

1 SENATE BILL NO. 360

2 INTRODUCED BY T. JACOBSON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE SALES TAX ON RENTAL VEHICLES;
5 DISTRIBUTING THE ADDITIONAL REVENUE TO THE GENERAL FUND; AMENDING SECTIONS 15-68-102
6 AND 15-68-820, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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10 **Section 1.** Section 15-68-102, MCA, is amended to read:

11 **"15-68-102. Imposition and rate of sales tax and use tax -- exceptions.** (1) A sales tax of the
12 following percentages is imposed on sales of the following property or services:

13 (a) 3% on accommodations and campgrounds;

14 (b) ~~4%~~ 6% on the base rental charge for rental vehicles.

15 (2) The sales tax is imposed on the purchaser and must be collected by the seller and paid to the
16 department by the seller. The seller holds all sales taxes collected in trust for the state. The sales tax must be
17 applied to the sales price.

18 (3) (a) For the privilege of using property or services within this state, there is imposed on the person
19 using the following property or services a use tax equal to the following percentages of the value of the property
20 or services:

21 (i) 3% on accommodations and campgrounds;

22 (ii) ~~4%~~ 6% on the base rental charge for rental vehicles.

23 (b) The use tax is imposed on property or services that were:

24 (i) acquired outside this state as the result of a transaction that would have been subject to the sales tax
25 had it occurred within this state;

26 (ii) acquired within the exterior boundaries of an Indian reservation within this state as a result of a
27 transaction that would have been subject to the sales tax had it occurred outside the exterior boundaries of an
28 Indian reservation within this state;

29 (iii) acquired as the result of a transaction that was not initially subject to the sales tax imposed by
30 subsection (1) or the use tax imposed by subsection (3)(a) but which transaction, because of the buyer's

1 subsequent use of the property, is subject to the sales tax or use tax; or

2 (iv) rendered as the result of a transaction that was not initially subject to the sales tax or use tax but that
3 because of the buyer's subsequent use of the services is subject to the sales tax or use tax.

4 (4) For purposes of this section, the value of property must be determined as of the time of acquisition,
5 introduction into this state, or conversion to use, whichever is latest.

6 (5) The sale of property or services exempt or nontaxable under this chapter is exempt from the tax
7 imposed in subsections (1) and (3).

8 (6) Lodging facilities and campgrounds are exempt from the tax imposed in subsections (1)(a) and
9 (3)(a)(i) until October 1, 2003, for contracts entered into prior to April 30, 2003, that provide for a guaranteed
10 charge for accommodations or campgrounds."

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12 **Section 2.** Section 15-68-820, MCA, is amended to read:

13 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in subsection (2), all money
14 collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by the department
15 into the general fund.

16 (2) ~~Twenty-five percent~~ The amount of 16 2/3% of the revenue collected on the base rental charge for
17 rental vehicles under 15-68-102(1)(b) and 15-68-102(3)(a)(ii) must be deposited in the state special revenue fund
18 to the credit of the senior citizen and persons with disabilities transportation services account provided for in
19 7-14-112."

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21 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2019.

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23 NEW SECTION. **Section 4. Applicability.** [This act] applies to sales of rental vehicles that occur on
24 or after July 1, 2019.

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