



# Montana Department of Revenue



## Memorandum

To: Mike Kadas, Director

From: Dan Dodds, Senior Economist

Date: August 29, 2016

Subject: Small Business Impact Analysis - Proposed Rule Changes MAR 42-2-962

The proposed rules in this notice will have little to no impact on small businesses. To the extent there is an impact, it should take the form of a small reduction in the time and effort spent on filing composite returns.

This notice proposes changes to five rules, ARM 42.9.110, 42.9.111, 42.9.203, 42.15.219, and 42.15.526. The proposed changes to ARM 42.9.110 and 42.15.526 are strictly housekeeping changes that correct an MCA reference and a grammatical mistake.

The proposed changes to ARM 42.9.111 update information on the time the department has to revise a pass-through entity's return to reflect changes the 2015 Legislature enacted as part of HB 379. The rule changes have no effect beyond the changes in the law.

ARM 42.9.203 and 42.15.219 are essentially codifications of instructions for filling out returns, with examples. Proposed changes to both rules reflect changes to annual inflation indexing that the 2015 Legislature adopted in HB 359. These rule changes have no effect beyond the changes in the law. The other proposed changes to ARM 42.9.203 reflect changes to instructions for the composite return that are intended to make it easier for taxpayers to fill out this return correctly. These changes do not affect the amount of tax that would be calculated and do not require taxpayers to provide any additional information. If successful, these changes should slightly reduce the time and effort that some taxpayers put into filing a composite return.