

SENATE BILL NO. 378  
INTRODUCED BY K. GILLAN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT, FOR INDIVIDUAL INCOME TAXES AND CORPORATE LICENSE AND INCOME TAXES, IF A TERM IS NOT DEFINED, THEN THE DEFINITION IN THE INTERNAL REVENUE CODE APPLIES; REQUIRING THE DEPARTMENT TO APPLY THE INTERPRETATION OF THE INTERNAL REVENUE CODE; AMENDING SECTIONS 15-30-305 AND 15-31-501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-30-305, MCA, is amended to read:

**"15-30-305. Department rules -- conformance with Internal Revenue Code.** (1) ~~The department is hereby authorized to make such~~ may adopt rules and ~~to~~ may require such facts and information to be reported as it ~~may deem~~ considers necessary to enforce the provisions of this chapter.

(2) In this chapter, a term has the same meaning as it does when used in a comparable context in the Internal Revenue Code, unless a different meaning is clearly required or unless the term is specifically defined in this chapter. Insofar as is practicable in the administration of this chapter, the department shall apply and follow the administrative and judicial interpretations of the Internal Revenue Code. When a provision of the Internal Revenue Code is the subject of conflicting opinions by two or more federal courts, the department shall follow the rule observed by the United States commissioner of internal revenue until the conflict is resolved."

**Section 2.** Section 15-31-501, MCA, is amended to read:

**"15-31-501. Department rules -- conformance with Internal Revenue Code.** (1) The department of revenue shall ~~have power to~~ prescribe forms for returns and notices and ~~such~~ other regulations as may ~~from time to time~~ be found necessary for the purpose of carrying into effect the provisions of this chapter.

(2) In this chapter, a term has the same meaning as it does when used in a comparable context in the Internal Revenue Code, unless a different meaning is clearly required or unless the term is specifically defined in this chapter. Insofar as is practicable in the administration of this chapter, the department shall apply and follow the administrative and judicial interpretations of the Internal Revenue Code. When a provision of the Internal Revenue Code is the subject of conflicting opinions by two or more federal courts, the department shall follow

the rule observed by the United States commissioner of internal revenue until the conflict is resolved."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2006.

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