HOUSE BILL NO. 473

INTRODUCED BY D. LOGE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING RESORT TAX LAWS TO REQUIRE A RESORT AREA OR RESORT AREA DISTRICT TO SELL TAX-EXEMPT CERTIFICATES; PROVIDING AN EXCEPTION IF RESORT TAX REVENUE IS PLEDGED TO THE REPAYMENT OF BONDS; PROVIDING THAT REVENUE FROM TAX-EXEMPT CERTIFICATES BE USED FOR THE SAME PURPOSES OF THE RESORT TAX; AND AMENDING SECTION 7-6-1503, MCA."

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

Section 1. Section 7-6-1503, MCA, is amended to read:

"**7-6-1503. Limit on resort tax rate -- goods and services subject to tax -- tax-exempt certificate.** (1) (a) Except as provided in subsection (1)(b), the rate of the resort tax must be established by the election petition or resolution provided for in 7-6-1504, but the rate may not exceed 3%.

(b) (i) Subject to subsection (1)(b)(ii), an election petition or resolution provided for in 7-6-1504 may provide for an additional resort tax levy at the rate of up to 1%. The revenue from the additional tax must be used to provide funding for infrastructure.

(ii) A resort community with a population that exceeds the population limit for a resort community in 7-6-1501 may not levy the additional resort tax provided for in subsection (1)(b)(i).

(2) (a) The resort tax is a tax on the retail value of all goods and services sold, except for goods and services sold for resale, within the resort community or resort area by the following establishments:

(i) hotels, motels, and other lodging or camping facilities;

(ii) restaurants, fast food stores, and other food service establishments;

(iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and

(iv) destination ski resorts and other destination recreational facilities.

(b) ~~Establishments~~ Except as provided in subsection (3), establishments that sell luxuries shall collect a tax on ~~such~~ those luxuries.

(3) (a) Except as provided in subsection (3)(b), a resort area or resort area district shall sell tax-exempt certificates for a fee of not less than $15. An establishment may not collect a resort tax from the holder of a tax-exempt certificate. The revenue collected from the sale of tax-exempt certificates must be appropriated and expended for the purposes funded by the resort tax.

(b) A resort area or resort area district that has pledged resort tax revenue to property tax relief or the repayment of bonds is not required to sell tax-exempt certificates."

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