

HOUSE BILL NO. 25

INTRODUCED BY S. ESSMANN

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING EXEMPT ENTITIES TO REPORT BENEFICIAL USE OF PROPERTY TO THE DEPARTMENT OF REVENUE; PROVIDING FOR A REVISED ASSESSMENT WHEN BENEFICIAL USE IS NOT PROPERLY REPORTED; AND AMENDING SECTION ~~15-6-201~~ 15-24-1207, MCA."

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

**Section 1.** Section 15-24-1207, MCA, is amended to read:

**"15-24-1207. Reporting requirements -- penalty -- rules.** (1) Each private person who is a possessor or a beneficial user of tax-exempt property for industrial, trade, or other business purposes subject to tax pursuant to 15-24-1203 shall, on or before March 1 each year, file with the department a statement of the possession or other beneficial use of tax-exempt property in the preceding calendar year and the value of the property. The statement must be in the form prescribed by the department and must be verified by the possessor or beneficial user or, in the case of an association or corporation, by an officer of the association or corporation. The statement must include:

- (a) the name and address of the person, association, or corporation;
- (b) the location of the tax-exempt property; and
- (c) the market value in dollars and cents of the tax-exempt property.

(2) Entities listed in 15-6-201(1)(a) that lease or otherwise allow the possession or beneficial use of tax-exempt property for industrial, trade, or other business purposes shall file an annual report with the department. The report must include the following information for each lease or agreement:

**Amendment - 1st Reading-white - Requested by: Sherry Essmann - (H) Taxation**

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Drafter: Megan Moore,

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(a) the name and address of the lessee or user;

(b) the location of the leased property; and

(c) the lease terms, including the duration and payment amounts.

~~(2)(3)~~ A person who fails to file the statement required by subsection (1) must be assessed the penalty provided in 15-8-309.

~~(4)~~ Failure to file the statement required by subsection (1) or the report required by subsection (2) may result in the department determining or revising the tax assessment for the possessor or user of the tax-exempt property pursuant to 15-8-601. Any additional tax resulting from a revised assessment is the responsibility of the possessor or user of the tax-exempt property.

~~(3)(5)~~ The department may adopt any reasonable rules necessary to ~~insure that the possessor or other beneficial user of tax-exempt property complies with the provisions of this part~~ implement this section."

- END -