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RESOLUTION 2020-12

LOCAL OPTION MOTOR FUEL EXCISE TAX

It is the intent of the Montana Association of Counties to amend laws pertaining to the local option motor fuel excise tax to allow implementation leveraging existing state-level infrastructure because it is inefficient for local governments to create similar infrastructure, and because taxing fuel at the retail level raises trade secret concerns for businesses.

WHEREAS, local government funding for transportation infrastructure consistently falls behind the increasing demand for maintenance, repair, and construction; and

WHEREAS, MCA 7-14-301 authorizes counties to impose a local option motor fuel excise tax; and

WHEREAS, MCA 7-14-302 allows counties to use such motor fuel excise tax for the construction, reconstruction, maintenance, and repair of public roads and streets; and

WHEREAS, MCA 7-14-301 requires the tax to be imposed on gasoline sold to the ultimate consumer within the county for use in motor vehicles operated on the public roads and highways of this state, and

WHEREAS, retailers have expressed that taxing at the level of the ultimate consumer instead of at the distributor level raises trade secret concerns for their business by providing compilations of information that have inherent economic value because they are not generally known or readily ascertainable by others; and

WHEREAS, the State of Montana currently collects a fuel tax at the distributor level through the general motor fuel excise tax and the Bridge and Road Safety and Accountability Act; and

WHEREAS, MCA 15-70-124 authorizes the State of Montana to make agreements with other governmental entities relating to the administration and taxation of gasoline (although counties are not listed at this time).

NOW, THEREFORE BE IT RESOLVED that the Montana Association of Counties will seek to amend statutes to allow local governments to utilize the State of Montana's administrative infrastructure to implement the local option motor fuel excise tax at the distributor level.

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| SPONSOR: | GALLATIN COUNTY |
| RECOMMENDATION: | DO PASS |
| REFERRED TO: | MACO TAX, BUDGET & FINANCE COMMITTEE |
| ADOPTED: | ANNUAL CONFERENCE – OCTOBER 1, 2020 |