

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING REPORTING REQUIREMENTS FOR THIRD-PARTY
5 SETTLEMENT ORGANIZATIONS; REQUIRING A THIRD-PARTY SETTLEMENT ORGANIZATION THAT IS
6 REQUIRED TO FILE AN INFORMATION RETURN WITH THE INTERNAL REVENUE SERVICE TO FILE A
7 DUPLICATE RETURN IF THE RECIPIENT HAS A MONTANA ADDRESS; PROVIDING RULEMAKING
8 AUTHORITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
9 DATE."

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

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13 NEW SECTION. **Section 1. Information returns for third-party settlement organizations --**

14 **rulemaking.** (1) A person required to file an information return pursuant to 26 U.S.C. 6050W shall, within 30
15 days of the date the filing is due to the internal revenue service, file with the department a duplicate of an
16 information return on which the recipient has a Montana address.

17 (2) A third-party settlement organization shall report to the department and to any participating payee
18 with a Montana address the information required by 26 U.S.C. 6050W with respect to third-party network
19 transactions that total \$600 or more that are related to that participating payee.

20 (3) The department may adopt rules and authorize electronic filing of the information required by this
21 section.

22 (4) Any individual, partnership, association, trust, corporate trust, or corporation failing without
23 reasonable cause to file a report as required by this section and 15-30-2616, must be assessed a penalty of
24 \$10 per failure.

25 (5) As used in this section, the following definitions apply:

26 (a) "Participating payee" has the meaning provided in 26 U.S.C. 6050W(d).

27 (b) "Third-party network transaction" has the meaning provided in 26 U.S.C. 6050W(c).

28 (c) "Third-party settlement organization" has the meaning provided in 26 U.S.C. 6050W(b).

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NEW SECTION. Section 2. Information returns for third-party settlement organizations -- rulemaking. (1) [Section 1] applies to a person required to file an information return pursuant to 26 U.S.C. 6050W.

(2) The department may adopt rules and authorize electronic filing of the information required by this section.

NEW SECTION. Section 3. Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 15, chapter 31, and the provisions of Title 15, chapter 31, apply to [section 1].

(2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 2].

NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to income tax years beginning after December 31, 2020.

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