

1 SENATE BILL NO. 285

2 INTRODUCED BY S. HINEBAUCH

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING ANY TYPE OF RETAIL TRANSACTION AS
5 EVIDENCE FOR ESTIMATING AGRICULTURAL USAGE OF GASOLINE; AMENDING SECTION 15-70-430,
6 MCA; AND PROVIDING AN EFFECTIVE 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 15-70-430, MCA, is amended to read:

11 **"15-70-430. Estimate allowed for agricultural use -- seller's signed statement acceptable on**
12 **keylock or cardtrol purchases.** (1) (a) An applicant whose use qualifies as agricultural use may apply for a
13 refund of the applicable tax on the gallons of gasoline or special fuel as indicated by bulk delivery invoices or by
14 evidence of keylock or cardtrol purchases as an estimate of off-highway use.

15 (b) An applicant whose use qualifies as agricultural use may apply for a refund of the applicable tax
16 on the gallons of gasoline or special fuel as indicated by evidence of retail purchases as an estimate of off-
17 highway use.

18 (c) To ensure that the applicant's use qualifies as agricultural use, the department of transportation
19 may request state or federal income tax information from the applicant or the department of revenue to
20 determine the ratio of the applicant's gross earned farm income to total gross earned income, excluding
21 unearned income, provided that the department of transportation gives notice to the applicant.

22 (2) (a) For purposes of application for a refund under subsection (1)(a), the department shall accept,
23 as evidence of keylock or cardtrol purchases, a statement of the sale of gasoline or special fuel with applicable
24 Montana tax that identifies the purchaser and specifically identifies the transaction as a keylock or cardtrol
25 purchase.

26 (b) For purposes of application for a refund under subsection (1)(b), the department shall accept, as
27 evidence of retail purchases, a receipt for the sale of gasoline or special fuel with applicable Montana tax that
28 identifies the purchaser, the physical address of the dealer, the type of fuel purchased, and the number of

1 gallons purchased. Only retail purchases within 50 miles of the agricultural operation of the applicant are
2 eligible for a refund.

3 (3) An applicant may apply for a refund of the applicable tax on gallons of gasoline or special fuel
4 according to the applicant's ratio of gross earned farm income to total gross earned income, excluding
5 unearned income, as follows:

6 (a) if the ratio is 50% or more, the applicant may apply for a refund of 60% of the gasoline or special
7 fuel tax;

8 (b) if the ratio is between 40% and 49%, the applicant may apply for a refund of 50% of the gasoline
9 or special fuel tax;

10 (c) if the ratio is between 30% and 39%, the applicant may apply for a refund of 40% of the gasoline
11 or special fuel tax; and

12 (d) if the ratio is less than 30%, the applicant is not eligible for a refund of the gasoline or special fuel
13 tax under this section.

14 (4) If the applicant's ratio in any of the 3 previous years on record is higher than the present year, the
15 highest ratio must be used to calculate the eligible refund.

16 (5) If any invoice or evidence is either lost or destroyed, the purchaser may support the purchaser's
17 claim for refund by submitting an affidavit relating the circumstances of the loss or destruction and by producing
18 other evidence that may be required by the department of transportation.

19 (6) An applicant whose use does not qualify as agricultural use may not estimate and shall maintain
20 records as required by 15-70-426."

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22 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2021.

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