchase of recycled material that was otherwise deductible by the taxpayer as business-related expense in Montana."

{Internal References to 15-32-610:

15-32-609 }"

Renumber: subsequent sections

6. Page 82, line 23 through line 30.

Strike: line 23 through line 30

- END -

Explanation - This amendment restores the recycling credit and the deduction for the purchase of recycled material.