



Revenue Interim Committee

68th Montana Legislature

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TO: Committee Members
FROM: Jaret Coles, Staff Attorney
RE: Administrative Rule Activity
DATE: May 6, 2024

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:

Housekeeping – Corporate Income -- Water's Edge Filing Requirements -- Senate Bill No. 246 (2023). MAR 42-1077. A public hearing will be held on May 21, 2024, and the public comment period ends on May 28, 2024. The Department proposes to amend one rule and repeal 1 rule to implement [Senate Bill No. 246](#), which in turn eliminated the list of countries that are considered tax havens from the income and apportionment factors. The proposal is necessary to comply with the statutory changes.

The Department's statement of reasonable necessity provides: "The 68th Montana Legislature enacted [Senate Bill 246](#) (SB 246). SB 246 amended [15-31-322\(1\)\(f\)](#), MCA, to eliminate the required inclusion of income and apportionment factors from corporations in a unitary relationship with the taxpayer incorporated in a tax haven in a water's edge return. Based on the enactment, it is necessary for the department to strike ARM [42.26.311\(5\)](#) and to repeal ARM [42.26.306](#), since they are now obsolete."

Notice of Adopted Rules:

None.

Montana Tax Appeal Board

Notice of Proposed Rules: None

Notice of Adopted Rules: None