

Rev-A-News

Our DOR is always open to you.

Compliance and Collection

2005 Legislation

With the 2005 Legislative Session just around the corner, the Department of Revenue has been diligently working on proposed legislation. To date, we have drafted and submitted more than a dozen legislative drafts to the Governor's Office of Budget and Program Planning. Below are brief summaries of our proposed legislation for the 2005 Session.

- ✓ Request authorization to make final payments to Fast Enterprises, the vendor of our new IRIS computer system, and to the Board of Investments, who is servicing the loan for the computer system.
- ✓ Resolve two conflicting statutes regarding the eligibility of land for valuation as "agricultural" (15-7-202, MCA and 15-6-133, MCA). This is part of a departmental effort to clarify and simplify agricultural land eligibility requirements.
- ✓ Amend statutes to specify the proper measure of tax benefit recovery when donated property that gave rise to an endowment tax credit is later recovered by the donor. Impacted statutes are 15-30-111, 15-30-136 and 15-31-162, MCA.
- ✓ Harmonize the law governing valuation of condominiums for taxation purposes. The inconsistencies appear in 70-23-301(4), MCA; 15-8-511, MCA; and Rule 42.20.105, ARM.
- ✓ Amend 15-15-103, MCA to provide, if the County Tax Appeal Board fails to timely hear a property tax appeal, the option of an immediate property tax appeal by the taxpayer or the department to the State Tax Appeal Board.
- ✓ Provide tax filing and/or tax payment relief for active military personnel while on active duty. The goal is to provide the same military personnel with the same relief for state income tax purposes as is provided at the federal level.
- ✓ If necessary, modify the requirement that all retail on-premises liquor licensees be Montana residents, based on the outcome of a pending district court case that challenges the residency requirement. If the residency requirement is struck down in court, the law must be modified to ensure that nonresidents provide all necessary application information.
- ✓ Allow taxpayers to use a credit card to make tax payments for all the tax types collected by the department. Currently, law allows only for the payment of individual income taxes and One-Stop Licensing fees by credit card.
- ✓ Make changes to statute (MCA, Title 15, Chapter 30) necessitated by the transfer of the Unemployment Insurance tax program from the Department of Revenue to the Department of Labor and Industry (effective July 1, 2004). The transfer was part of Senate Bill 271 in the 2003 Legislative Session.
- ✓ Eliminate confusion as to when a taxpayer may appeal centrally assessed property taxes, and clarify that taxes must be paid under protest. The recommendation is to follow 15-1-402, MCA rather than 15-23-116, MCA.
- ✓ Allocate and distribute Taylor Grazing Act revenues in a more efficient way, by changing the distribution procedure currently used by the state treasurer.
- ✓ Eliminate from statute two outdated reporting requirements that are related to past legislation and, thus, no longer needed. The requirements involve reporting to the Revenue and Transportation interim legislative committee on pass-through entities (15-30-1114, MCA) and intangible property (15-6-218, MCA).
- ✓ Clarify statutes pertaining to the calculation of the "Class 8 trigger" (a contingent reduction in the taxable valuation rate applied to Class 8 business equipment) to more clearly describe the wage and salary data series to be used in the calculation.

- ✓ Revise the law to distribute the Oil and Gas Production Tax as intended in House Bill 748 in the 2003 Legislative Session. The law as written results in a greater-than-intended distribution of tax proceeds to local government.

Over the summer, the department will be working on bill drafts and fiscal notes, which are due to the Office of Budget and Program Planning in mid-September.

Wage Based Employer Taxes

As mentioned in previous Rev-A-News articles, July 1, 2004 marks a significant date for changes taking place within the Department of Revenue.

Effective July 1, 2004, the Department of Labor and Industry's (DLI) Unemployment Insurance Division will administer the Unemployment Insurance Tax Program. Beginning with second quarter of 2004, employers will file the UI Quarterly Tax and Wage reports and payments (Form UI5) to the UI Tax Program, PO Box 6339, Helena, MT 59604-6339.

After July 1, questions regarding the Unemployment Insurance program should be directed to the Department of Labor and Industry's UI Tax Program. The contact number for this program is (406) 444-3834.

The Department of Revenue will continue to administer the withholding tax program. Questions regarding withholding should be directed to (406) 444-6900. Withholding correspondence should be sent to Department of Revenue, Attn: WTH, PO Box 5835, Helena, MT 59604-5835.

In conjunction with the transfer of the administration of the Unemployment Insurance program back to the Department of Labor and Industry, the wage-based field auditors have moved from the Department of Revenue's (DOR) office in Billings to the Department of Labor and Industry's offices located on 624 North 24th. Similar moves have already been made in Helena and Kalispell and the wage based auditors located in the other DOR field offices may also be moving to different facilities.

The wage-based field auditors transferring to the Department of Labor and Industry are as follows:

Billings - Diane Bianchi, Lisa Barton, Mary Bernhardt, and Danelly Fogerty
Missoula - Kathy Gillies and Lisa Hamer
Bozeman - Clayton Hoyt
Kalispell - Debra Brandiwier
Glasgow - Kay Haugenoe
Great Falls - Amy Everaert

We will miss the daily interaction with these field auditors not only on a professional level, but on a personal level as well.

State Income Tax Refunds

All of the individual income tax refunds for the 2003 tax year were processed by May 28, 2004, unless additional information was requested. Taxpayers should have received their checks within 10-14 days of this date. If you have not received your refund, please contact our Customer Service Center at (406) 444-6900.

Customer Service

2004 Assistance for Business Clinics

There is still time to attend an Assistance for Business Clinic (ABC). These clinics are geared to employers/business owners and offer up-to-date information on employment tax laws, and tax credits, along with methods and options to file and pay.

The remaining 2004 schedule follows. Please contact the sponsor in your area for details and registration information.

Billings	August 18	MSU Billings/Library	MSU - Billings
Kalispell	Sept 1	Westcoast Outlaw Hotel	Chamber of Commerce
Lewistown	Sept 14	Yogo Inn	JSEC/Lewistown Chamber
Great Falls	Sept 15	Holiday Inn	Chamber of Commerce

Business Tax Express

Available at <https://app.discoveringmontana.com/bustax/>

Visit the Business Tax Express (BTE) site now! BTE currently allows your company to file and/or pay for withholding tax, rental vehicle tax, and lodging facilities and use tax. Additional payment options will be available soon for the following tax types corporation tax, combined oil & gas, and cigarette tax. These on-line services are *FREE* to use, easy and efficient. It will also track your payment history.

About the Agency

Calendar of Events

Legislative Committee Meetings

For committee membership, agendas, minutes and reports, visit our website at www.discoveringmontana.com/revenue.

Tax Reform Committee Meeting, July 12-13, 2004, State Capitol, Room 317
Contact: Larry Finch, lfinch@state.mt.us

Property Tax Reappraisal Committee Meeting, July 15, 2004, State Capitol, Room 317
Contact: Dolores Cooney, dcooney@state.mt.us

Meet Our Leadership

Dave Ohler, Chief Legal Counsel

Dave Ohler has been working for the Department of Revenue for the past two and one half years. Prior to coming to the department, Dave was the chief legal counsel at the Department of Corrections, where he worked for 10 years. Dave graduated from the University of Montana with a B.S. in Forestry in 1982, and later returned to obtain his J.D. in 1990. Dave's real job is playing in a rock and roll band, but he moonlights at the Department of Revenue so that his wife, dog and cats do not go to bed hungry.

Career Opportunities

The Department of Revenue posts new job opportunities on Wednesday and Friday each week. Visit our website www.discoveringmontana.com/revenue and go to About the Agency for current job opportunities.

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