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## Revenue Interim Committee

### 66th Montana Legislature

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TO: Committee Members

FROM: Jaret Coles, Staff Attorney

RE: Supplemental Administrative Rule Activity

DATE: November 18, 2019

On November 8, 2019, the Secretary of State published three notices that pertain to the Department of Revenue. As such, this memo supplements my November 8, 2019, memo entitled "Administrative Rule Activity."

## Department of Revenue

*Proposal and Adoption Notices are available on the Internet:*

Department of Revenue notices can be found on the Secretary of State's website at <http://www.mtrules.org/>. Under the Montana Administrative Register heading, type the number "42" in the "Search By Notice No." box and click on the "Go" icon.

### Notice of Proposed Rules:

Income Tax -- Form MW-4 -- Montana Employee's Withholding Allowance and Exemption Certificate, Wage Withholding Exemptions, and Tax Treatment of Interest on Certain Government Obligations. MAR 42-1001. A public hearing will be held on December 3, 2019, at 11:00 a.m. in the Third Floor Reception Conference Room, Mitchell Building, Helena. The public comment period ends on December 13, 2019. The Department proposes to amend 11 rules. The statement of reasonable necessity provides the amendments are necessary because the federal government has made substantial changes to federal tax law. To avoid discrepancies in wage withholding collection and provide employers with the means to fulfill their withholding requirement, the Department determined it necessary to develop a new form, Montana Employee's Withholding Allowance and Exemption Certificate (Form MW-4), for employees to claim allowances for Montana wage withholding purposes in a manner that remains consistent

with the method used prior to the 2018 tax year. The Department also proposes to include all applicable employee wage withholding exemptions that require employer notification on Form MW-4. Lastly, the Department is proposing amendments to two rules regarding tax treatment of interest on certain government obligations to differentiate for withholding agents those obligations that may involve tax-exempt interest from other types of obligations, such as guarantees, which may give rise to taxable income.

Property Tax -- Property Tax Assistance Program and Montana Disabled Veteran Property Tax Assistance Program. [MAR 42-1010](#). A public hearing will be held on December 3, 2019, at 10:00 a.m. in the Third Floor Reception Conference Room, Mitchell Building, Helena. The public comment period ends on December 13, 2019. The Department proposes to amend four rules and repeal two rules. The proposed amendments add inflation adjustment information and provide that the exemption for the intangible land value property tax assistance program is only applied to five acres regardless of the parcel's size. Lastly, the proposed repeals eliminate separate rules for the PTAP and MDV programs to consolidate this similar subject matter.

Property Tax -- Specialty and Unique Crops -- Additional Requirements for Agricultural Land Classification -- Senate Bill No. 69. [MAR 42-1011](#). A public hearing will be held on December 5, 2019, at 10:00 a.m. in the Third Floor Reception Conference Room, Mitchell Building, Helena. The public comment period ends on December 13, 2019. The Department proposes to amend one rule. The proposed amendment implements [Senate Bill No. 69 \(2019\)](#), regarding provisional agricultural classification for certain orchards, vineyards, and Christmas tree farms.

### **Notice of Adopted Rules:**

None (as of November 8, 2019).

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